

Saga of Ford Adviser's 'Green Book Affair'

Washington

Leo Cherne, one of President Ford's chief intelligence advisers, is a central figure in a Justice Department national security investigation being described by federal officials as "the green book affair."

The green book is a government note pad in which a staff aide to Cherne recorded briefings with diplomatic and intelligence officers during a trip to Europe in March of last year.

Cherne is chairman of the President's Foreign Intelligence Advisory Board and a member of the newly formed three-member Intelligence Oversight Board.

The notebook, officially described as having contained "classified information . . . injurious to the national security of the United States," disappeared immediately after Cherne and his aide, Commander Lionel H. Olmer, returned from the European trip.

Olmer, an intelligence officer during his entire 19-year naval career, said he has no idea how the notebook got out of his possession. He is described by associates as an extremely meticulous professional experienced in the handling of classified material.

After Olmer discovered it missing, the notebook was presumed lost when the cabin of the aircraft used for the European trip was cleaned.

The mystery was solved, to the greater consternation of Cherne and Olmer, on July 24, 1975, when the intelligence adviser received a phone call from Michael James Casey of Los Angeles.

"He said, 'I have your notebook,'" Cherne recounted yesterday in describing what he called a "14-month ordeal."

It was during this and subsequent phone conversations that Cherne learned that Casey had served two years at Soledad prison in California. Casey further said that he had recovered the notebook from sympathizers with Patricia Hearst, who was then at large.

Casey contended that the discoverers of the notebook had hoped that it "might be exchanged for considerations in their behalf, and I told him that I wouldn't do it even if I could," Cherne related.

Casey, in a telephone interview from Omaha, insisted: "I was not trying to burn Cherne. I told him how I got the book and the interest of the people who had found it."

judgment was that the loss was not of great security significance.

The green notebook was returned on Aug. 26, 1975, and Cherne turned it over to the intelligence staff.

In February of this year Cherne was appointed to the Intelligence Oversight Board by President Ford and also was named chairman of the Foreign Intelligence Advisory Board, a position to which he commutes from New York about twice a week.

In March a reporter from the San Diego Evening Tribune, Robert Dietrich, called Cherne, saying that Casey had showed Dietrich contents of the notebook.

The notebook, according to informed sources, contained notes on briefings with embassy and Central Intelligence Agency officials about a varied number of issues, including reactions to news stories about the CIA, the impact of the massive flow of petrodollars from the West to the Arab states as well as "unprecedented unemployment and catastrophic inflation" in European countries.

There was an early reference in the notebook, both Cherne and Casey acknowledged, to New York Times reporter Terry Robards. Casey found Robards in New York, he said, and it was the Times reporter who speculated that the initials "L.C." in the book must have referred to Cherne.

This, Casey said, is how he concluded that the notebook belonged to Cherne.

Dietrich wrote a story in the Evening Tribune last April 14 saying that he had tried to alert the FBI about his discovery of documents "containing the names of 100 or more CIA agents," and that the details "were in the hands of an ex-convict with ties to the American underground."

Dietrich also charged he had been intimidated by mysterious phone calls and an armed visitor who "asked about Cherne and about copies of Casey's papers in this reporter's possession."

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Casey is a 32-year-old Californian who prides himself on his work in resettlement of Vietnamese refugees and who sought to appear as a witness in behalf of Patricia Hearst.

Early last year Casey persuaded the Los Angeles Times to send him along with two staff reporters to Hong Kong at a reported cost of \$15,000 for a promised rendezvous with Miss Hearst. The newspaper subsequently described the episode as a hoax. Casey acknowledged that the Hearst trip "bummed out."

Casey's career also encompassed a nine-month period as director of special projects for Boys Town, from which Casey was fired in a dispute with the administration over the alleged theft of 31 files for an M-G-M television production. ("One of my jobs," he said, "was to get them publicity.")

When Cherne found out who had his notebook, he notified the intelligence staff and was advised "to play it down and not make it appear to be important." The initial