

Chapter 25

United States v. Elliott Abrams

Elliott Abrams in January 1981 joined the Reagan Administration as an assistant secretary of state for international organization affairs and later became assistant secretary for human rights. On April 19, 1985, Secretary of State George P. Shultz offered Abrams the position of assistant secretary of state for inter-American affairs (ARA), overseeing South and Central American and Caribbean issues. Shultz explained that it would be a difficult job, but Abrams quickly accepted. Shultz promised to "manage the emergence of Elliott Abrams as King of Latin America."¹

¹ Hill Note, 4/19/85, ANS 0001039.

Abrams assumed his position at ARA in July 1985. Under Shultz, he was responsible for Central American issues and became the Reagan Administration's chief advocate on Capitol Hill for U.S. aid to the contra rebels in Nicaragua, which had been cut off in October 1984 by the Boland Amendment. During Abrams' tenure at ARA, humanitarian aid for the contras and later lethal aid were lawfully resumed.

Abrams worked closely with Lt. Col. Oliver L. North of the National Security Council Staff and Alan D. Fiers, Jr., the chief of the CIA's Central American Task Force. Together they comprised the principal members of a Restricted Interagency Group (RIG), which worked on Central American issues for the Reagan Administration.

In the course of his work, Abrams became aware of North's efforts to assist the contras militarily, despite the Boland prohibition on U.S. aid.² Abrams also was directly involved in secretly seeking third-country contributions to the contras.

² It was Abrams' "working assumption" that the Boland Amendment applied to the NSC staff. Abrams, Select Committees Testimony, 6/2/87, p. 8.

On October 7, 1991, Abrams pleaded guilty to two misdemeanor charges of withholding information from Congress. Abrams admitted that he withheld from the Senate Foreign Relations Committee and the House Permanent Select Committee on Intelligence (HPSCI) in October 1986 his knowledge of North's contra-assistance activities. In support of his guilty plea, Abrams admitted that it was his belief "that disclosure of Lt. Col. North's activities in the resupply of the Contras would jeopardize final enactment" of a \$100 million appropriation pending in Congress at the time of his testimony.³ He also admitted that he withheld from HPSCI information that he had solicited \$10 million in aid for the contras from the Sultan of Brunei.

³ Government's Statement of the Factual Basis for the Guilty Plea, 10/7/91, p. 4. Abrams' guilty plea was obtained by Deputy Independent Counsel Craig A. Gillen and Associate Counsel Thomas E. Baker and John Q. Barrett.

Abrams' Knowledge of North's Activities

After Abrams assumed the position of assistant secretary of state for ARA, he began to orient himself to his new responsibilities. On September 4, 1985, Abrams met with Shultz to discuss Central American issues.

Also present were M. Charles Hill, Shultz's executive assistant, and Nicholas Platt, the executive secretary. They discussed North's contra-support activities. Abrams' notes of that meeting reflect Shultz's instruction to him to "monitor Ollie." 4

4 Abrams Note, 9/4/85, ALW 0041285.

During his testimony before the Select Iran/contra Committees in the summer of 1987, Abrams explained his "monitor Ollie" notebook entry as follows:

"... All these accusations about Colonel North, you want me to try to find out whether they are true and what he is up to, or do you want me to sort of leave?"

And [Shultz] said, "No, you have got to know." 5

5 Abrams, Select Committees Testimony, 6/2/87, p. 34. By September 1985, Abrams was aware of the public allegations that North was involved in soliciting funds for the contras and assisting in providing lethal aid. (Ibid., pp. 82-83.)

In later congressional testimony, Abrams explained that he believed that he carried out Shultz's directive by obtaining North's assurances that he was not soliciting funds for the contras and by McFarlane's similar assurances to Congress. Abrams said because he and North worked together in RIG meetings, he believed that he had a good understanding of what North was doing.⁶

6 Ibid., p. 84; Abrams, Select Committees Testimony, 6/3/87, pp. 30-33.

Hill's contemporaneous notes of the September 4, 1985, meeting are more detailed:

[ABRAMS]: -- fundraising continues, arms shipments going up. I have not asked Ollie for any information about fundraising for lethal aid.

[Shultz]: We don't want to be in the dark. You suppose to be mgr [manager] of overall C.A. [Central America] picture. Contras are integral part of it. So you need to know how they getting arms. So don't just say go see the WH [White House]. It's very risky for WH.⁷

7 Hill Note, 9/4/85, ANS 0001130.

Platt's notes of the September 4th meeting are even more detailed and instructive on the extent of Abrams' knowledge of North's involvement on behalf of the contras:

[Shultz]: What is happening on other support for Contras for lethal aid etc. -- E. Abrams doesn't have the answer. Stayed away let Ollie North do it. Fundraising continuing -- weapons stocks are high. We have had nothing to do with private aid. Should we continue?

Hate to be in position, [Shultz] says, of not knowing what's going on. You are supposed to be managing overall Central American picture. Ollie can go on doing his thing, but you, [Abrams], should know what's happening.⁸

8 Platt Note, 9/4/85, ALW 0036260. Platt's note was not produced until 1991. It raised more doubts about the veracity of Abrams' 1987 testimony that he did not believe the allegations about North's Contra activities.

Platt's notes reflect that, by September 4, 1985, Abrams knew North was involved in lethal assistance to the contras and that he informed Shultz.

As assistant secretary of state for ARA, Abrams assumed the chairmanship of the RIG, which was a senior-level working group that focused on policy in Central America. It was comprised of Abrams and his assistants, and representatives of the CIA, the Joint Chiefs of Staff, Department of Defense and the NSC staff. At the time of Abrams' swearing-in, the RIG member with the most seniority was North of the NSC staff.

Abrams' senior management team included James H. Michel as his principal deputy assistant secretary of state, and William G. Walker as his deputy assistant secretary of state for Central American affairs. On occasion, both Michel and Walker accompanied Abrams to RIG meetings.

Abrams, North and NHAO

After Abrams took control of ARA, North continued to raise funds and assist in coordinating the provision of weapons to the contras. In September 1985, North induced former CIA officer Felix Rodriguez to assist the contra-resupply effort by setting up the servicing of aircraft at Ilopango air base in El Salvador.⁹ Rodriguez had been working out of Ilopango air base, assisting the Salvadoran Air Force in counter-insurgency actions. Donald P. Gregg, Vice President Bush's national security adviser, had been instrumental in placing Rodriguez in El Salvador. While at the air base, Rodriguez used the alias "Maximo (Max) Gomez." He established an excellent relationship with General Juan Rafael Bustillo, the Salvadoran commander of the base.

⁹ Letter from North to Rodriguez, 9/20/85, AKW 022740-43.

In August 1985, one month after Abrams' swearing-in as assistant secretary of state for ARA, Congress modified the Boland Amendment by appropriating \$27 million for humanitarian assistance to the contras. On August 29, 1985, President Reagan created the Nicaraguan Humanitarian Assistance Office (NHAO) in the State Department for the purpose of administering the appropriated \$27 million.

Ambassador Robert W. Duemling set up NHAO within the State Department to administer the humanitarian assistance. A NHAO organizational meeting was held October 1, 1985, attended by Abrams' two senior aides, Walker and Michel. Duemling's notes reflect that North volunteered the services of Rodriguez to assist in the humanitarian resupply.¹⁰

¹⁰ Duemling Notes, 10/1/85, GP 0025171.

North intruded in the NHAO operations in at least two other ways: (1) He insisted that Richard B. Gadd, who was assisting retired Air Force Maj. Gen. Richard V. Secord and North in lethal resupply, be the contractor to transport NHAO flights; (2) With Abrams, he persuaded Duemling to add to the NHAO staff North's Central American courier, Robert W. Owen.

Initially, it was planned that the humanitarian supplies would be flown from the United States into Honduras, off-loaded there and delivered in private resupply planes to the contra forces. On October 10, 1985, a NHAO aircraft flying directly from the United States to Honduras arrived with a television crew documenting the effort. This angered the Honduran government, and it rescinded its permission for NHAO planes to fly directly there from the United States. During RIG meetings on this topic, North suggested that the Ilopango air base in San Salvador be used as a transshipment point: NHAO planes would fly from the United States to Ilopango air base, unload, and the supplies would be flown into Honduras in smaller aircraft.¹¹

¹¹ Fiers, George Trial Testimony, 7/28/92, pp. 1141-42.

On December 30, 1985, a meeting was held at Ilopango air base in El Salvador to discuss coordination of the NHAO flights there. Walker, North, Fiers, U.S. Ambassador to El Salvador Edwin G. Corr and U.S.

Army Col. James J. Steele, among others, represented the United States in meeting with Salvadoran General Bustillo. Rodriguez was also present.¹²

12 Corr Notes, 2/9/86, ALV 001400. Although Corr's notes indicate the meeting was held on December 28, 1986, the meeting was held on December 30, 1985. (See North Notebook, 12/30/85, AMX 001948.)

In early 1986, the NHAO resupply operation at Ilopango became merged with the North-Secord operation there supplying weapons to the contras. The same flight crews that delivered the NHAO humanitarian aid also flew the lethal resupply flights. The same aircraft were used, and the U.S. Government-sponsored humanitarian supplies were stored in the same warehouse as the weapons at the Ilopango airport. Rodriguez was the manager of the resupply effort at Ilopango. He coordinated the arrival and departure of both the lethal and humanitarian resupply flights, controlled the resupply material in the warehouse and arranged for housing for the flight crews.¹³

13 CIA Officer #7, George Trial Testimony, 10/30/92, pp. 1637-39; Rodriguez, George Trial Testimony, 8/4/92, p. 1915.

As the NHAO flights began arriving at Ilopango in late January and early February 1986, concern was expressed within the CIA and Department of State about North and Rodriguez's coordination of these flights. On February 7, 1986, a senior CIA officer in Central America cabled Washington, stating:

Minutes ago [Embassy] Charge [David] Passage came to [me] with story that presumed NHAO-chartered Caribou aircraft on ill-fated supply run to Ilopango via Mexico made emergency landing yesterday, 6 February, on road in southwest El Salvador. Charge said his source was Felix Rodrigues [sic] who apparently has been ``coordinating" all of this with Ollie North (one supposes on open phone). [I] had to say, honestly, that [I] knew nothing of this Caribou and indeed had not heard anything from [Fiers] on the subject for two weeks.

Rodrigues [sic] has just called Charge to advise that UPI is on the downed Caribou and wants a story. Charge's position is that he has no knowledge re this A/C [aircraft]. God knows what Felix Rodrigues [sic] is saying.¹⁴

14 CIA Cable, 2/7/86, DO 58911.

Ambassador Corr's notes reflect that on the following day, February 8, 1986, Corr and Walker discussed the same concerns:

Bill [Walker] said:

COM [Chief of Mission, Ambassador John A. Ferch] in Hond[uras] knows about flight. This part of effort to restab[lish] Hond[uras] connection seems to be falling apart because Max [Gomez, an alias for Felix Rodriguez] has intervened and trying to check everything w/Ollie or others. Ollie and Max are to have nothing to do w/humanitarian assistance deliveries, etc.

I asked if I should have DCM [deputy chief of mission Passage] tell Max to release items to UNO [contra] rep[resentative].

Walker said yes.

Note

DCM passed ``word" to Max, and he said he would comply.¹⁵

15 Corr Note, 2/8/86, ALV 001398.

Another Corr note dated February 8, 1986, attributes the following statement to Walker:

Bill [Walker] said I should impress on Fiers 16 that we cannot proceed in this ``fouled up manner." This is the 3d recent screw up & Washington being surprised by unknown & uncoordinated activities.17

16 Fiers traveled to Ilopango on February 8th in response to the CIA cable regarding Rodriguez/North.

17 Corr Note, 2/8/86. Walker said he does not remember these conversations or whether he imparted this information to Abrams. Indeed, Walker testified that he was not aware of the name Felix Rodriguez until an August 12, 1986 meeting with Gregg. (Walker, Grand Jury, 7/31/91, pp. 69-71.)

Abrams, North and the RIG

As the Reagan Administration's principal advocate of support for the contras, Abrams in 1986 continued to request that the U.S. Congress appropriate \$100 million for the contras, including military aid. In March 1986 this request was narrowly defeated in the House of Representatives. Abrams, North, Fiers and other RIG members traveled to Central America on March 21, 1986, to assure the Central American governments that the Reagan Administration was still intent on pursuing funding for contra assistance.

On occasion, Abrams, North and Fiers met either before RIG meetings or immediately after to discuss sensitive contra matters that they did not want discussed with the other RIG members. An April 25, 1986 North notebook entry reflects the topics (North, Fiers and Abrams discussed with each other:18

18 Fiers, Grand Jury, 8/14/91, pp. 25-27; North Notebook, 4/25/86, AMX 1084-85. Although North does not have a specific recollection of meeting with Abrams on April 25, 1986, these issues are generally topics which he discussed with Abrams. (North, Grand Jury, 2/22/91, pp. 4-5.)

Meeting w/Elliott:

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. .

-- Support for S [Southern]. Front.19

19 This note was 14 days following the first successful lethal drop to the southern front.

-- Air base open in C.R. [Costa Rica] 20

20 This entry reflects the progress of the opening of the airstrip at Santa Elena in Costa Rica.

-- A/C for Arias 21

21 This entry is a reference to an unsuccessful attempt to get an aircraft for the brother of newly elected Costa Rican President Oscar Arias Sanchez.

-- [Classified] operation.

-- 100 BP's [Blowpipes] fm. Chile 22

22 North Notebook, 4/25/86, AMX 001084-85. This entry references North's attempts to obtain 100 blowpipe missiles from Chile for the contras.

On May 16, 1986, Abrams attended a National Security Planning Group meeting on Central America at the White House. The principals attending the meeting were President Reagan, Vice President Bush, Shultz, Treasury Secretary James A. Baker, Defense Secretary Caspar W. Weinberger, CIA Director William J. Casey and White House Chief of Staff Donald T. Regan. In addition, Fiers, North and supporting personnel from the various agencies attended the meeting. NSC staff member Raymond F. Burghardt's minutes of the meeting reflect that North reminded the group that the fiscal 1986 Intelligence Authorization Bill permitted the State Department to approach other governments for non-military aid for the contras. A brief discussion ensued concerning the solicitation of other countries for contra assistance. Burghardt's minutes reflect that Reagan posed the following questions:

What about the private groups who pay for ads for the contras? Have they been contacted? Can they do more than ads? 23

23 Memorandum from Burghardt to McDaniel re: May 16, 1986, NSPG Meeting, 6/4/86, AKW 018812.

Fiers' recollection of this meeting differed from the Burghardt minutes. Fiers vividly recalled Reagan asking about "Ollie's people" and inquiring whether they could help. Fiers remembers a nervous tension and then a quick response to the effect of "that's being worked on."²⁴

24 Fiers, Grand Jury, 8/14/91, p. 39.

Prior to this NSPG meeting, North had been circumspect within the RIG in describing the specific activities he was undertaking on behalf of the contras. Following the meeting, he was more outspoken.

During RIG meetings in the summer of 1986, North went over, "item by item," actions that he was directing or coordinating on behalf of the contra resupply effort.²⁵ North referred to the supply effort being run by him and Secord as "Project Democracy." Fiers remembered a July 1986 RIG meeting, chaired by Abrams at the State Department, wherein North listed the many activities -- including aircraft descriptions and salaries being paid -- that he was causing to be conducted on behalf of the contras. North inquired whether these activities should continue or be terminated. North made it very clear that he could cause Project Democracy to respond as he directed.²⁶ There was an awkward silence. No one responded. Finally Fiers answered either in the affirmative or negative as to each of the items listed by North.²⁷

25 North, Grand Jury, 3/8/91, pp. 71-73.

26 Fiers, Grand Jury, 8/14/91, p. 75.

27 Ibid., pp. 72-76.

Abrams was aware that North could obtain funds for the contras from Project Democracy. By July 1986, the \$27 million appropriated for humanitarian assistance had been spent and it appeared there would be a considerable gap in funding before the \$100 million would be appropriated by for the contras. Abrams and Fiers requested that North cause Project Democracy to contribute \$2 million for food to keep the contra resistance forces intact.²⁸ A July 24, 1986 computer note from North to Poindexter reflected the request: "Given our lack of movement on other funding options, and Elliott/Allen's [sic] plea for PRODEM [Project Democracy] to get food to the resistance ASAP, PRODEM will have to borrow at least \$2M to pay for the food." ²⁹ During the RIG meeting, North informed Abrams and Fiers that he could arrange for the requested money.³⁰

28 Ibid., p. 73.

29 PROFs Note from North to Poindexter, 7/24/86, AKW 018917.

30 Ibid.; Fiers, Grand Jury, 8/14/91 p. 75.

North testified before the Select Iran/contra Committees in 1987 that the members of the RIG were aware of what he was doing on behalf of the contras. North stated the RIG members were knowledgeable that a covert operation was being conducted by the U.S. Government to support the Nicaraguan resistance.³¹ North remembered a meeting in the Pentagon with RIG members where he went down, item by item, a checklist of the activities he was directing each month or each quarter to support the contras and he asked the RIG members "point blank" whether this activity should continue.³² North's notes of an August 28, 1986, meeting at the Pentagon reflect such a list of activities:

31 North, Select Committees Testimony, 7/7/87, pp. 231-32.

32 Ibid., p. 231.

-- UNO [contras] 60K/QTR

-- UNO U.S. travel 30K/mo

-- Cruz 10K

-- Robello 10K

-- Calero [FDN] food 500K/mo.

-- [Classified Project] 20K

-- Hospital

-- Air Ops

2 C-7's

2 C-123's = 132K/mo

3 Maules 33

33 North Notebook, 8/28/86, AMX 001442.

Present at the August 28, 1986, meeting were Assistant Secretary of Defense Richard L. Armitage, Lt. Gen. John Moellering, Fiers, Abrams aide Michel and Nestor Sanchez, a DoD officer assigned to the NSC staff. Abrams did not attend.

Armitage gave deposition testimony to the staff of the Select Committees on July 22, 1987. The staff followed up on North's assertion that he had informed the RIG members of his activities and requested whether they should or should not continue. Armitage was asked "do you recall, regardless of what dates, regardless of where it was, regardless of whether it had exactly the players he said -- because he could have gotten all that wrong -- do you recall any meeting at which he did anything close to what his testimony suggests?" His answer was: "I do not."³⁴

34 Armitage, Select Committees Deposition, 7/22/87, p. 242.

Moellering, during a November 13, 1990, interview with the Office of Independent Counsel, reviewed North's notebook entry of August 28, 1986, and stated he did not recall any meeting when North made disclosures concerning the contra-resupply operation or the Iran initiative. Moellering stated he never knew about North's personal involvement with the resupply operation before it was reported by the press in November 1986.³⁵

³⁵ Moellering, FBI 302, 11/13/90, p. 10.

Michel denied the North allegations in a written memorandum, stating that he had no recollection of North indicating that he was the source of contra funding or was in control of such funding. Michel added, "[h]ad he done so, I would have considered it an amazing revelation requiring immediate attention."³⁶

³⁶ Memorandum from Michel to Shultz, 7/20/87, ALW 0032400.

During the congressional investigation, no member of the RIG corroborated North's testimony that he openly discussed his contra-resupply activities with the "private benefactors" during RIG meetings. It was not until the Fiers' plea in July 1991 that a RIG member affirmed North's 1987 testimony by acknowledging that North, in RIG meetings in July, August and September 1986, discussed item-by-item the activities being conducted on behalf of the contras and requested whether the activity should continue. The testimony of North and Fiers about widespread interdepartmental knowledge of North's activities on behalf of the contras during the summer of 1986 was significantly reinforced by the belated discovery of a handwritten note of a debriefing of Moellering by Colonel Stephen Croker shortly after the August 28th meeting. In pertinent part, the note reads:

\$1 M/month 32 people -- private ops.

flying planes for resupply in country

do we want to keep it going or choke off ³⁷

³⁷ Croker Notes, 9/2/86, ALZ 0034813-14. Croker, who was Moellering's aide on the Joint Chiefs staff, told the Grand Jury that these notes referred to the cost of running the private benefactors operation and whether the RIG should "do something." Having not attended the meeting recounted by Moellering, Croker did not wish to speculate about what was under consideration. (Croker, Grand Jury, 9/13/91, pp. 29-43, 46-54.)

During what was perceived as a transitional phase in later summer 1986 from private support to official U.S. Government support for the contras, North continued to seek guidance from the RIG about the continuation of private resupply efforts. Another meeting occurred in Armitage's office on September 19, 1986. Abrams, North and Fiers were among those in attendance. Again, North went over the items being conducted on behalf of the contras and asked whether they should continue.³⁸ Then, North raised a new, dramatic proposition. Manuel Noriega, dictator of Panama, had offered to have sabotage conducted inside Nicaragua for \$1 million in cash; the funds would not be from the U.S. Government. Fiers understood that the funds would be from Project Democracy.³⁹

³⁸ Fiers, Grand Jury, 8/14/91, pp. 116-18.

³⁹ Ibid., pp. 118-19.

On September 20, 1986, Abrams met with Platt and Hill and discussed North's proposal. Hill's notes reflect Abrams' explanation:

Noriega offers to do some sabotage (electric pylons) that we training contras to do but which they can't do for 18 mos. Wd [would] get us on the map fast -- by Oct.

Do it via mercenaries who may not know who employers are. Brits.

Wd do it for cash (not from USG [U.S. Government]). Wants our go-ahead. Ollie will meet him w/approval of Pdx. [Poindexter] 40

40 Hill Note, 9/20/86, ANS 0001617.

Ultimately, the decision was made not to have North cause the \$1 million to be paid to Noriega.

Abrams' Knowledge of the Costa Rican Airstrip and the Southern Front

Before Lewis A. Tambs became U.S. ambassador to Costa Rica in the summer of 1985, North instructed Tambs to assist in opening a "southern front" for contra forces in Nicaragua. Tambs believed that his instructions to open a southern front came from the Restricted Interagency Group chaired by Abrams.

When Tambs arrived in Costa Rica, he met with his Deputy Chief of Mission James Tull, and Joseph F. Fernandez, the CIA chief of station, to discuss ideas for opening a southern front in Nicaragua for the contras.⁴¹ A small group of contras were located in northern Costa Rica, and both Tambs and the Costa Rican government wanted them out. But it was necessary to ensure that they would receive supplies once inside Nicaragua.⁴² At the suggestion of Fernandez, Tambs approached Costa Rican President Monge to discuss the development of an airstrip in northern Costa Rica by "private benefactors" (the North-Secord Enterprise), which could be used to resupply ⁴³ contra rebels inside Nicaragua.⁴⁴

⁴¹ Tambs, Grand Jury, 3/23/90, pp. 27-28.

⁴² Ibid., p. 30.

⁴³ The flights from Ilopango to Southern Nicaragua usually were routed over the Pacific Ocean for safety. The landing strip was intended for refueling empty aircraft for the return trip and for emergency landing.

⁴⁴ Tambs, Grand Jury, 3/23/90, p. 31.

Tambs met with Monge on August 12, 1985. On August 13, Fernandez sent Fiers a cable stating that Monge told Tambs an airfield and resupply depot could be established as long as they were located well inside Costa Rica and away from the border area.⁴⁵

⁴⁵ San Jose Cable, 8/13/85, DO 189740-38. Other details of Monge's discussion with Tambs -- details that Fiers later conveyed to Abrams -- are set forth in the Classified Appendix to this chapter.

Within days after Shultz directed Abrams to "monitor Ollie," Abrams, North and Fiers met in Abrams' office. Fiers briefed Abrams on the recent developments concerning the secret Costa Rican airfield.⁴⁶ During the discussion, Abrams asked "Why is Monge doing this?," referring to the airstrip. Fiers explained Tambs' discussion with Monge.⁴⁷

⁴⁶ Ibid.

⁴⁷ Ibid. During Abrams' testimony before the Select Committees in the summer of 1987, he testified that although he learned of the existence of the airstrip in August or September 1985, he was unaware of Tambs' involvement with the Costa Rican government regarding the airstrip until Tambs' public testimony before the Committees in the summer of 1987. (Abrams, Select Committees Testimony, 6/2/87, p. 51.) When asked whether he learned that the U.S. Government or any U.S. officials were involved in the airstrip project, Abrams responded: "Well, it was pretty clear from the way it was told to me that no U. S. Government officials were involved in the project. That would have been illegal." (Ibid., p. 52.)

With knowledge of the Embassy's involvement in the negotiations on the secret airstrip, Abrams attended a Chiefs of Mission meeting in Panama to discuss policy with U.S. ambassadors in his region.⁴⁸ Tambs and Abrams briefly discussed the airstrip in the hallway outside of the meeting.⁴⁹ They discussed the agreement regarding the airstrip and its purpose to supply the southern front.⁵⁰

⁴⁸ During the meeting, the topic of the agreement reached with the Costa Ricans regarding the secret airstrip was not discussed openly. (Tambs, Grand Jury, 3/23/90, p. 37.)

⁴⁹ Ibid.

⁵⁰ Ibid., p. 39. Tambs claims he did not participate further in the negotiations for the purchase of the property or other arrangements with the Costa Rican government for the construction of the airstrip, which was built at Santa Elena, Costa Rica. (Ibid., p. 35.)

Another person at the Panama meeting was Corr, ambassador to El Salvador. Corr assumed his post in the summer of 1985. Corr had a habit of organizing his thoughts for important meetings by preparing written notes. His note prior to the Chiefs of Mission conference reads as follows:

g008To discuss w/Elliott [Abrams] and Bill [Walker]

* * *

Other Subjects

* * *

(3) Contras -- 3 contacts; FDN talk w/Steele

(No)

(4) Rodriguez.

(5) Ollie North conversation -- S[outhern] Front 51

⁵¹ Corr Note, ALW 0033600.

On his note, Corr bracketed these three topics together and placed check marks next to each one, indicating it was discussed. Although Corr said he does not have a specific recollection of discussing these topics at a meeting, he acknowledged that all three were contra-related.⁵²

⁵² Corr, Grand Jury, 5/29/91, p. 31.

Ultimately, the secret airstrip was constructed at Santa Elena, Costa Rica, by one of Secord's companies, Udall Corporation, and was known as "Point West." It became a matter of public focus in September 1986. When Monge's successor, Oscar Arias, became president of Costa Rica in the spring of 1986, he was briefed about the airstrip. He was outraged and directed that it not be used for contra resupply. On September 6, 1986, in a series of late night telephone calls, Fernandez informed North and Fiers that the Costa Rican security minister planned to hold a press conference the following day and make public the Udall Corporation's role with the Point West airstrip, alleging violations of Costa Rican laws by Udall, North, Secord, and others.⁵³ North discussed this impending crisis in conference calls with Abrams, Tambs and Fiers. They discussed whether to tell Arias that he would never set foot in the White House and that he would never get five cents of the \$80 million promised to him by the U.S. Agency for International Development if the airstrip were revealed.⁵⁴

53 North Notebook, 9/6/86, AMX 001458.

54 Ibid.

After Tambs interceded with the Arias administration, the Costa Rican press conference was cancelled. Fiers acknowledged that he, Abrams and North were concerned that public revelation of the airstrip would expose the linkage of North and the White House to the contra-resupply operation.⁵⁵ Two weeks later, in spite of Tambs's intervention, on September 24, 1986, the Costa Rican public security minister held a press conference and announced the discovery of a secret airstrip in Costa Rica, which had been built and used by Udall for support to the contras.⁵⁶ False guidance for the press regarding the Costa Rican airstrip was prepared by North and coordinated with Fiers and Abrams. The press guidance was consistent with a previously concocted cover story regarding the airstrip. The press guidance was intentionally misleading, denying U.S. Government knowledge of the origins and purpose of the airstrip. It was clear to Fiers that Abrams was aware of North's connection to the airstrip.⁵⁷ Following the Costa Rican announcement of the airstrip, Abrams drafted a harshly worded cable to be sent to the Costa Rican government. A cable containing Abrams' message was stopped by Shultz aide Hill before it was sent.⁵⁸

⁵⁵ Fiers, FBI 302, 8/1/91, p. 6. Abrams testified that the consternation over the public revelation of the airstrip only had to do with the embarrassment of the previous Costa Rican administration. (Abrams, Select Committees Testimony, 6/2/87, p. 65.)

⁵⁶ PROFs Note from North to Poindexter, 9/25/86, AKW 018884.

⁵⁷ Fiers, FBI 302, 8/1/91, p. 9.

⁵⁸ Hill, FBI 302, 12/10/90, p. 17.

The Hasenfus Shootdown

On October 5, 1986, less than two weeks after the exposure of the airstrip, a C-123 aircraft carrying weapons and supplies to the contras was shot down in Nicaragua. Two American pilots, William H. Cooper and Wallace B. Sawyer, Jr., and one Latin crew member were killed. A third American crew member, Eugene Hasenfus, parachuted out but was captured by the Nicaraguans. Over the course of the next few days, Abrams was the senior U.S. spokesman responding to the incident. He coordinated his statements with Ambassador Corr in El Salvador, talked with North and chaired a RIG meeting concerning the incident.

Corr's notes reflect a telephone conversation with Abrams in the early morning of October 8, 1986, regarding the downed plane in Nicaragua.

. . . Nica[ragua] said [Hasenfus said] that he got instr[uction] & support from Gen. Bustillo. He said 5 airplanes -- gave tail numbers. Cooper had ID card plus something from humanitarian office (NHAO)

Appears that Hazenful [sic] was an mbr [member] of something called: Grupo USA-para mil grp.

Ollie out of country. Back this afternoon & Elliott will get info from him.⁵⁹

⁵⁹ Corr Note, 10/8/86, ALV 001402.

Corr's notes of the conversation with Abrams continue, relating how the U.S. Government planned to proceed and whether an upcoming presidential summit in Iceland would cause news focus to shift from the downed airplane to other events. Corr's notes also indicate that Salvadoran General Bustillo, who ran Ilopango air base where the Hasenfus flight originated, would "deny all" connection to the flight and that Salvadoran President Duarte would not comment on it.

Corr's notes focus on what should be said about the Salvadoran role:

ACTION: Must say something about Salv role when we are asked

I told him [Abrams] of my 10/7 conversation w/Vides & Bustillo 60 Elliott replied might be better if Salv brazenly deny all. Agreed w/Bustillo thesis. Simpler if Salv Mil[itary] puts out statement denying all, & [Salvadoran President] Duarte says he accepts FFAA [Salvadoran military] statement

60 Before calling Abrams, Corr met with General Vides, the Salvadoran minister of defense. They agreed to say as little as possible but not to lie, because they could not be certain what Hasenfus might eventually say. Nor could they be certain about what might come out in the United States. Bustillo joined the meeting and advocated saying nothing, and if it was necessary to say something, to deny everything. Vides then agreed with Bustillo. (Corr Note, 10/7/86, ALV 001432.)

Only alt[ernative] is if D[uarte] comes out of closet & ready to support openly a support role against Sandinistas.⁶¹

61 Corr Note, 10/8/86, ALV 001403.

The Corr note continues concerning the inevitability of leaks:

There will be leaks. Cannot keep Salvadoran link wholly SECRET. Would be done as tactic. But eventually someone in USG will finally acknowledge some ``winking." Salv role now more public. This would be a tactic. All will know they (GOES) [Government of El Salvador] lying, but perhaps soon forget & get on w/things

I said the key on this would be D[uarte], who has view of himself as never lying. I said I'd talk w/Salv & get back.⁶²

62 Ibid.

Later, on October 8, Abrams chaired a RIG meeting concerning the downed aircraft. North did not attend. Issues such as demand for access to Hasenfus, Salvadoran denial of contra support, press guidance, and legal counsel for Hasenfus were discussed. It was agreed that Abrams would follow up with North to request that UNO (the contra umbrella organization) assume responsibility for the flight.⁶³

63 PROFs Note from Cannistraro to Poindexter, 10/8/86, AKW 021747; Fiers, FBI 302, 7/22/91, pp. 18-19.

Additionally, Fiers said it was reported at the RIG meeting that the contra-resupply planes had been moved from Ilopango to Aguacate, Honduras.⁶⁴ There was discussion about news reports linking the downed plane to Southern Air Transport (SAT), a Miami-based airline that had, in fact, contracted to service the resupply network's airplanes and to perform other duties. Fiers was concerned because SAT had been used for the NHAO delivery of humanitarian assistance to the contras.⁶⁵

64 Ibid.

65 Fiers, FBI 302, 7/23/91, p. 5.

Felix Rodriguez also was discussed. It was said that Rodriguez was lying low in Miami and the press couldn't find him. There was discussion about the possibility of supporting Rodriguez financially.⁶⁶

66 Ibid., p. 9.

Abrams acknowledged phoning North regarding the Hasenfus shutdown. Abrams asked about retrieval of the bodies of Cooper and Sawyer, and North informed Abrams that the employers of Hasenfus would continue to pay the families.⁶⁷ Abrams did not explicitly ask North if he was connected with the downed aircraft. North later explained "he didn't have to ask me." ⁶⁸

⁶⁷ Abrams, Select Committees, 6/2/87, pp. 169-170; Abrams, FBI 302, 9/28/91, pp. 33-34.

⁶⁸ North, Select Committees Testimony, 7/8/87, p. 233.

On October 9, 1986, Hasenfus, then in Nicaraguan custody, publicly stated he had made 10 trips to supply the contras -- six out of Ilopango airfield in El Salvador -- and had worked with "Max Gomez" and "Ramon Medina," whom he alleged were CIA employees. Hasenfus stated that Gomez and Medina oversaw the housing for the crews, transportation, refueling and flight plans.⁶⁹ On the same day, Nicaraguan officials claimed that one of the crew members of the aircraft carried cards issued by the Salvadoran Air Force, identifying them as U.S. advisers. They said that one of the crew members had carried a business card of a NHAO official.

⁶⁹ Managua 06587, 10/9/86, ALW 0026774.

On October 10, 1986, The San Francisco Examiner reported that Vice President Bush, not the CIA, was the U.S. Government link to the Hasenfus flight. The newspaper said Max Gomez, whose real name was Felix Rodriguez, was assigned to Ilopango by Gregg, the national security adviser to Bush.

Later, Abrams assured Congress that the resupply operation was conducted without any coordination from the U.S. Government; that there was no direct or indirect U.S. Government involvement in contra resupply; and that no one in the U.S. Government knew who organized and paid for the Hasenfus flight.

Between October 10 and October 15, 1986, Abrams appeared three times before congressional committees as the Reagan Administration spokesman concerning the downed aircraft. Abrams was confronted with a number of questions: Who was behind the aircraft? Who was financing the resupply operation? Was the U.S. Government involved, either directly or indirectly, in contra resupply? Who was Max Gomez? What was Max Gomez's role in contra resupply? What was Gomez's relationship to the Office of the Vice President? Were foreign governments assisting the contras?

On October 10, 1986, Abrams appeared in closed session before the Senate Committee on Foreign Relations. The chairman, Sen. Richard Lugar, said Congress was intent on learning whether there was any Government involvement with the downed aircraft: "[V]ery clearly, members are going to want to know if not CIA, if not State Department, then who." ⁷⁰ Lugar sought additional information regarding a Los Angeles Times story on October 9, which reported an elaborate system supplying the contras, and that the downed cargo plane was only one of 19 aircraft flying in support of the guerrilla war, apparently out of El Salvador.⁷¹ Abrams responded to Lugar's inquiry in his opening statement:

⁷⁰ Abrams, Senate Foreign Relations Committee Transcript, 10/10/86, p. 3.

⁷¹ Ibid., p. 4.

It seems to me, on the question of the "L.A. Times" article on there being an elaborate supply system, it seems that there clearly is an elaborate supply system.

In the last two years, since Congress cut off support to the resistance [contras], this supply system has kept them alive.

It is not our supply system. It is one that grew up after we were forbidden from supplying the resistance,

and we have been kind of careful not to get closely involved with it and to stay away from it.

I think that people who are supplying the Contras believe that we generally approve of what they are doing - and they are right. We do generally approve of what they are doing, because they are keeping the Contras alive while Congress takes [sic] its decision, which each House has separately, though obviously final legislation is not yet ready.

So, the notion that we are generally in favor of people helping the Contras is correct.

We do not encourage people to do this. We don't round up people, we don't write letters, we don't have conversations, we don't tell them to do this, we don't ask them to do it. But I think it is quite clear, from the attitude of the administration, the attitude of the administration is that these people are doing a very good thing, and if they think they are doing something that we like, then, in a general sense, they are right. But that is without any encouragement and coordination from us, other than a public speech by the President, that kind of thing, on the public record.⁷²

72 Ibid., pp. 10-11. (Emphasis added.)

Four days later, on October 14, 1986, before a closed session of the House Permanent Select Committee on Intelligence (HPSCI), Abrams continued to assure Congress that the U.S. Government was not involved in the supply of contras:

CHAIRMAN HAMILTON: Can anybody assure us that the United States Government was not involved, indirectly or directly, in any way in supply of the contras?

MR. ABRAMS: I believe we have already done that, that is, I think, the President has done it, the Secretary has done it, and I have done it.

CHAIRMAN HAMILTON: So the answer is the United States Government was not involved in any way.

MR. ABRAMS: In the supply. Now again, this normal intelligence monitoring is there, but the answer to your question is yes.⁷³

73 Abrams, HPSCI Testimony, 10/14/86, p. 17. (Emphasis added.)

Later in the hearing, the chairman revisited the issue of U.S. Government assistance:

CHAIRMAN HAMILTON: We will begin another round.

Just to be clear, the United States Government has not done anything to facilitate the activities of these private groups, is that a fair statement? We have not furnished any money. We have not furnished any arms. We have not furnished any advice. We have not furnished logistics.

MR. GEORGE: Mr. Chairman, I cannot speak for the entire United States Government.

CHAIRMAN HAMILTON: Can you, Mr. Abrams?

MR. ABRAMS: Yes, to the extent of my knowledge that I feel to be complete, other than the general public encouragement that we like this kind of activity.⁷⁴

74 Ibid., p. 48. (Emphasis added.)

The following day, in a public hearing before the House Foreign Affairs Subcommittee on Western Hemisphere Affairs, Abrams reaffirmed his prior statements that there was no U.S. Government involvement

with the downed aircraft.⁷⁵ Abrams added that no one in the U.S. Government knew who organized and paid for the Hasenfus flight or other flights like it:

⁷⁵ Abrams, House Foreign Affairs Subcommittee Testimony, 10/15/86, p. 31.

MR. ABRAMS: I do not know the answer to the question who organized and paid for this flight. I don't mean to suggest that the U.S. Government as a whole knows absolutely nothing about the fact that there is material getting in. For 2 years the Contras have been kept alive by this material, so it is clear it is getting in, but I still don't know -- --

MR. BARNES: Who organized this and who paid for it?

MR. ABRAMS: That is correct.

MR. KOSTMAYER: You have not been told by our Government, if indeed our Government knows, who organized and who paid for this particular flight?

MR. ABRAMS: I wouldn't separate myself from the Government. We don't know.

MR. KOSTMAYER: Do you think there is anyone in the Government who does know?

MR. ABRAMS: No, because we don't track this kind of activity.⁷⁶

⁷⁶ Ibid., p. 33. (Emphasis added.)

Abrams was not truthful with the congressional committees. He was aware that North was encouraging, coordinating and directing the activities of the contra-resupply operation and that North was in contact with the private citizens who were behind the lethal resupply fights. Additionally, Abrams did not inform Congress of his knowledge of the activities of the U.S. Embassy in Costa Rica to help construct a secret contra-resupply airstrip in Costa Rica.

Max Gomez/Felix Rodriguez Inquiry

Because of Hasenfus's public statements on October 9 identifying "Max Gomez" as a resupply manager, and because of press reports linking Gomez to the Office of the Vice President, Members of Congress were especially interested in information about Gomez. When Abrams appeared before the Senate Committee on Foreign Relations on October 10, 1986, the committee was interested in knowing the extent of U.S. Government knowledge about the Hasenfus allegations concerning Max Gomez. Clair George stated that the CIA was running the names Gomez and Medina through their information system and would respond accordingly.⁷⁷

⁷⁷ George, Senate Foreign Relations Committee Testimony, 10/10/86, pp. 55-56.

Senator John Kerry pressed the inquiry about the alleged connection between Gomez and the Office of the Vice President:

SENATOR KERRY: . . . Mr. Gomez, Max Gomez, do you know whether or not he reports to or was hired by the Vice President of the United States?

MR. FIERS: Max Gomez is the individual -- he is not in our records -- I think it is an alias for an individual who was previously employed with us. But I don't know. If that, in fact, is the case, I don't know who he is reporting to.

This is one of the two names.

SENATOR KERRY: You don't know whether or not he reports to the Vice President of the United States?

MR. GEORGE: The Vice President? I don't know.

SENATOR KERRY: You don't know anything about that?

MR. ABRAMS: I have never heard any suggestion of that.

SENATOR KERRY: The suggestion comes from the Hearst newspapers in a story that started last night. A copy of the article I will have in about half an hour from now. It apparently says that Max Gomez was placed in this position by the Vice President of the United States and reports directly to him. That is the story.

MR. ABRAMS: What position?

SENATOR KERRY: I don't know. That is the story.

MR. GEORGE: That is one of the two names that Mr. Hasenfus said were the two CIA men who were running this whole thing.

MR. ABRAMS: It really stretches credulity.

SENATOR KERRY: Now, I don't know. I am just asking. I got a piece of paper that said this is out there and I know nothing about it, any more than you do. I just asked the question.⁷⁸

⁷⁸ Ibid., pp. 125-26 (Emphasis added).

On October 11, 1986, The Washington Post quoted Abrams as stating ``What's kept the resistance alive has been private help. Some Members of Congress accuse us of approving of this with a wink and a nod. A wink and a nod, hell. We think it's been fine." ⁷⁹

⁷⁹ ``Bush Is Linked to Head of Contra Aid Network," The Washington Post, 10/11/86, p. 2.

On October 11, 12 and 13, 1986, media reports identified Gomez as Felix Rodriguez, a Cuban-American who fought in the CIA's failed invasion of Cuba at the Bay of Pigs in 1961.⁸⁰ Vice President Bush publicly acknowledged that he had met Rodriguez two or three times, but refused to state what their relationship was. Unidentified sources were cited, stating that Rodriguez reported his activities to Vice President Bush and Bush approved of them. On October 14, 1986, The Washington Post quoted Vice President Bush stating three days earlier in Charleston, South Carolina, as stating that Rodriguez was a U.S. counter-insurgency adviser working directly with the Salvadoran government. The article stated that Salvadoran officials denied this.⁸¹

⁸⁰ Ibid., ``Singlaub Played Double Role in Aid to Contras," The Los Angeles Times, 10/13/86, p. 2.

⁸¹ ``Salvadoran General Disputes Bush on Role of U.S. Advisor," The Washington Post, 10/13/86, p. 1.

During Abrams' appearance before HPSCI on October 14, 1986, he was asked about the press allegations relating to Vice President Bush and Felix Rodriguez:

MR. STOKES: . . . Secretary Abrams, going back to your statement to the Chairman with reference to the fact that there was no involvement on the part of the U.S. Government, taking into account the allegations with reference to Vice President Bush, you are familiar with those.

MR. ABRAMS: Yes.

MR. STOKES: Does that statement also categorically include him when you say there was no involvement on the part of our Government?

MR. ABRAMS: Yes. I am going to just expand on that.

MR. STOKES: Sure. Go ahead, please.

MR. ABRAMS: My understanding of it -- and it comes from the Vice President's staff -- is that, as I think he has said publicly, Mr. Gregg knew Mr. Rodriguez and introduced him to the Salvadorans, in I think 1984, for work with the Salvadoran armed forces, particularly the Salvadoran air force.

What he was supposed to be a specialist in was air-ground helicopter operations, and he did work with the Salvadoran air force on that, and apparently very well, and he was a great help to them.

And that is what the Vice President was aware of his doing and the Vice President has said that. But there was no knowledge that he was, or at what point he had moved off into doing some other things which apparently he has done with the resistance. But that was the initial involvement there.

MR. STOKES: That was the extent of it to your knowledge?

MR. ABRAMS: That was the extent of it to my knowledge, that is right.⁸²

⁸² Abrams, HPSCI Testimony, 10/14/86, pp. 23-24 (emphasis added). Two months later, appearing before the House of Representatives Committee on Foreign Affairs, Abrams stated that ". . . prior to all of this [the Iran/Contra revelations] I don't think I ever heard of Felix Rodriguez, . . ." (Abrams, House Foreign Affairs Committee Testimony, 12/17/86, p. 79.)

When Abrams became assistant secretary of state for ARA in July 1985, Rodriguez was already situated at Ilopango air base, having been placed there with the assistance of Gregg. The first indication of Abrams' knowledge of Rodriguez in El Salvador appears from a Corr note to himself made in preparation for the State Department chiefs of mission meeting in Panama in September 1985. Corr's note reflects topics he planned to address with Abrams. Rodriguez was one of three contra-related issues Corr wished to discuss with Abrams.⁸³

⁸³ Corr Note, ALW 0033600. Corr does not remember if he had such a meeting with Abrams.

Following the Honduran refusal to permit direct NHAO flights from the United States to Honduras, it was agreed within the RIG to use Ilopango as a transshipment point for off-loading supplies onto smaller aircraft. During December 1985, Rodriguez was openly discussed within the RIG as an individual who could be of assistance to the NHAO flights into Ilopango because of his personal relationship with Bustillo, who controlled the Ilopango air base. The fact that Rodriguez was using the alias Maximo (Max) Gomez while in El Salvador was also openly discussed within the RIG.⁸⁴

⁸⁴ Fiers, FBI 302, 8/2/91, p. 5.

During January and February 1986, Rodriguez's involvement in coordinating NHAO flights into Ilopango with North became of concern to the State Department and the CIA. CIA personnel in Central America cabled concern to Fiers in Washington about Rodriguez and North supposedly having coordinated a Caribou aircraft carrying NHAO supplies that crashed in Salvador, causing press inquiries about the flight. The next day, Corr and Walker discussed the same incident by phone and expressed concern about Gomez's

(Rodriguez's) intervention with NHAO flights and his coordination with North.⁸⁵

85 Corr Note, 2/8/86, ALV 001398.

In the summer of 1986, after the Administration's request for \$100 million in contra aid passed both Houses of Congress, there was concern about what should be done with the Secord operation's assets, principally the airplanes, after the anticipated funding was approved. North advocated to the RIG that the CIA should purchase the airplanes from the operation. Rodriguez and Bustillo believed that the airplanes belonged to the contras, not to the Secord operation.

Rodriguez's concern that the Secord operation was selling shoddy goods at high prices to contras resulted in his traveling to Washington, D.C., in August 1986 to air his complaints to Gregg. After meeting with Rodriguez, Gregg organized a meeting with other Administration officials to discuss Rodriguez's complaints. Abrams' assistant Walker, Corr, Fiers and North's assistant Lt. Col. Robert L. Earl, among others, met with Gregg in his office on August 12, 1986.⁸⁶ Abrams did not attend.

⁸⁶ For a more complete discussion of this meeting, see Gregg Chapter.

Rodriguez's role in the resupply effort at Ilopango, his relationship with Bustillo and his claims of working for the CIA with the blessing of the Vice President were among the topics discussed. Earl noted this during the meeting:

12 Aug

Corr

Concerned on transition

Busti[ll]o concerned FDN [contras] getting screwed

(re A/C).

Equip being g008taken?

Urgent need for resupply of [the] southern front.

-- 123 Miami c

Felix Rodriguez -- compadres w/ Busti[ll]o.

.

.

.

bottom line = sell A/C & money to FDN.

Corr recommends this.

Or, ON [North] to explain who owns A/C to

Busti[ll]o --

Corr doesn't think this will work.

Felix needs to be eased out w/ honor.

Corr doesn't mind either way, but Corr thinks

he's been instrumental -- 3 months

Ilopango = [Classified -- g008continuation

Information Withheld]

not 1st choice

Felix claims working w/VP blessing for CIA.

.

.

.

Corr sees no g008legal alternative to Felix ([CIA]

& Steele can't g722tough touch it)

Corr can't see any way to operate

Mario Delameco, Miami = Felix contact (Cuban

c cut this link.

Calero -- Martin link = a problem too.

.. .87

87 Earl Note, 8/12/86 (emphasis in original).

After the shutdown on October 5, 1986, Felix Rodriguez became a major concern. He was discussed in the RIG meeting on October 8, chaired by Abrams, and the next day Hasenfus named him, using his alias Gomez, as a supervisor of the resupply operation at Ilopango.

On October 10, 1986, during the hearing before the Senate Committee on Foreign Relations, Abrams, George and Fiers were pressed concerning their knowledge about ``Gomez" and his reputed relationship to Vice President Bush.⁸⁸ Later that afternoon, Abrams was interviewed by Rowland Evans and Robert Novak. The videotape of that interview was aired on October 11 and 12, 1986. Abrams was asked about Max Gomez:

88 Senate Foreign Relations Committee Transcript, 10/10/86, pp. 125-26. (Emphasis added.)

MR. NOVAK: All right, now, just on Friday the San Francisco Examiner reported that, no, quoting intelligence sources, said there was no CIA connection, but there was connection, of all places, from Vice President Bush's office. That Vice President Bush's security aid, Mr. Don Gregg, had hired this Max Gomez, who Mr. Hasenfus described as a CIA agent. Do you know anything about that?

MR. ABRAMS: Not a lot. I first heard about it on Friday morning as well. I can say first of all there's no Max Gomez. Whoever that gentleman is, he certainly isn't named Max Gomez. So we need, first of all, to find out who he is. Secondly, I know nothing about any connection to the Vice President's office whatsoever. And thirdly, in his capacity down there in Central America helping whoever he is, he is not on the U.S. government payroll in any way.

MR. NOVAK: Now, when you say gave categorical assurance, we're not playing word games that are so common in Washington. You're not talking about the NCS [sic], or something else?

MR. ABRAMS: I am not playing games.

MR. NOVAK: National Security Council?

MR. ABRAMS: No government agencies, none.⁸⁹

⁸⁹ Transcript of Evans & Novak Interview, 10/10/86, AKW 000964-65. During his Select Committees testimony on June 3, 1987, Abrams admitted that he knew by the time of his Evans and Novak interview that Gomez was an assumed name. (Abrams, Select Committees Testimony, 6/3/87, pp. 21-22.)

Questions about Rodriguez's role in contra resupply persisted. Hours before his appearance before HPSCI on October 14, 1986, Abrams called Corr to discuss the role of Rodriguez in El Salvador. Corr's note of that telephone conversation reads:

g008Elliott Abrams TELCON -- 10/14/86

Elliott has

House Intel. Cmte in a couple hours. g008Role of Salv, Felix [Emphasis added]

Why are Salv saying nothing coming⁹⁰

⁹⁰ Corr Note, 10/14/86, ALW 0032906. Corr withheld this note from Independent Counsel until he received immunity in 1991. See Corr chapter.

Corr was fully aware of Rodriguez's role in the resupply operation located at the Ilopango airport. Corr does not remember discussing Rodriguez with Abrams on October 14, 1986.⁹¹ However, Corr testified that if Abrams ever asked about Rodriguez, he would have given a full and candid explanation of what he knew about Rodriguez's activities.⁹²

⁹¹ Corr, Grand Jury, 6/14/91, pp. 82-83.

⁹² Ibid., p. 25.

Abrams did not inform HPSCI of Rodriguez's role at Ilopango.⁹³ Two days after his HPSCI appearance on October 16, 1986, Abrams discussed Rodriguez with Shultz while they were flying to El Salvador. Hill's notes of Abrams' statement to Shultz read as follows:

⁹³ Abrams was accompanied by Walker during his appearance before the Senate Foreign Affairs Committee and HPSCI. Walker had attended the August 12, 1986, meeting in Gregg's office where Rodriguez's role in the private resupply effort at Ilopango was extensively discussed. He did not attempt to correct the testimony of any of the witnesses.

Felix Rodrigues [sic] -- Bush did know him from CIA days. FR [Rodriguez] is ex-CIA. In El Salv[ador] he

goes around to bars saying he is buddy of Bush. A y[ea]r ago Pdx [Poindexter] & Ollie [North] told VP staff stop protecting FR as a friend -- we want to get rid of him from his involvnt [sic] w[ith] private ops. Nothing was done so he still is there shooting his mouth off.⁹⁴

94 Hill Note, 10/16/86, ANS 001661.

The Brunei Solicitation

Following a May 16, 1986, National Security Planning Group meeting, in which the need for further assistance to the contras was discussed, Abrams raised with Shultz the issue of soliciting third countries for funding. Shultz instructed Abrams that he did not want a country solicited that was a large recipient of U.S. aid, fearing that a contra donation would look like a kickback from U.S. foreign aid. Additionally, Shultz did not want any right-wing dictatorships, such as Taiwan and South Korea, to be solicited because it would create an unfortunate link between those dictatorships and the contras.⁹⁵

95 Abrams, House Foreign Affairs Committee Testimony, 12/17/86, pp. 5-6.

Abrams suggested to Shultz that the Sultan of Brunei, an oil-rich Southeast Asian country, be approached during Shultz's upcoming visit to Brunei in late June 1986. Abrams discussed with North where money should be sent in the event a solicitation was successful. North told Abrams to "do nothing, to send no papers and to talk to no one further about this until he [North] talks to [Poindexter]." ⁹⁶ North informed Poindexter that he had "the accounts and the means by which this thing [transfer of solicited funds] needs to be accomplished." ⁹⁷

96 PROFs Note from North to Poindexter, 6/10/86, AKW 021427.

97 Ibid.

On June 11, 1986, Abrams had lunch with Poindexter and they discussed Brunei as a possible donor for the contras.⁹⁸ They discussed possible methods of transferring the funds.

98 Abrams, Grand Jury, 2/26/88, pp. 26-28.

In June 1986, Abrams obtained bank account information from North on a card typed by his secretary, Fawn Hall. Two account numbers were transposed, ultimately resulting in the transfer of the funds into the wrong account. During his trip to Asia on June 23 and 24, 1986, Shultz took with him this index card but on the advice of U.S. Ambassador Barrington King, Shultz did not ask the Sultan of Brunei for assistance to the contras.

During July 1986, Abrams discussed the solicitation of a foreign country with Fiers. He asked Fiers for an off-shore bank account number for the transfer of funds. Abrams and Hill discussed which account to use for the Brunei solicitation and settled on the account provided by North. North told Abrams that the use of the account North provided would permit more control by the U.S. Government.⁹⁹

99 Hill Note, 8/6/86, ANS 0001587.

A meeting was arranged for Abrams with General Ibnu, the Bruneian defense minister, in London on August 9, 1986, to discuss a \$10 million contribution to the contras. Ibnu was informed that the U.S. emissary would call him using the name "Kenilworth." ¹⁰⁰ Abrams, using this name, called Ibnu and met with him in London on August 9th, solicited funds for the contras and gave Ibnu the account information provided by North. On August 19, 1986, the Sultan of Brunei ordered the transfer of \$10 million from his Citibank account via Citibank Zurich branch to Credit Suisse, Eaux Vives Branch, Geneva, account 368430-22-1, attention: Jacob Steger. On September 15, 1986, Ambassador King cabled State Department with the

message: ``This is to confirm that General Ibnu assures me arrangements have been consummated." 101 The same date, September 15, 1986, North's notebook entry reads:

100 State 244548 re: Brunei Project, 8/5/86, ALV 000394.

101 Bandar 01158 re: Brunei Project, 9/15/86, ALV 000383-84.

g008Gaston Amb says

g008Elliott talked w/

-- \$ was deposited

-- 1 wk ago.

-- Mtg w/Sultan tomorrow 102

102 North Notebook, 9/15/86, AMX 001471 (emphasis in original).

On September 16, 1986, Washington cabled King stating that ``[t]hose on the receiving end here cannot confirm consummation of arrangements. But they tell us that this is not unusual in view of the process involved. If you are asked on this point, we suggest that simply say that the material is apparently still in the pipe-line." 103

103 State 289965 re: Brunei Project, 9/16/86, ALV 000382.

On September 19th, Washington cabled King and requested that Brunei have the bank trace the funds.104 Four days later, King replied that Ibnu was surprised at the non-receipt because he understood the procedures and the recipient bank. Ibnu indicated that he would run tracers on the funds.105 On September 26, 1986, Ibnu informed King that the Sultan of Brunei had personally handled the transfer and that the recipient was quite clear. The Sultan of Brunei added that ``because of the procedures that had been used we might have to wait for a short while more before the transaction is completed." 106

104 State 296219 re: Brunei Project, 9/19/86, ALV 000379.

105 Bandar 01195 re: Brunei Project, 9/23/86, ALV 000378.

106 Bandar 01212 re: Brunei Project, 9/26/86, ALV 000376-77.

Congress was concerned as to the extent of the U.S. Government knowledge about foreign government assistance to the contras. At the time of Abrams' testimony in October 1986, he had personally solicited \$10 million from Brunei for the contras. Although the \$10 million had not arrived in the Swiss bank account recommended by North because of Hall's typing error, the State Department had been assured that the money was sent and that the transaction had been handled personally by the Sultan of Brunei.

On October 10, 1986, a Washington Post article stated that Saudi Arabia might be funding the contra resupply through Secord. During Abrams's appearance before the Senate Foreign Relations Committee on October 10, Senator Kerry inquired whether Abrams or the CIA representatives with him (including Clair George and Fiers) were aware of Saudi Arabia or any other foreign government supplying weapons or providing assistance to the contras.

SENATOR KERRY: Are you aware, any of you, of any deal by which, as part of the AWACS transaction or subsequent to the AWACS transaction, Saudi Arabia is supplying weapons or assistance to the Contras

on our behalf?

MR. ABRAMS: No.

MR. GEORGE: No.

MR. FIERS: No, sir.

MR. ABRAMS: I think I can say that while I have been Assistant Secretary, which is about 15 months, we have not received a dime from a foreign government, not a dime, from any foreign government.

SENATOR KERRY: ``We" being who?

MR. ABRAMS: The United States.

SENATOR KERRY: How about the Contras?

MR. ABRAMS: I don't know. But not that I am aware of and not through us.

The thing is I think I would know about it because if they went to a foreign government, a foreign government would want credit for helping the contras and they would come to us to say you want us to do this, do you, and I would know about that.

SENATOR EVANS: Elliott, when you said ``not a dime," I did not hear the rest of what you said.

MR. ABRAMS: From any foreign government to the Contras. It would not be to us, it would be to the Contras.

I suspect that we would know about it, though.¹⁰⁷

¹⁰⁷ Abrams, Senate Foreign Relations Committee Testimony, 10/10/86, pp. 75-76. (Emphasis added.)

Four days later, on October 14th, the issue of foreign government assistance to the contras arose again during Abrams' appearance before HPSCI:

THE CHAIRMAN: Do you know if any foreign government is helping to supply the contras? There is a report in the LA paper, for example, that the Saudis are.

MR. GEORGE: No, sir, we have no intelligence of that.

MR. ABRAMS: I can only speak on that question for the last fifteen months when I have been in this job, and that story about the Saudis to my knowledge is false. I personally cannot tell you about pre-1985, but in 1985-1986, when I have been around, no.

THE CHAIRMAN: Is it also false with respect to other governments as well?

MR. ABRAMS: Yes, it is also false.¹⁰⁸

¹⁰⁸ Abrams, HPSCI Testimony, 10/14/86, p. 21. (Emphasis added.)

Following public disclosure of the Iran/contra diversion on November 25, 1986, Abrams appeared along with Fiers before SSCI for a briefing on Nicaragua. Abrams was questioned about his knowledge of the mechanics of how money was diverted from arms sales to the contras. He replied as follows:

MR. ABRAMS: Well, we -- after the Hasenfus shutdown we were asked about, you know, what did you know about the funding of Hasenfus and his operation. And the answer here is the same answer. That is, that we knew there were private contributions coming in, because they sure weren't surviving on the money that we were giving them, which at one time was nothing and then the 27 million came along. So there was money coming in. But there was no reason to think it was coming from foreign governments, and I certainly did not inquire as to which individuals it was coming from.¹⁰⁹

¹⁰⁹ Abrams, SSCI Testimony, 11/25/86, pp. 8-9. (Emphasis added.)

The questioning persisted on the issue of fundraising:

SENATOR BRADLEY: So let me ask it again. Did either one of you ever discuss the problems of fundraising by the contras with members of the NSC staff?

MR. ABRAMS: No, I can't remember.

SENATOR BRADLEY: Well, you would say gee, they got a lot of problems, they don't have any money. Then you would just sit there and say, what are we going to do? They don't have any money. You never said, you know, maybe we could get the money this way?

MR. ABRAMS: No. Other than the conversation I have -- other than the Middle Eastern thing which I recounted to you. We're not -- you know, we're not in the fundraising business.¹¹⁰

¹¹⁰ Ibid., pp. 14-15. (Emphasis added.)

Later, Abrams assured the Committee, that until the Meese press conference, he was "fairly confident that there was no foreign government contributing [to the contras]." ¹¹¹

¹¹¹ Ibid., p. 18.

Later, on December 8, 1986, after consultation with senior State Department officials, Abrams corrected his testimony. However, he did not alter his October statements regarding third-country contra funding to the Senate Foreign Relations Committee. These statements were the basis for Count Two of the information to which he pleaded guilty.

Later, when confronted about his failure to tell Congress about the Brunei solicitation during his October testimony, Abrams claimed that he was acting under instructions not to divulge the Brunei solicitation at all. To the contrary, during his testimony on October 10, 1986, before the Senate Committee on Foreign Relations, Abrams informed the Committee: "I can only tell you that my injunction from the Secretary of State is never to lie." ¹¹²

¹¹² Abrams, Senate Foreign Relations Committee Testimony, 10/10/86, p. 49.

Abrams Pleads Guilty

Independent Counsel's investigation focused on the veracity of Abrams' October 1986 statements to Congress concerning his knowledge of U.S. Government involvement in the contra-resupply operation, his knowledge of the role of Felix Rodriguez in contra resupply and his failure to inform Congress of the Brunei solicitation when he was asked about foreign government assistance to the contras.

The facts concerning the Brunei solicitation had been publicly exposed during the congressional hearings in the summer of 1987. The extent of Abrams' knowledge of North and Rodriguez's role in contra resupply was greatly amplified as the OIC investigation progressed. North had publicly testified in the summer of

1987 that Abrams was aware of his "full service operation" to the contras and that he discussed many of his contra-related activities within the RIG, but it was not until 1990 and 1991 that independent evidence was produced that corroborated North's assertions. In 1990 and early 1991 North was compelled to testify in greater detail about his communications with Abrams and to explain contemporaneously made notebook entries that related to Abrams. In 1990 and 1991, notes of Hill, Platt, Walker and Corr, were produced for the first time. These notes recorded conversations within the State Department regarding Abrams' knowledge of North's activities.

The "Croker note," produced by the Defense Department in 1991, corroborated North's assertion that in 1986 he had listed within the RIG, item-by-item, the activities that he was causing to happen on behalf of the contras through the private network. The 1991 production of Corr's previously withheld notes supplied details of telephone conversations between Corr and Abrams about the Hasenfus shootdown and conversations about Rodriguez's role in Salvador.

Fiers, after his plea in July 1991, supplied additional facts about the extent of Abrams' knowledge of North's involvement in the resupply effort and Abrams' knowledge about the Embassy involvement in the Costa Rican airstrip.

Independent Counsel was prepared to present a multi-count felony indictment against Abrams to the Grand Jury for its consideration in early October 1991. Abrams, through his counsel, was invited to consider a plea of guilty. Before an indictment was presented, Abrams entered into a plea agreement on October 7, 1991, and pleaded guilty to two counts of withholding information from Congress. He pleaded guilty to unlawfully withholding material information concerning North's contact with and encouragement of the people supplying the contras from the Senate Foreign Relations Committee on October 10, 1986. Additionally, he pleaded guilty to unlawfully withholding material information from HPSCI on October 14, 1986, concerning his participation in the Brunei solicitation and his expectation, as of October 14, that the \$10 million from the Sultan of Brunei was on its way to the Swiss bank account he had provided.