

CIA (b)

# C.I.A. Report Says Aides Worked at Other Agencies

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WASHINGTON, July 10—The Central Intelligence Agency had "detailed" its employees to serve for various periods in the White House and in such executive departments as Commerce and Treasury, according to a 1973 report of the agency's Inspector General.

The report was compiled after an internal C.I.A. inquiry ordered by James R. Schlesinger, then the Director of Central Intelligence, to discover which C.I.A. activities agency employees believed were inappropriate.

One page of the report dealing with "detailed personnel" was read to reporters today by Representative Lucien N. Nedzi, chairman of the House Select Committee on Intelligence.

Mr. Nedzi said he received the report yesterday, along with a briefing on its background by the C.I.A., and had seen or heard "nothing" to support recent allegations of the existence of a high-level

C.I.A. operative inside the Nixon White House.

Mr. Nedzi did not mention today any cases in which, so far as he knew, C.I.A. employees had been placed in other Government agencies without the knowledge of officials in those agencies. None of the instances to which he referred appeared to involve any C.I.A. officers or clerks who had been placed in high-level posts outside the agency.

Although some of the agencies mentioned do maintain a formal liaison with the C.I.A., none of the individuals involved were said to have been connected with the liaison function, and it remained unclear whether any actual infiltration of other departments had taken place.

In a statement today, the C.I.A. said that the detailing of its employees to other agencies "responded to the author-

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ity of the agency to which they were detailed."

"This form of duty is in no way a 'penetration' or 'infiltration' of the receiving agency or department," the statement said.

The practice, the agency said, was "a long established and widespread" one. But Mr. Nedzi said that he viewed it as potentially inappropriate and worthy of review."

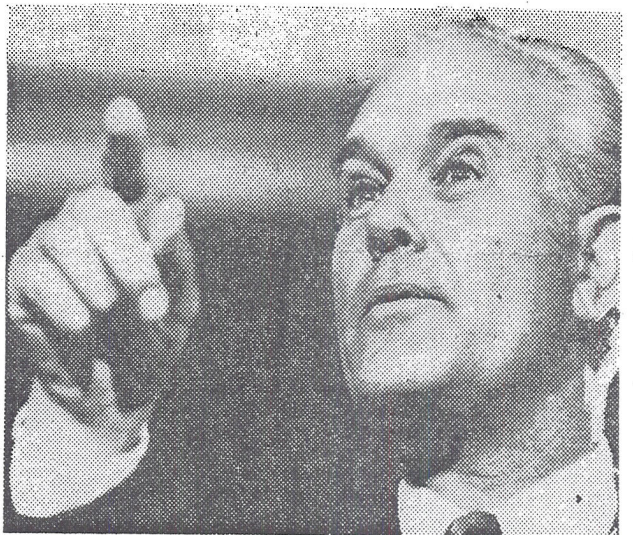
Mr. Nedzi also rejected a suggestion earlier today that Alexander P. Butterfield, a retired Air Force colonel who had worked on Mr. Nixon's personal staff, had ever been an employe of the C.I.A.

The New York Times reported today that the C.I.A. had infiltrated the Justice Department's Bureau of Narcotics and Dangerous Drugs, now defunct, with 13 undercover narcotics agents between 1970 and 1973.

A separate internal C.I.A. report prepared by the agency for President Ford last January and released this week refers to that program and notes that the C.I.A. "will not develop operations to penetrate another Government agency, even with the approval of its leadership."

As read by Mr. Nedzi, the Inspector General's account stated that "for many years, C.I.A. has detailed employes to the immediate office of the White House and to components intimately associated with the Office of the President," including the Council on International Economic Policy and the President's Foreign Intelligence Advisory Board.

The New York Times and other news agencies reported on Wednesday that the staff of the House Select Committee on Intelligence had discovered evidence in C.I.A. files of "infiltration of the executive" by its employes, including one who had access to the Oval Office during the administration of President Nixon.



United Press International

L. Fletcher Prouty, a retired colonel who formerly was an Air Force liaison man with the C.I.A., speaking to reporters yesterday in Washington. He said he had told House investigators he believed Alexander Butterfield, an aide in the Nixon White House, served the C.I.A.

### Statement by Nessen

The reference to the "infiltration" of the executive branch by the C.I.A. was made earlier this week by A. Searle Fields, the staff director of the House select committee, who was reliably reported to have based his conclusion on the portion of the Inspector General's report that Mr. Nedzi released today.

Senator Frank Church, Democrat of Idaho, who heads the Senate Select Committee and who announced on Wednesday that his staff would look into Mr. Field's assertion, said today that he had examined the C.I.A. study and concluded there was "no evidence" that "agents were planted by the C.I.A. in the White House or any other executive department of this Government."

Ron Nessen, the White House press secretary, told reporters on board Air Force One with President Ford today that, to the best of his knowledge, there was no one now employed at the White House with "a C.I.A. connection of which we are unaware."

Mr. Nessen, who was accompanying the President from the capital to a speaking engagement in Michigan, added that he had "no reason to believe" that his statement did not apply to previous Administrations as well.

Another White House spokesman acknowledged later, however, that Theodore C. Marrs, a physician who serves as Mr. Ford's special assistant for human resources, had been associated with the C.I.A.-inspired attempt to invade Cuba in 1961.

Asked to reconcile that with Mr. Nessen's statement, the spokesman said he assumed that the Presidential press secretary had been aware of Dr. Marrs's C.I.A. affiliation when he made his remarks.

### Treasury Agents Listed

Mr. Nedzi, a Michigan Democrat who heads a House armed services subcommittee that oversees the C.I.A. and other intelligence agencies, also said today that, according to the Inspector General's report, a secretary who worked for former Commerce Secretary Peter G. Peterson had been a career employe of the C.I.A.



Associated Press

Mr. Butterfield, subject of reports, has left Government.

He said that the woman, whose agency affiliation was known to Mr. Peterson, had also worked with him while he was executive director of the White House's Council on International Economic Policy. The Inspector General's report, according to Mr. Nedzi's account, was dated May 21, 1973 and included the notation that "at present, we [the C.I.A.] have no clericals or professionals assigned to the immediate

White House office, although we have one man detailed to their communications section."

It added that five C.I.A. employes were "recently detailed to the Secretary of the Treasury," and Mr. Nedzi said he had been told by the C.I.A. that they "were assigned for the purpose of assisting the Treasury Department in setting up an intelligence section."

Another C.I.A. officer, the report noted, had been lent to Treasury to help set up a research and development program in the drug-control area, and a second agency man had recently retired after working "for over 10 years" with the Agency for International Development.

#### Butterfield Role Questioned

Mr. Nedzi said he could not be sure that in every case in which a C.I.A. employe was detailed outside the agency his intelligence background was known to those around him.

L. Fletcher Prouty, a retired colonel who served as the Air Force's liaison with the C.I.A., added that, in some cases, it might eventually become unknown.

Colonel Prouty, who spoke to reporters following an interview today with staff members of the House select committee, said that, in his experience, detailed employes went to their agencies "with the knowledge of the department head."

"But if you run that through three or four generations of supervisors," he added, the knowledge "disappeared."

Col. Prouty said he had told the House investigators of his belief that Mr. Butterfield, who has left the Government, had been a "contact man" for the C.I.A. in 1971, two years after he had joined the Nixon White House.

[Colonel Prouty also quoted by Reuters as saying that Gen. Alexander M. Haig, who was President Nixon's chief of staff, had been the "C.I.A. contact" for the Army in 1962 and 1966. But Colonel Prouty said he did not know whether General Haig continued reporting to the C.I.A. when he moved to the White House.]

Mr. Butterfield eventually became the chief assistant to H. R. Haldeman, Mr. Nixon's chief of staff, and it was Mr. Butterfield who supervised the installation of the taping system Mr. Nixon used to record his office and telephone conversations.

#### Wife Denies Charges

Two years ago next week, Mr. Butterfield reported the existence of the taping system to the Senate Watergate Committee.

It was a direct result of a tape of an incriminating conversation on June 23, 1972, between Mr. Nixon and Mr. Haldeman that the President was forced to resign last August.

Asked what he meant by "contact man," Mr. Prouty described the function he had served during his military career as a sort of liaison between the C.I.A. and the Air Force and, later, the Joint Chiefs of Staff.

In a telephone interview, however, Mr. Prouty repeatedly declined to say whether any-

one had told him directly that Mr. Butterfield had ever maintained any connection with the C.I.A.

His assertion was based, he said, on an instance in which E. Howard Hunt Jr., a former C.I.A. officer who was convicted in connection with the 1972 Watergate break-in, had referred in 1971 to Mr. Butterfield as "my contact" at the White House.

Asked whether he would classify his assertion as having been based on a deduction rather than on direct evidence, he replied that it was "a pretty damned experienced deduction."

Mr. Butterfield, who was in California, could not be reached for comment, but his wife, Charlotte, who said she had spoken with her husband since Mr. Prouty's remarks, described them as "absolutely false and defamatory."

The C.I.A. released a statement following Mr. Prouty's news conference saying that Mr. Butterfield had never been in its employ or "assigned to or worked for C.I.A. in any capacity."

The statement noted, however, that in 1959, Mr. Butterfield, while an Air Force officer, "was granted a military liaison clearance by the agency," but was "in no way under the authority of the agency."