

A Major Victim In Watergate Case



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THE WATERGATE has claimed a major victim in the Central Intelligence Agency with the forced retirement of its dedicated director of security, Howard Osborn.

A veteran of 26 years at the cloak-and-dagger complex, the 56-year-old Osborn was caught up in the suppression of a mysterious CIA memo which described how documents were burned at the home of Waterbugger James McCord, an ex-CIA agent.

The secret memo was based on information supplied by a former FBI inspector, Lee Pennington, who was then working with the CIA as a paid "consultant."

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PENNINGTON, an old family friend of the McCords, had visited Mrs. McCord after her husband was arrested inside Democratic headquarters in June 1972. He found her burning papers and documents. Earlier, she had burned typewriter ribbons.

Pennington loyally reported the episode to his CIA bosses and the CIA wrote it up in memo form. For more than a year and a half, it lay in the CIA files like a paper bomb.

Meanwhile, FBI sleuths were asking embarrassing questions about whether the CIA knew of destroyed documents from among McCord's papers and were getting persistent denials from the CIA.

Finally, Senate Watergate vice chairman Howard Baker (Rep-Tenn.), began snooping into the CIA role in the cover-up and a middle-level CIA employee who knew of the hidden memo threatened to blow the whistle. After some panicky de-

bate, CIA director William Colby was reluctantly told of the suppressed memo.

Colby quickly contacted Representative Lucien Nedzi (Dem-Mich.), chairman of a House intelligence subcommittee. They agreed that the best course was to let all Capitol Hill committees involved in the Watergate probe as well as Leon Jaworski's special prosecutors know about the cover-up memo.

Nedzi, after full hearings with Pennington, McCord and CIA officials, including Osborn, concluded that the CIA had not dispatched Pennington to burn the papers as the memo seemed to suggest. Osborn claimed he did not even know of the memo. Nevertheless, Nedzi and Colby here both worried about the cover-up.

"It led to the early retirement of Osborn," Nedzi told us. When we reached the ex-CIA security boss at his home near the agency he had served so long, he clung firmly to his oath of secrecy.

"I had planned for over a year to retire in June," Osborn insisted gamely. "I realized there was no financial benefit to staying and decided to retire . . ."

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THE Treasury Department has informed Representatives Henry Gonzales (Dem-Tex.) that it supports a \$23.5 million World Bank loan to the Greek military junta "so that Greece can take advantage of its Association Agreement" with the Common Market.

The truth is that the Common Market virtually suspended Greece in 1967 when it fell under a dictatorship. A Treasury spokesman told us there was "no intention to deceive."