

# Ex-Agent Identified In 'Flap'

## CIA Operative Quit; Mexican 'Cover' Closed

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A veteran Central Intelligence Agency covert agent, who resigned in 1969 in protest to U.S. policies in Latin America, figured centrally in the closing of a Mexico City CIA "cover" operation run by the Washington-based public relations firm, Robert R. Mullen & Co.

The ex-agent, Philip B. F. Agee, was the unidentified subject of a cryptic reference to a "WH flap" in the recently released Watergate report of Sen. Howard Baker (R-Tenn.).

Agee served in the Western Hemisphere (WH) Division of the CIA's clandestine services in Ecuador, Uruguay and Mexico from 1960 to 1969, when he resigned from the agency, according to informed nongovernmental sources.

Since leaving the CIA, it was further learned, Agee, who now is living abroad, made several trips to Cuba where, according to one acquaintance, he was engaged in "research." An earlier published report that a former CIA official—now known to have been an allusion to Agee—had passed information on to Soviet intelligence officials was termed "nonsense" yesterday by informed sources.

The CIA terminated the previously undisclosed Mullen company cover operation in Mexico City after becoming fearful that Agee might publicly disclose its secret intelligence rôle. The Washington Post previously reported that Mullen operated cover offices for CIA operatives in Singapore and Amsterdam which have since been closed. A fourth Mullen company cover operation was conducted in Stockholm, according to informed sources, but was transferred to Amsterdam.

Baker for months has been pursuing the possibility of a CIA involvement in the

Watergate scandal. President Nixon, too, justified the intervention of top White House aides in the July, 1972, FBI investigation of Nixon re-election funds being "laundered" through Mexico City banks on grounds that an FBI probe might expose covert CIA activities.

CIA Director William E. Colby, in a written response to Baker's report last week, said that "the 'Western Hemisphere flap' . . . had no relationship to Watergate."

This was presumably a response to the observation in the Baker report that the CIA had failed to explain the "significance" of the flap "to Watergate developments."

The CIA acknowledged to Baker's investigators that the "Western Hemisphere Flap" threatened to "compromise Western Hemisphere (CIA) operations." And without specifically alluding to the Agee-Mullen episode, the CIA further told Baker that its efforts to

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"terminate projects and move assets [cover operations] subject to compromise . . . were closely held even within the agency in order to protect these efforts."

The first reference to a "WH flap" was made in a July 10, 1972, memorandum by CIA official Martin J. Lukasky, summarizing the agency's relationship with the Mullen public relations firm. It was cited in the Baker report as one of the aspects of the case that required further investigation. Lukasky was the CIA "case officer" for Robert F. Bennett, president of Mullen, and son of Sen. Wallace Bennett (R-Utah).

CIA officials refused to comment yesterday on any aspect of the Agee resignation or the circumstances of the closing of the Mullen office in Mexico City.

Nor would any government spokesman comment on whether the episode was the basis for President Nixon's publicly stated concern early

in the Watergate case over exposure of covert CIA operations in Mexico.

Within six days of the Watergate break-in on June 17, 1972, the President directed his two chief aides then, H. R. (Bob) Haldeman and John D. Ehrlichman, to "ensure that the investigation of the (Watergate) break-in not expose either an unrelated covert operation of the CIA or the activities of the White House investigations unit . . ." as Mr. Nixon recalled it on

May 22, 1973.

Then CIA Director Richard M. Helms and his deputy, Gen. Vernon Walters, repeatedly asserted to White House officials and to then acting FBI Director L. Patrick Gray III that the FBI investigation of Watergate money laundered through Mexico would not expose covert CIA activities.

Colby's comments last week reaffirmed the Helms position of last year. But Baker persisted last week in keeping the question open and said that the agency's explanation of the Mullen-CIA incident "is

clouded by conflicting evidence."

Agee, the disaffected ex-CIA agent who has not previously been identified publicly in the complex Mexican connection scenario, is understood to be a continuing source of concern to government officials because of his extensive knowledge of CIA activities in Latin America.

It was understood that when Agee resigned in 1969 his CIA superiors had no idea of the extent of his disaffection with his own mission or the general pattern of covert U.S. activities in the countries where he worked.

An acquaintance in the United States with whom Agee has been corresponding said the former CIA officer acknowledged that he had functioned as an undercover agent in the American Institute for Free Labor Development, an affiliate of the AFL-CIO. The institute, which was headed by veteran AFL-CIO organizer Jay Lovestone, has conducted extensive programs with

Latin-American labor organizations.

Agee wrote his American correspondent recently that he now regards the CIA as a "police force" which in his view assists in imposing U.S. "economic exploitation" on Latin American countries.

"He's obviously become quite radicalized," said Agee's correspondent, who has also been associated with intelligence activities. "But this guy was an operative for 14 years and he knows names and places. There are people in Washington who are scared s--- of this guy."

Agee is understood to have entered into negotiations with a foreign publisher for a manuscript, which totals some 250,000 words.

He was described by his American acquaintance as a graduate of Notre Dame — "a good Catholic boy who was finally fed up to the teeth with

hypocrisy and deception. Like some Catholic priests who have gone down there he became freaked out with poverty

and repression and what our government was doing."

Agee's wife and two children are in the United States. The couple is separated.

CIA witnesses named Agee in secret testimony to four congressional subcommittees looking into the agency's relationship with the Watergate case. These include the Senate and House intelligence oversight subcommittees as well as the Senate Watergate committee.

It was understood that Baker was the only investigating senator who concluded that Agee's resignation from the agency and the feared exposure of the Mullen cover in Mexico City was of possible significance in linking the agency to the Watergate scandal.