

# Report says FBI was ordered to look other way on spying

WASHINGTON (AP) — The State Department "actively discouraged" investigations of foreign intelligence services that subjected certain U.S. residents to harassment, intimidation and perhaps even murder, according to a Senate report.

The FBI has been ordered to investigate the leaking of the top secret draft report, which was prepared by the staff of the Senate Foreign Relations Committee and circulated to several federal agencies for comment.

The preliminary report says that the intelligence services of Chile, Iran, the Philippines, Taiwan and Yugoslavia operated freely in the United States to counter or neutralize criticism aimed at their governments by emigres, exiled dissenters or other critics, some of them American citizens.

"Available evidence indicates that certain residents of the United States have valid reason to fear abridgements of (their) rights by members of foreign intelligence services," the report says.

It concludes that the State Department "has actively discouraged the FBI" from pursuing investigations into likely violations of U.S. law by foreign intelligence agents.

And it states that former Secretary of State Henry Kissinger and certain State Department spokesmen "made incorrect and misleading statements concerning the extent of the U.S. government's knowledge of the activities of the Iranian (intelligence) services in the United States."

Although it acknowledged that the United States may have a direct interest in maintaining good relations with certain nations with authoritarian regimes, it said that "should not entail any abridgement of the rights and protections guaranteed by the Constitution to residents of the United States."

The report is clearly labled "TOP SECRET-SENSITIVE" and White House press secretary Jody Powell said the head of the Justice Department's criminal division directed the FBI to investigate how it was leaked.

Copies were obtained by columnist Jack Anderson and the Washington Post. Both printed details from it. The Associated Press subsequently obtained access to a copy.

The draft report was circulated for comment to the Justice and State Departments, the FBI, the White House the CIA and the National Security Agency.

At the State Department, a spokesman acknowledged that two former ambassadors to Iran, Richard Helms and William Sullivan, interceded in a Justice Department probe of Savak, the shah of Iran's intelligence service, to warn of possible "foreign policy implications"

But spokesman Thomas Reston said the Carter administration has not discouraged FBI probes of Savak or any other foreign intelligence service operating inside the United States.

The report said that although the Soviet Union has numerous intelligence operative on U.S. soil, few if any have tried to stifle anti-Soviet activities.

It said the Iranians and the Taiwanese made extensive efforts to penetrate student political circles in the United States to monitor activities of students from their nations.

In a more sinister vein, it said there are indications Yugoslav agents were responsible for 10 to 15 political assassinations in Western Europe and may have used murder as a tool to silence dissidents in the United States.

It pointed to the June 1977 shootings in Chicago in which Dragista Kashikovich and a 10-year old girl, possibly a witness, were murdered. The murders have not been solved, but the report quoted unnamed FBI officials as saying the method the killers used to execute Kashikovich — one bullet

in the head and one on the heart — was "the trademark of Yugoslav agents."

The report dealt extensively with the operation of Chilean secret agents and of the activities of Operation Condor, described as a consortium of intelligence services from Chile, Argentina, Bolivia, Brazil, Paraguay and Uruguay.

"A highly secret dimension of Operation Condor — the so-called Phase Three Operation — involves the formation of special teams from member countries assigned to travel anywhere in the world to carry out sanctions — including assassinations — against Condor's enemies," the report said.

It quotes FBI officials as saying Orlando Letelier, an official of the short-lived Marxist regime in Chile, may have been a Phase Three target when he died in the explosion that destroyed his car on a Washington street

# U.S. Denies Report It Gave Foreign Agents Free Rein

By PHILIP TAUBMAN  
Special to The New York Times

WASHINGTON, Aug. 9 — Carter Administration officials today denied allegations in a Senate report that foreign governments were given a free hand to spy on, and in some cases harass, their citizens living in the United States.

The officials rejected the preliminary findings of a Senate Foreign Relations Committee investigation that concluded that Iran, Chile, Taiwan, Yugoslavia and the Philippines had maintained extensive spy networks in the United States to monitor and stifle dissent among their citizens here.

The report charges that the Federal Bureau of Investigation, the State Department and the Central Intelligence Agency had tacitly approved the foreign intelligence operations, partly from fear of retaliation against American agents abroad and partly because they had considered the activities here unimportant.

A State Department spokesman, Thomas Reston, also denied charges that the department had tried to impede Justice Department investigations into the activities of foreign agents here. The report charges that the State Department had warned the Justice Department about possible retaliation against American agents stationed in Iran if American prosecutors investigated the activities of Iranian agents here.

## Investigations Are Opened

Senior officials in the Justice Department said the report was inaccurate and "based on unsubstantiated allegations." They rejected the assertion that the F.B.I. had good relations with Savak, the Iranian secret police.

Both the State Department and the F.B.I. opened investigations today to find out how the report was obtained by news organizations before it was declassified and reviewed by the Foreign Relations Committee. Details of the report first appeared last week in accounts by the syn-

dicated columnist Jack Anderson.

Officials appeared to be particularly upset at the widespread dissemination of what they said were the tentative conclusions of a limited investigation. The report itself notes in its conclusions that it does not represent a complete picture and consists "largely of loose ends that need to be tied together."

According to Senate sources, senior members of the Foreign Relations Committee staff question the quality of the investigation. "It's very bad intellectually and analytically," said a high-level staff member.

## Allegations Anger Officials

While the report says that the Justice Department believes that the Iranian secret police carried out "significant police, security and nondiplomatic political activity" here, it goes on to acknowledge that "little detail is known of Savak's activities in the United States." The report concludes that the primary function of Savak here appeared to be the monitoring of Iranian students opposed to Shah Mohammed Riza Pahlavi.

Officials in the Justice Department were angered by allegations in the report that the F.B.I. was not concerned about foreign intelligence agents who operated here if they were not a threat to national security. "We've run down hundreds of allegations about misconduct by agents from nations friendly to the United States and have come up with almost nothing," said a senior Justice Department official. He said the Senate report consisted mostly of repeating these allegations.

The Senate investigation, which ended earlier this year, does not say whether foreign agents from the five nations are still active here. The Iranian police agency was dismantled this year after the fall of the Shah.

According to the report, agents from Iran, Chile, Taiwan and Yugoslavia had established extensive operations here to stifle dissent by citizens against the Governments of those nations. In the case of

Yugoslavia, for instance, the report states that in 1969 a confidential source had advised the United States Government that the goal of Yugoslav intelligence agents based here was "the penetration and destruction of anti-Communist émigré groups."

The report alleges that the Yugoslav counsel general in San Francisco, Tugomir Dzalto, had engaged in several efforts to monitor and intimidate Yugoslav citizens living in the United States. It quotes an F.B.I. memorandum to the State Department about Mr. Dzalto, which accuses him of having "waged a war of intimidation, threats and blackmail against individuals."

The report says that the State Department took no action against Mr. Dzalto. Sources in the State Department say that the allegations were never proved.

## A Catalogue Of Foreign Spies In Our Midst

8-12-79 NMT

A Senate report alleging widespread spying and harassment by foreign agents in the United States caused a thunderstorm of denials in Washington last week. Although no one pretended to be surprised by the presence of foreign operatives, officials were upset over what they called unfounded conclusions, especially charges that Washington gave the agents free rein, and in some cases cooperation, in acting against foreign nationals here.

The classified draft report was prepared for the Senate Foreign Relations Committee and leaked to the press under circumstances being investigated by the State Department and the Federal Bureau of Investigation. It said that for the last several years, agents of Iran, Chile, Taiwan, Yugoslavia and the Philippines had run operations against natives of their respective countries living in the United States. Among the allegations:

- SAVAK, the Shah of Iran's secret police, at one point had 3,000 informers keeping tabs on 30,000 Iranian students at American universities, and its involvement in attempts to stifle anti-government sentiment included a plan to murder Nasser Afshar, an Iranian-born United States citizen. The report cited documents showing that State Department officials discouraged investigation and prosecution of Iranian agents, lest Iran retaliate against Central Intelligence Agency officers.

- Taiwanese spies attempted to undermine progress toward normalization between Washington and mainland China, and sought to influence opinion here by financing anti-Peking demonstrations.

- Yugoslav agents under diplomatic cover reportedly had the goal of "penetration and destruction of anti-Communist émigré groups" and routinely threatened dissidents.

The authors of the report cautioned that it consisted "largely of loose ends that need to be tied together." A Justice Department official said, "We've run down hundreds of allegations