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# WITHDRAWAL SHEET

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**Collection Name** BAKER, HOWARD: FILES

**Withdrawer**

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**File Folder** IRAN-CONTRA HEARINGS - JUNE [MAY-NOVEMBER 1987] (1)

**FOIA**

M11-391

**Box Number** 3

BYRNE

3

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
127211	MEMO	<del>ARTHUR CULVAHOUSE TO BAKER RE REACTION TO IRAN/CONTRA REPORTS (ANNOTATED)</del> DOCUMENT PENDING REVIEW IN ACCORDANCE WITH E.O. 13233	2	11/10/1987	
				5/5/09	KOB
127212	OUTLINE	<del>RESPONDING TO THE IRAN-CONTRA REPORTS</del> DOCUMENT PENDING REVIEW IN ACCORDANCE WITH E.O. 13233	2	11/10/1987	
				5/5/09	KOB
127213	MEMO	WILLIAM LYTTON TO CULVAHOUSE RE OVERVIEW OF EXPECTED TESTIMONY OF OLIVER NORTH	11	7/2/1987	B1
		<b>R 9/6/2018 M391/1</b>			

Freedom of Information Act - [5 U.S.C. 552(b)]

- B-1 National security classified information [(b)(1) of the FOIA]
- B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- B-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
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C. Closed in accordance with restrictions contained in donor's deed of gift.

CLOSE HOLD

THE WHITE HOUSE  
WASHINGTON

November 10, 1987

MEMORANDUM FOR HOWARD H. BAKER, JR.  
CHIEF OF STAFF TO THE PRESIDENT

FROM: ARTHUR B. CULVAHOUSE, JR. *ABC*  
COUNSEL TO THE PRESIDENT

SUBJECT: Reaction to Iran/Contra Reports

*QIC*  
*file*  
*HHS*  
*SM 122*  
*MT TP*

The House and Senate Select Committee Iran/Contra joint report and minority report are currently scheduled to be released on Tuesday, November 17. I believe that we must begin to formulate our reaction to the report immediately. Furthermore, it is important that we emphasize our positive story of cooperation with the investigations without responding to specific allegations.

Most importantly, we should have a consistent theme throughout the Administration in reacting to the report. If anyone in the Administration becomes involved in addressing the majority report's factual or legal conclusions, we will succeed only in emphasizing its harsh judgments. Similarly, next week may not be the optimum time for the Administration to object vigorously to the majority's objectionable legislative recommendations. Accordingly, in my opinion, we should limit comment on the reports to the minimum, and:

- (a) stress the President's cooperation with the Tower Board, Congressional and Independent Counsel investigations and reaffirm the President's assumption of responsibility for any policy mistakes;
- (b) express our desire to work in good faith with Congress to reestablish a consensus on the national security interests of the United States;
- (c) commit to reviewing the majority and minority reports and soliciting agency views and recommendations for improving the functioning of the executive and legislative branches in the foreign policy and national security areas;
- (d) reaffirm that the report corroborates the President's consistent position that he did not know about or authorize the diversion;
- (e) re-emphasize that significant reforms have been instituted at the NSC following the Tower Board report and

the existing structure is thus far improved from the policy apparatus described in the reports; and

(f) refrain from all commenting on whether any laws were violated (the majority report will conclude that many laws were violated) and observe that given the stark disagreement between the majority and minority reports, and the ongoing criminal investigations, it would be inappropriate for the President or the Administration to make legal judgments. Of course, the President violated no laws and that should be said if the question is posed.

Certain steps should be taken right away, particularly our efforts to communicate the Administration theme throughout the agencies.

I have prepared for your consideration a list of tasks to implement the above approach. I recommend that you convene a brief meeting among Ken Duberstein, Frank Carlucci, Tom Griscom, Marlin Fitzwater, Will Ball, Rhett Dawson, Frank Donatelli, Nancy Risque and myself to discuss the issue and allocate responsibilities.

(AB.)

cc: Kenneth M. Duberstein  
Thomas C. Griscom

Peggy - pls set up  
under KD auspices

Check again  
Tomorrow

Thank  
Tack

Ms - H/TS

November 10, 1987

RESPONDING TO THE IRAN/CONTRA REPORTS

I. BEFORE PUBLICATION (PRE-NOVEMBER 17)

A. Coordinate Theme

1. Brief the President
2. Advise agency general counsels, press secretaries and legislative offices
  - a. State Department
  - b. Defense Department
  - c. Justice Department
  - d. Central Intelligence Agency
  - e. NSC
  - f. National Security Agency
  - g. Customs Service
  - h. Drug Enforcement Agency

B. Communicate the Theme

1. Prepare background for media on White House and Administration cooperation
2. Prepare op-ed pieces on cooperation
3. Prepare op-ed pieces on NSC reforms
4. Press interviews on positive aspects of story

II. ON PUBLICATION DATE (NOVEMBER 17)

- A. Brief Presidential Statement Released Immediately After Report Issued (reflecting six elements of the theme)
- B. Brief Statements by Relevant Agencies Indicating that they will Study the Reports
- C. Continue Communicating Theme as Above

III. AFTER PUBLICATION DATE (POST-NOVEMBER 17)

- A. Distribute Administration Talking Points
- B. White House Request to Relevant Agencies for Views and Recommendations
- C. Senior Administration Officials Consult with Intelligence and Foreign Affairs Committees

THE WHITE HOUSE

WASHINGTON

July 9, 1987

MEMORANDUM FOR HOWARD H. BAKER, JR.  
RHETT P. DAWSON  
KENNETH M. DUBERSTEIN  
M. MARLIN FITZWATER  
THOMAS C. GRISCOM

FROM: ARTHUR B. CULVAHOUSE, JR.   
COUNSEL TO THE PRESIDENT

SUBJECT: Testimony of LtCol Oliver North  
Thursday Morning, July 9, 1987

Attached is a summary prepared by Counsel's Office of the testimony of LtCol Oliver North at this morning's session of the Iran/Contra hearings.


Attachment

THE WHITE HOUSE

WASHINGTON

July 9, 1987

MEMORANDUM FOR ARTHUR B. CULVAHOUSE, JR.

FROM: WILLIAM B. LYTTON III 

SUBJECT: TESTIMONY OF LTCOL NORTH  
JULY 9, 1987 (MORNING SESSION)

I. Overview

LtCol North read an opening statement in which he praised the President's political and foreign policy leadership. He firmly denied press reports that he was a "personal confidant" of the President. He called the Committee hearings "a strange process" in which the Committee acted as player and umpire and seemed to lament that "the President has chosen not to assert his [executive privilege] prerogatives." He called "mindboggling" that some were attempting to criminalize policy differences between the Executive and Congress.

Much of the examination by minority counsel focused on the merits of the cause of the Nicaraguan resistance. North asserted that he and, he felt, his superiors did not believe that the Boland Amendment applied to the NSC staff and stated that he had received outside legal advice from John Norton Moore, a law professor who specializes in international and national security law.

It was also elicited that Iranian officials had helped to resolve the TWA 847 hostage crisis. North stated that the U.S. was hampered by lack of human intelligence in Iran, was forced to rely on Israeli assets, and that one goal of the Iran initiative was to improve our intelligence on Iran. He also stated that he priced weapons sold to Iran to ensure the U.S. received the standard FMS price.

North testified that he had been under the impression that Attorney General Meese had approved the November 1985 finding purporting retroactively to approve the CIA's assistance for the November 1985 Israeli sale of arms to Iran. He admitted that no one told him that Meese had approved the finding, however, and that his impression was based on the fact the, as a matter of practice, findings were coordinated with the Attorney General.

He reiterated that his reason (though he could not speak for others) for adjusting the Fall 1986 chronologies was his



concern for the physical safety of the principal U.S. contact in Iran (the "second channel") and the hostages. North was afraid of the Iranian reaction if it were disclosed that the U.S. had participated in the November 1985 shipment which had so upset the Iranians.

North testified that the Iranians had not agreed that all hostages would be released upon arrival of the McFarlane delegation, although Ghorbanifar had told them the opposite. North stated that the decision to have the plane carrying remaining HAWK spare parts take off from Israel during McFarlane's last night in Tehran was part of a fully briefed prearranged plan that would permit the plane to turn around if the hostages were not released in time.

The morning session was marred by the outburst of a noisy spectator in the rear of the Committee room who undraped a banner.

## II. President's Knowledge

While admitting that he had lied to Congress, North unequivocally asserted that he was not now lying to protect the President.

## IV. Continuation of Hearing

Examination of LtCol North by Senate Counsel Arthur Liman will commence at 2:00 p.m.

THE WHITE HOUSE

WASHINGTON

July 8, 1987

MEMORANDUM FOR HOWARD H. BAKER, JR.  
RHETT B. DAWSON  
KENNETH M. DUBERSTEIN  
M. MARLIN FITZWATER  
THOMAS C. GRISCOM

FROM: ARTHUR B. CULVAHOUSE, JR. *ABC*  
COUNSEL TO THE PRESIDENT

SUBJECT: Testimony of LtCol Oliver North  
Wednesday Morning, July 8, 1987

Attached is a summary prepared by Counsel's Office of the testimony of LtCol Oliver North at this morning's session of the Iran/Contra hearings.

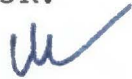
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THE WHITE HOUSE

WASHINGTON

July 8, 1987

MEMORANDUM FOR ARTHUR B. CULVAHOUSE, JR.

FROM: WILLIAM B. LYTTON III 

SUBJECT: TESTIMONY OF LTCOL NORTH  
JULY 8, 1987 (MORNING SESSION)

Paula Boggs, Todd Buchwald, Paul Colby and Patrick Duffy observed the testimony of LtCol Oliver North on the morning of February 7, 1987, and report as follows.

I. Overview

Most of this morning's questions involved the November 1985 HAWK shipment, the Findings of November 1985 and of January 6 and 17, 1986, and residual funds from arm sales to Iran. North testified that he was told (on 1/15/86) by Admiral Poindexter that the President, referred to as "Joshua", and Secretary Weinberger had agreed to the replenishment, by sale, of TOWs and HAWKS sold by Israel to Iran, but in the event of crisis, the President would authorize the delivery of Israel's requirements by C-5A transport aircraft. [North did not indicate whether Israel would pay for an emergency delivery.] Nields also presented notes (recently turned over to the Committees by North's attorney) that were taken by North during a conversation with Robert McFarlane on November 21, 1986. In that conversation, McFarlane said that the President approved, in July 1985, the sale of arms by Israel to Iran. McFarlane also recounted Attorney General Meese's conclusion that the President's decision would constitute a "mental finding" which would amount to legal authorization for both Israel's sale to Iran and U.S. replenishment to Israel as a covert action. North also denied telling Robert Earl, after his conversation with the President of November 25, 1986, that the President had said "It's important that I not know" or words to that effect. Also of note, North's testimony revealed the close relationship he shared with William Casey. North also gave a spirited and emotional explanation for his security system at his home. He denied receiving any financial benefits, other than the security system, and he admitted falsifying documents to cover up this "gift".

## II. President's Knowledge

### A. Diversion

North reiterated that to his knowledge, the President did not know of diversion, but testified that Poindexter, with Casey's concurrence, approved the use of residuals from the Iran arms sales for the Contras. North stated that the idea was raised by Ghorbanifar, as an "incentive," during a January 1986 meeting in Europe after the January 17 Finding was signed by the President.

### B. Boland Amendment

Nothing to report.

### C. Iran Operations

North referred to the profits from the Iran arms sales alternatively as "the Ayattollah's money" and as "belonging to Secord." Though North did not answer the question, Niels asked him why he was seeking the President's approval for use of the residual funds (as reflected in the undated memo), if those funds belonged to Richard Secord.

### D. Third Country Aid to Contras

Nothing to report.

### E. Private Support to Contras

Nothing to report.

### F. November 1986 Chronologies

Nothing to report.

## III. Testimony About North's Alleged Misuse of Funds

North also testified extensively about various allegations that he misused funds. He explained that he never knew about a testamentary document under which he would have obtained \$2 million if Hakim and Secord died. He further explained he used travellers checks for his personal use only to reimburse himself after advancing his personal funds for operational activities. He testified that he kept a complete ledger about all travellers checks and cash that he used in his operational activities, but destroyed it in early November 1986 upon the advice of DCI Casey, who was concerned about the safety of persons appearing on the ledger when it appeared that the secrecy of the NSC operations would unravel and that North might be sued. North conceded using these funds to pay for his official USG travel.

North admitted that he had not paid for a security system installed in his house in April 1986, and admitted that he made a terrible misjudgment in trying to hide that fact afterwards. He

explained, however, that the security arrangements were made after Abu Nidal had targeted North and his family for death, and after other plans for the USG to provide security were determined not to be feasible or available.

IV. Continuation of Hearing

LtCol North's testimony will continue at 2:00 p.m.

THE WHITE HOUSE

WASHINGTON

July 7, 1987

MEMORANDUM FOR HOWARD H. BAKER, JR.  
RHETT B. DAWSON  
KENNETH M. DUBERSTEIN  
M. MARLIN FITZWATER  
THOMAS C. GRISCOM

FROM: ARTHUR B. CULVAHOUSE, JR.   
COUNSEL TO THE PRESIDENT

SUBJECT: Testimony of LtCol Oliver North  
Tuesday Morning, July 7, 1987

Attached is a summary prepared by Counsel's Office of the testimony of LtCol Oliver North at this morning's session of the Iran/Contra hearings.

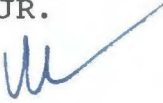
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THE WHITE HOUSE

WASHINGTON

July 7, 1987

MEMORANDUM FOR ARTHUR B. CULVAHOUSE, JR.

FROM: WILLIAM B. LYTTON III 

SUBJECT: TESTIMONY OF LTCOL NORTH  
JULY 7, 1987 (MORNING SESSION)

David Howard, Paula Boggs, Todd Buchwald and Patrick Duffy observed the testimony of LtCol Oliver North on the morning of July 7, 1987 and report as follows:

I. Overview

LtCol North testified that, while he briefed his superiors and had their approval for all his actions and while he always believed the President was aware of the diversion, he never discussed diversion with the President, does not know of anyone who did so, and never saw a document that both discussed diversion and bore an indication that the President had seen it. North testified that on November 21, 1986 Admiral Poindexter told North that he (Poindexter) had never told the President. North also stated that the President, in his telephone call to North on November 25, 1986, said, "I just didn't know."

II. Presidential Knowledge/Involvement

A. Diversion

North testified that he never discussed diversion with the President and does not know of anyone who did so.

North testified that he always sought the approval of his superiors for his actions. North wrote approximately five memoranda outlining potential arms sales to Iran and describing the use of residual profits from these arms sales for the Nicaraguan freedom fighters. North sent these memoranda to Poindexter with the recommendation that Poindexter brief the President on the transactions. Poindexter, unlike in other situations, never told North to stop preparing these memoranda for the President's approval. North received approval from Poindexter to go ahead with these proposed transactions. Although North assumed that the President approved the idea of diversion, North does not recall seeing any memorandum indicating the President's knowledge or approval of diversion, or any

memorandum indicating that Poindexter briefed or intended to brief the President as North had recommended.

North stated that he had probably shredded, before November 21, 1986, the other memoranda he prepared documenting diversion and that, in fact, he had begun shredding in early October 1986 after DCI Casey and he discussed the likelihood of disclosure and Casey told North that things ought to be "cleaned up." House Counsel John Nields insinuated that North may have shredded documents indicating the President's knowledge of diversion.

Poindexter never told North that he had discussed diversion with the President. In fact, on November 21, 1986, after learning of Attorney General Meese's incipient inquiry, North asked Poindexter if the President knew of diversion. Poindexter replied that the President did not know.

North was asked about Richard Secord's testimony that North told Secord he had joked with the President about the irony of using the Ayatollah's money for the Contras. North denied that he had ever made such comments to the President. Instead, he recalled making such an aside to Poindexter while leaving a meeting in the summer of 1986 which dealt with strategy for getting Congress to send a coordinated \$100 million Contra aid bill to the President. North does not think the President heard this aside. [The computerized Presidential Diary System contains no record of such a meeting attended by the President and North in the summer of 1986.] North testified that if he did exaggerate to Secord about this story, he did so to encourage the "exhausted" ex-General.

North also testified that when the President called him on November 25, 1986, the President told him that "I just didn't know."

B. Boland Amendment

Nothing to report.

C. Iran Operations

North testified that he recalls having seen a copy of the November 1985 Finding ratifying CIA involvement in the November HAWK shipment which had been signed by the President. North remembers seeing the signed Finding in Poindexter's office in early December 1985.

D. Third Country Aid to Contras

Nothing to report.



E. Private Support to Contras

Nothing to report.

F. November 1986 Chronologies

North is not aware whether Poindexter or anyone else showed the November 20, 1986 Historical Chronology to the President or asked the President whether he wanted facts about the November 1985 HAWKS shipment to be falsified.

While House Counsel John Nields implied the reason for the false statements in the November 1986 chronologies was to protect the Administration against claims that the Israeli shipments violated U.S. laws, North denied violating any laws and said that his reasons for supporting the false chronologies was to protect the hostages and the "second channel" and to avoid international and domestic repercussions. North said he could not speak for others' reasons in going along with the false chronologies. North testified that McFarlane supplied the false language indicating the Israelis had shipped oil drilling equipment in November 1985, and that Poindexter and Casey (and he assumed Meese) were all aware of the falsity of the chronologies, but, in a session on November 20 to prepare Casey for Congressional testimony the next day, they did not object.

III. Continuation of Hearing

LtCol North's testimony will continue at 2:00 p.m.

THE WHITE HOUSE  
WASHINGTON

July 2, 1987

MEMORANDUM FOR HOWARD H. BAKER, JR.  
RHETT B. DAWSON  
KENNETH M. DUBERSTEIN  
M. MARLIN FITZWATER  
THOMAS C. GRISCOM

FROM: ARTHUR B. CULVAHOUSE, JR.   
COUNSEL TO THE PRESIDENT

SUBJECT: Anticipated Testimony of LtCol Oliver North  
Tuesday, July 7, 1987

Attached is an in-depth summary prepared by Counsel's office of the anticipated testimony of LtCol Oliver North. LtCol North is expected to testify in public session beginning on Tuesday, July 7.

Attachment

THE WHITE HOUSE  
WASHINGTON

July 2, 1987

MEMORANDUM FOR ARTHUR B. CULVAHOUSE, JR.

FROM: WILLIAM B. LYTTON III *W*

SUBJECT: OVERVIEW OF EXPECTED TESTIMONY OF OLIVER NORTH

Oliver North met privately with Congressional investigators on July 1 and will begin public testimony on July 7. The Committee will likely explore several themes, including North's relationship with the President, whether North enjoyed authority for his actions, the sources of that authority, and the extent to which North misled his supervisors about what he was doing.

1. Relationship with the President

There have been a variety of published reports, most recently in the July 1987 issue of Washingtonian magazine, of North bragging about a close relationship with the President. He has allegedly claimed to have had "side door" access to the Oval Office, frequent one-on-one meetings and briefings with the President at Camp David or in the Oval Office, and a father-son type relationship.

In those few instances where specifics of time and place were asserted, we have researched all available records, and spoken with all potential witnesses, and we have concluded that there is absolutely no truth to these assertions. Moreover, the President has denied any such relationship with North.

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NLRR M391/1 # 127213  
BY *fw* NARA DATE 9/6/18

## 2. Iran Arms Sales

North played an important role in planning logistics and finances for the Iran arms sales and keeping the program alive at key points when support for it within the Administration was waning.

### A. November 1985

McFarlane called North from the Geneva summit in November 1985 and instructed North to contact Israeli Defense Minister Rabin to offer assistance in resolving difficulties Israel was encountering in transshipping HAWK missiles through Portugal to Iran. After North called Rabin, who explained the Israelis' problems, North asked General Secord to delay "our first direct flight of ammo" to the resistance inside Nicaragua, and instead to travel to Portugal to provide his "discrete assistance" in facilitating the Israeli shipment. Secord proceeded to Portugal, but quickly encountered numerous problems. When the Portuguese Government refused landing rights to the Israeli aircraft that was to carry the shipment, North asked Duane Clarridge to arrange CIA support for Secord's efforts.

Secord eventually arranged for the first of five planned sorties of HAWKS to Iran. However, the deal fell apart after the Iranians expressed dissatisfaction with the first shipment of 18 HAWKS. Secord testified that North told him in December that the Israelis did not intend to request return of over \$800,000 of \$1 million that they had advanced to cover Secord's expenses. According to Secord, North suggested spending this \$800,000 on the Contra project.

### B. February 1986

After a meeting of principals on December 6, McFarlane travelled to London where, accompanied by North and Secord, he made clear to Ghorbanifar and the Israelis that the USG remained interested in a dialogue with Iran, but not in further arms-for-hostages arrangements. Nevertheless, upon his return, North continued to advocate the program in a memorandum summarizing the London meetings as "inconclusive" and, later, in memoranda setting forth operational plans for the February arms sales. His advocacy may have been spurred by Israeli Adviser on Counter-terrorism Amiram Nir, who met with North and Poindexter on January 2. North told Attorney General Meese last November that Nir raised the idea of the diversion in early January and the prospect of generating funds for the Contras could only have increased North's support for the arms sales program.

North's plan for the February transaction called for release of four U.S. hostages between a first sale of 1000 TOWs and a second sale of 3000 TOWs. When the hostages were not released, the second sale did not occur. One CIA official who attended a

meeting with North and Ghorbanifar after delivery of the 1000 HAWKS reported that Poindexter "was fed up and just wanted to cut it off entirely" when North reported that Ghorbanifar wanted more deliveries. In that official's view, North kept the initiative alive "because of the President's personal and emotional interest in getting the hostages out."

North told Meese that between \$3 and \$4 million were diverted from the February arms sales to the Contras. North's memorandum describing these sales included enough information to let a careful reader realize that the sales would generate excess profits, but did not describe plans for those profits. The Committees will try to determine how much North's superiors understood about those plans.

C. May 1986

Sometime between April 3 and 7, North prepared a memorandum proposing what eventually became the May arms sale. That memorandum proposes the allocation of \$12 million in "residual funds from this transaction" to the Contras. There has been no evidence that the President ever saw this memorandum, but Fawn Hall testified that Poindexter reviewed it and returned it to North for revisions. North will be questioned extensively about this memorandum.

As North developed plans for the May arms sales, Poindexter made clear in memoranda and PROF notes that any further arms deliveries would have to be preceded by release of all hostages. Nevertheless, at least according to Tower Board testimony from George Cave, North agreed during a May 6 planning meeting with Ghorbanifar that one-quarter of the HAWK spare parts would accompany the "McFarlane delegation" that would visit Iran in connection with the transaction. (One pallet of HAWK spare parts was in fact aboard the McFarlane plane, and the Iranians removed them before the delegation departed). In addition, there is evidence that North knew as early as mid-April that the Iranians did not intend to release all the hostages if the delegation did not bring all the spare parts.

McFarlane testified that, during the delegation's last night in Tehran, North ordered the plane carrying the remaining HAWK spare parts to take off for Iran in exchange for the Iranians releasing two hostages before the incoming plane entered Iranian air space. According to McFarlane, this contradicted his decision not to accept a deal involving the release of less than all the hostages, and he angrily ordered North to have the plane return. Robert Earl, in a deposition that has not been made public, testified however that McFarlane at least cleared (and possibly issued) the order for the planes to take off from Israel, and ordered the plane to return only when the Iranians failed to effect the hostages' release in time.

The remaining HAWK spare parts remained undelivered when the McFarlane delegation left Iran. Nevertheless, the Iranians had paid for them in advance, and the transaction generated another \$6 million in profits that was available for the Contra program. After Father Jenco's release on July 26, North recommended in a memorandum to Poindexter that the President approve shipment of the remaining HAWK spare parts. With the President's approval, the spare parts were delivered to Iran in August.

D. November 1986

North met at least three times with the so-called "second channel" in September and October, the second time presenting to the Iranians a Bible inscribed by President Reagan. During these meetings, North apparently greatly inflated his access to the President, made numerous assertions beyond his authority (e.g., that the USG recognizes that Iraqi President Saddam Husain must go), and may have agreed to a nine-point plan that included provision for the USG to press Kuwait for the release of the Dawa prisoners.

The meetings with the second channel led to the final delivery of arms -- 500 TOWs that arrived in Iran from Israel on October 29. (Replacement TOWs from the United States arrived in Israel from the U.S. on November 7). David Jacobsen was released on November 2, but the arms sales, and communication with the Iranian interlocutors, rapidly disintegrated when Al Shiraa published its account of the McFarlane trip on November 3.

3. North's Role in the Period Following Exposure of the Arms Sales

A. Preparation of NSC Chronologies

After publication of news about the McFarlane trip in November 1986, North worked with Poindexter, McFarlane, Earl, Coy and Teicher to prepare several chronologies of relevant events. The Tower Board outlined McFarlane's role in changing the chronologies to blur the President's association with the arms sales, but there is little information regarding North's role in this process. McFarlane testified that at the end of a late drafting session on November 18, North commented to the effect that "it looks like what we are putting together here will assure that the President isn't hurt by this, and there won't be a problem." Secord testified that he objected to language he reviewed on November 19 that suggested the President had not approved the August 1985 Israeli shipment of TOWs. According to Secord, North stated that this was the view McFarlane wished to convey.

North will likely be asked about his role in preparing the NSC chronologies, and about the motives of the group editing the drafts.

B. Preparation for Casey's Testimony

North attended a meeting on November 20 to prepare for Director Casey's testimony and Admiral Poindexter's briefing before the Intelligence Committees. Casey, Poindexter, Attorney General Meese, Assistant Attorney General Cooper, and Paul Thompson also attended.

According to Cooper's testimony, North argued that draft CIA language should be altered to indicate that no one in the USG, rather than merely no one in the CIA (as suggested by draft CIA language), knew that the November 1985 Israeli shipment contained HAWK missiles. North also argued that the language should indicate that the HAWKS were returned to Israel in February 1986 because of USG displeasure with the Israeli shipment, rather than Iranian dissatisfaction.

It seems clear that North knew that his version of events was false. Nevertheless, no one in the room disputed his account. Before Casey's testimony, however, Judge Sofaer informed Cooper, Thompson and Peter Wallison that Secretary Shultz had information proving North's account false. Judge Sofaer insisted that Casey testify accurately on this point, although it remains unclear how accurate his testimony was.

C. November 21 through 25:  
Shredding and Alteration of Documents

North shredded a large quantity of documents and instructed Fawn Hall to alter at least six Contra-related documents after learning on November 21 that the Attorney General had commenced an investigation of the Iran arms sales. He subsequently took documents from his office on November 22 while Justice Department attorneys were at lunch. He was confronted with the "diversion memorandum" during an interview by Attorney General Meese on November 23. According to Assistant Attorney General Charles Cooper, North asked whether a cover sheet for that memorandum had been found, but was told that none had been. North worked in his office that evening until 4 a.m.

North was fired on November 25, but received a complimentary telephone call later that day from President. Fawn Hall testified that she helped him remove documents from his office later that afternoon after NSC personnel attempted to secure the room.

The Committee will likely probe Meese's conduct of the investigation to determine whether Meese knew of or abetted North's conduct. It will also likely probe North's meetings with McFarlane, Poindexter and Michael Ledeen on November 21, and

North's telephone conversation with Poindexter on the morning of November 22. Finally, the Committee will likely ask about the President's telephone call to North for any information it provides about the President's knowledge of the diversion.

4. Fundraising for the Contras

A. From Third Countries

North will be questioned about his participation in efforts to solicit assistance for the Contras from Saudi Arabia, Taiwan, South Korea and Taiwan.

(i) Saudi Arabia

Although McFarlane appears to have been the key actor in inducing Saudi Arabia to contribute \$32 million to the Contras, North knew the source of the Contras' funding at least as early as fall of 1984. Secord has already testified that North -- purporting to act on McFarlane's instructions -- twice urged Secord to approach a Saudi official, presumably Prince Bandar, to solicit assistance for the Contras. According to Secord, the Saudi official received the first approach (which he dated in fall 1984) unenthusiastically, but responded to the second (which he dated about February 1, 1985 -- right around the time of King Fahd's state visit, and the Saudi decision to increase their contribution) by saying that he had already been contacted and had decided to raise the matter with King Fahd.

North wrote memoranda denying that he had informed CIA official Alan Fiers that Saudi Arabia was funding the Contras, describing the munitions and support activities on which the Saudi funds were being spent, and urging additional approaches to the Saudis when a need for more funds arose. North will be asked to provide detail about McFarlane's thoughts and actions in dealing with the Saudis, and about who in the administration was aware of the Saudi role. The Committee will also be interested in probing North's knowledge of any quid pro quos that the Saudis were offered for their contributions.

(ii) Taiwan and South Korea

Singlaub testified that he discussed with North his efforts to solicit Taiwan and South Korea to contribute to the Contras in late 1984 and early 1985. According to Singlaub, North gave "his blessing" to Singlaub's efforts to follow-up with these two governments, and sought to arrange a "signal" for them that the Administration was aware of Singlaub's efforts. A memorandum from North to McFarlane written in February 1985,



which may reflect what both men thought were the boundaries of permissible "solicitation" at the time, states that North would put Calero in direct contact with Korean and Taiwanese officials but that "No White House/NSC solicitation would be made." A handwritten note, possibly by McFarlane, then indicates "Nor should Singlaub indicate any USG endorsement whatsoever."

While these early efforts apparently yielded no contributions, North was also a central figure in successful efforts later in 1985 to solicit assistance from Taiwan. According to Gaston Sigur, North -- representing that he spoke for McFarlane -- asked Sigur to ask a Taiwanese official whether his government would contribute to the Contras. When Sigur reported to McFarlane that the Taiwanese would want to channel any assistance through the USG, McFarlane said this would not be possible and instructed Sigur not to proceed. Soon thereafter, however, North--whom Sigur still believed spoke for McFarlane--had Sigur arrange a meeting at which North successfully solicited a \$1 million contribution from the Taiwanese official. Still later, again at North's request, Sigur successfully solicited a second \$1 million contribution. McFarlane testified that he was disappointed to find out that Sigur approached the Taiwanese after McFarlane instructed him not to proceed.

(iii) Brunei

The solicitation of Brunei was a State Department operation. However, when Elliott Abrams needed the number of a bank account in which the Government of Brunei could deposit funds, North furnished him the number of a Lake Resources account in Switzerland. Abrams used this account number, rather than a similar one he had obtained from the CIA's Alan Fiers, for reasons that are not entirely clear. Abrams denied that his reluctance to tell Congressional investigators about the solicitation of Brunei resulted from his fear that this information would lead them to unravel North's and Secord's network of Swiss bank accounts.

(iv) Other efforts

North will likely be questioned about other efforts to induce assistance from third countries. These include efforts to "reward" Guatemala with an increase in foreign assistance for its role in supplying false end-user certificates for the Contras' use, to facilitate munitions imports from the PRC, and to obtain permission from the U.K. to allow Chile to re-transfer BLOWPIPE surface-to-air missiles to the Contras.

B. From Private Benefactors

North conducted extensive fundraising activities and served as NSC contact for the network of private fundraising groups. North held numerous briefings on the situation in Central America for groups of prospective donors. The Committees have already heard testimony about the so-called "one-two" punch by which North would describe the Contras' desperate need for money to a potential contributor, but step out of the room in favor of one of the fundraisers who specifically requested a contribution.

North met frequently with Spitz Channell and Richard Miller, both of whom recently pled guilty to conspiring to defraud the IRS by representing their National Endowment for the Preservation of Liberty as being a section 501(c)(3) organization, when in fact contributions to it were used to fund munitions purchases by the Contras. North apparently helped Channell gain access to President Reagan by preparing memoranda from McFarlane that described Channell as one of those involved in financing television advertisements in support of the Administration's Central America program. (Channell also apparently paid a fee to former Presidential aide David Fisher for getting contributors into the Oval Office). Channell was able to use this access to enhance his fundraising ability. One contributor, William O'Boyle, testified that Channell told him, in North's presence, that he could enjoy an "off-the-record" meeting with President Reagan if he contributed \$300,000.

5. North's Operational and Tactical Support of Contras

A. Operational and Tactical Support

In testimony for the Tower Board, CIA Central American Task Force Chief Alan Fiers said that the interagency process in Central America was in disarray after Congress cut off funding for the Contras in October 1984. According to Fiers, "it was Ollie North who then moved into that void and was the focal point for the Administration on Central American policy until the fall of 1985."

Adolfo Calero testified that he kept North comprehensively informed about the Contras' needs, arms acquisitions and finances. He testified that North would advise him of the massing of Sandinista troops constituting threats to Contra forces, supplied photographs pertaining to the delivery of Soviet-made helicopters to Managua and maps annotated with the location of radar installations. He acknowledged tactical discussions with North on the merits of attacking Soviet made helicopters on the ground, but said he planned no specific military operations with North.

North devised or supported numerous plans to support the Contras, including plans for the Contras to seize a piece of Nicaraguan land and declare an independent state, to interdict particular shipments of weapons to the Sandinistas, and to destroy Soviet-supplied Hind-D helicopters while still on the ground in Nicaragua. North supplied classified communications encryption devices, KL-43s, to numerous persons involved in the Contra resupply effort.

#### B. Opening Southern Front

Former Ambassador Lewis Tambs testified that North instructed that his mission upon assuming his post in Costa Rica was to "open the southern front." Tambs testified that he understood North to be speaking for a three-man Restricted Interagency Group ("RIG") that included North, Assistant Secretary of State Abrams, and CIA Central American Task Force Director Alan Fiers. (Abrams has denied that he participated in the issuing of any such instructions and that, because Ambassadors report to the Department of State and the President, Tambs had no business accepting instructions from North on the supposed behalf of the RIG).

North was involved in arrangements to build a secret airstrip at Santa Elena to help re-supply Contra forces that then President Monge wanted removed from Costa Rican to Nicaraguan soil. Later, North worked with the COS in Costa Rica to assist the privately funded aerial resupply effort. According to a September 1986 PROF note from North to Poindexter, North (with Elliott Abrams' concurrence) called newly elected President Arias to threaten that Costa Rica would "never see a nickel" of promised U.S. aid if his Security Minister proceeded with a press conference exposing the existence of the then closed Santa Elena airstrip. Both Abrams' and Tambs' version of these events contradict the description that North provided to Poindexter.

#### C. Use of Traveler's Checks

At one point in the spring of 1985, North advised Calero that he needed money to finance an effort to free U.S. hostages in Lebanon. Calero apparently supplied North with \$90,000 in traveler's checks that North kept in his office safe. North periodically asked Owen to disburse the proceeds of these checks to Contra leaders. The Committee has also received evidence indicating that North may have used some of the traveler's checks for personal items (e.g., snow tires).

D. Relationship with Casey

There has been much speculation about North's relationship with Director Casey, including speculation that Casey was as much North's supervisor as McFarlane or Poindexter. Casey and North apparently met over 100 times. Recent press reports state that North and Casey met secretly with Contra leaders in 1984 and 1985, at which time Casey handed over the CIA program of aid for the Contras to North.

6. North's Personal Gain

A. Death Benefit for North's Family

In May 1986, Albert Hakim set up the "Button Account" as a \$200,000 death benefit for North's family. According to Hakim, North did not know about the account. Hakim also instructed his attorney, Willard Zucker, to meet with North's wife to investigate how money could be transferred to the North family. North's wife apparently traveled to Philadelphia to meet with Zucker.

B. Installation of Security System

Secord arranged and paid for the installation of a \$16,000 security system at North's residence during the summer of 1986. In December 1986, North asked the contractor, ex-CIA agent Glenn Robinette, for a bill. Knowing that North was in trouble, Robinette prepared two back-dated bills reflecting sham arrangements to make it seem as if North were unaware that Secord had paid for the installation. (North may have sought to mislead his attorneys about the arrangements for the security system).

C. Use of Traveler's Checks

(See supra at section (5)(C)).

7. North's Credibility

North has misstated his access to the President (see supra at section 1), misrepresented to Congressional committess that he was not involved in efforts to secure private military aid for the Contras, misrepresented facts to Administration officials in the period following exposure of the Iran arms sales, altered NSC documents, shredded documents, misrepresented to White House Counsel that Spitz Channell and Barbara Newington were not involved in Contra fundraising when recommending that the President sign letters to them, and failed to inform

Administration officials who were making blanket denials to Congress about USG involvement in the Hasenfus flight. There are several instances in Committee testimony, particularly that of Robert McFarlane, of North acting in the face of orders not to proceed (e.g., ordering planes to fly in from Israel during the McFarlane delegation trip to Iran and requesting Gaston Sigur to proceed with the solicitation of Taiwan).