

ERIC MARGOLIS



Spy scandal

The strange case of former CIA agent Edwin Wilson gives us a brief, tantalizing insight into what may have been one of the worst intelligence scandals in American history.

Wilson served as a field operative in the CIA from 1955 until 1971. Then he joined Navy Task Force 157, a top secret joint project of the CIA, Navy and the National Security Agency, America's largest and most secret spy agency.

In 1977, Wilson, and another CIA agent, Frank Terpil, ostensibly retired from the agency and moved to Libya. At that time, Libya was entering into a long and growing period of hostility with the U.S. that would lead to American trade boycotts, charges that teams of Libyan "hit men" were after President Carter, and a general state of poisonous relations.

According to the U.S. government, Wilson and Terpil helped set up "terrorist" training camps for the Libyans and embarked on a program to import embargoed U.S. spare parts, arms and munitions. At least 20 former U.S. Army Green Berets joined the two agents in training Libyans for unconventional warfare operations.

These activities went largely unnoticed until 1980, when both men were indicted by a federal grand jury for gunrunning. Why these proceedings were initiated remains something of an enigma. Thanks to leaks from the prosecutor's office, Wilson and Terpil were soon branded by the press as arch villains in the pay of Libya's Col. Khadafy.

Tricked back into jail

Last year, the U.S. government managed to lure Wilson to the Dominican Republic. Wilson, according to some reports, was carrying information on Libya's secret attempts to acquire an atomic weapon — Wilson thought he was going to pass this data to U.S. agents. Instead, Wilson was kidnapped by American operatives and spirited back to jail in the United States.

Wilson was tried for smuggling arms to Libya and also accused of having shipped some \$22 million worth of explosives and military gear to the Libyans. Curiously, the actual charge against Wilson consisted of smuggling one rifle and four pistols. For this seemingly minor infraction, Wilson received a term of 32 years. At the same time, a group of Irish gun-runners were given terms of three years for having shipped hundreds of weapons to Belfast.

During his trial, Wilson maintained his innocence and insisted, without providing details, that he had been working in Libya for the CIA. While this claim was dismissed by the courts and government, there is a good deal of circumstantial evidence to suggest that both Wilson and Terpil were, in fact, doing the CIA's work in Libya.

Nations that are bitter enemies or who have no diplomatic relations often maintain extremely discreet contacts through their intelligence services or by means of businessmen. For example, the U.S., which officially refuses to deal with the PLO, retains communications channels to them through a group of American business executives. During the mid-1960s to early '70s, when the U.S. was not officially speaking to Egypt's President Nasser, daily meetings were held in his office with the CIA station chief in Cairo.

Counterbalance to the Soviet Union

These discreet links are essential for U.S. national security. In the case of Libya, considered public enemy number one by the press and much of Congress, it seems certain that the CIA maintained contacts after diplomatic relations were severed. The U.S. did not want Libya to fall under Soviet domination and the Libyans, in turn, wanted a counterbalance to their powerful Soviet friends. Libya could have obtained all the commando instructors, arms and explosives that it desired from the Eastern Bloc; why would they bother to go through the trouble and expense of smuggling them out of the U.S.?

The likely answer is that the CIA was quietly helping the Libyans, using Wilson and Terpil as business fronts. Such practice is not uncommon: After Watergate, the CIA was decimated by a sort of reverse McCarthyism in Congress. Senator Frank Church, intent on making this issue his ticket to the presidency, created a witch hunt that virtually demolished the CIA's active field operations around the world. The CIA was forced to turn to former or "retired" agents, ex-military personnel and businessmen to perform much of its vital foreign covert operations.

When the Reagan administration came into office — we surmise — the secret Libyan links were discovered and ordered terminated. Wilson and Terpil were disavowed and left out in the cold, branded as agents of international terrorism. Wilson stayed in Libya until his ill-fated trip to Santo Domingo; Terpil moved to Beirut where, in interviews, he maintained that he had been working all the while for the CIA.

The story might have stopped here if a series of startling revelations had not occurred in Washington and Australia that placed Wilson squarely in the middle of one of the most complex and curious espionage operations of recent times. Next week we will explore Wilson's role in the web of intrigue that stretched from Asia to the Middle East and Africa.

(Eric Margolis is a member of the Canadian Institute of Strategic Studies)