SFChronicle

The Case of the Missing Spy

NOV 7 1978

By Tad Szulc

Washington

In 1959, Nicholas George Shadrin defected to the West and became a consultant to the Office of Naval Intelligence. Then, in 1966, CIA director Richard Helms was approached by a man named Igor, a KGB agent working in Washington under a Soviet diplomatic cover.

Igor had volunteered to work for the CIA, but his real motive was that he needed Shadrin. He proposed to turn Shadrin into a double agent, making himself appear to be the recruiter. He claimed that if he succeeded in seeming to have recruited Shadrin, his own standing in the KGB would improve, which would in turn make him more useful to the CIA.

The CIA evidently agreed, for Shadrin was to spend the next nine years as a double agent, working with the KGB under joint CIA-FBI control. In 1976, Shadrin went to Vienna for a meeting he was to have attended with KGB operatives. He has never been heard from again. It is not known who betrayed whom in the end.

Shadrin's fate is one of the greatest mysteries of American intelligence operations and remains one of the most sensitive matters within the United States government. While the official assumption is that he may be dead, new though uncorroborated information suggests that, after all, he may be alive in Perth, Australia, living under a deep cover.

It also has been alleged by former government officials that White House investigations of Shadrin's disappearance have been sabotaged by the CIA, which may have doctored the relevant secret files. Finally, there may be a connection between Shadrin and Richard Welch, the CIA station chief in Athens who was assassinated on Dec. 23, 1975, three days after Shadrin vanished.

Informants in Washington claim that the KGB had asked Shadrin to pass on to the CIA a tip that Welch was marked for assassination by a Greek or Arab group. It is unknown whether Shadrin had time to convey this information to the CIA; the agency simply won't discuss the Shadrin mystery. Inexplicably, the Justice Department has now taken over the handling of the Shadrin affair.

It is also worth pointing out that the CIA's counter intelligence staff withheld knowledge of Igors's original recruitment of Shadrin from the agency's Soviet Russia Division, out of fear that the latter might be penetrated by the KGB. By the same token, the Soviet Russia division and the China division of the CIA's clandestine services were never kept informed of each other's secret activities — up to this time — because of penetration concerns.

The bitter and still unresolved arguments over these cases revolve largely around the use of double agents by the CIA and the KGB. This issue is the object of a highly classified investigation that has been under way for months on direct White House orders.

The level of tension in the present intelligence battle is unprecedented. But in the classical sense, espionage in Washington is no novelty; it goes on as it always has, only becoming more sophisticated. Thus American operations aimed at foreign countries have been run from Washington ever since the U. S. seriously entered the intelligence business during World War II. Similarly, the Nazis and the Russians considered Washington a natural target.

Until recently the espionage game was reasonably discreet, with everyone concerned devoted to the maintenance of a low profile. Secrecy would be lifted only when, for example, a Soviet KGB agent recruited an American official, usually a lowly employee, to buy classified information. Then the operation would be blown, the traitor arrested, and the Soviet operative — often someone with a diplomatic cover — expelled. The same thing happened in Moscow with CIA officers attached to the American Embassy.

But as a rule mutual spying triggered no real scandals. Both sides knew that espionage cannot be eradicated; therefore, certain rules developed in the game.

One of the rules is: "I won't hit you if you don't hit me." This is why assassinations of professional intelligence officers — as distinguished from informers, double agents who become triple agents, and so on — are a rarity.

If, in fact, the KGB did try to warn the CIA through Shadrin in 1975 that Athens station chief Welch was in danger it was under this "gentlemen's agreement." When the Soviets shot down Gary Francis Powers' CIA U-2 airplane in 1960, the political outcry that followed on Premier Khrushchev's part reflected his annoyance that the Americans had broken the rules.

Those were the good old days in spying, although some very special cases were "graveyard," as the spooks put it — never to be talked about or opened to scrutiny.

TOMORROW: A cast of Thousands.