



Chapter 17

United States v. Clair E. George

Clair E. George served as deputy director for operations (DDO) of the CIA from July 1984 through December 1987, after a long and distinguished career in the CIA's Directorate of Operations (DO) that began in 1955. During his tenure at the CIA, he completed numerous overseas assignments, often in dangerous locations. His primary activity was the recruitment of foreign agents to work clandestinely for the United States. Interspersed with these tours of duty abroad were assignments at CIA headquarters in Langley, Virginia, during which George coordinated the CIA's activities in various parts of the world. He rose through the ranks at CIA during this progression of assignments.

As director of the Agency's clandestine operations, George was the CIA's third-in-command and highest ranking of the four CIA officers prosecuted by Independent Counsel. During his term as DDO, George was responsible for the CIA's covert actions and espionage activities worldwide. The only individuals senior to George in the Agency were CIA Director William J. Casey, Deputy Director of Central Intelligence John N. McMahon, and McMahon's successor, Robert M. Gates.¹ George was the highest ranking CIA official convicted after trial since the Agency was formed under the National Security Act of 1947.²

¹ McMahon served as DDCI from 1982 until March 26, 1986, when he retired. Gates was deputy director for intelligence from 1982 until he was appointed to replace McMahon in April 1986. Gates became acting director of the CIA when Casey became ill in December 1986.

² After he had left the Agency, former CIA Director Richard M. Helms pleaded nolo contendere in 1977 to a misdemeanor charge of withholding information from Congress during testimony about CIA activities in Chile in connection with the overthrow and murder of Marxist President Salvador Allende in 1970.

The very fact that Independent Counsel was able to bring the George case to trial was a significant achievement. The prosecution of any CIA officer is inherently difficult because of the issues of secrecy involving national security information of the highest classification. These problems are magnified when the defendant is the director of the CIA's global spy network and the criminal charges against him relate to his conduct in carrying out his official responsibilities. Thus, Independent Counsel had to ensure that the case against George could survive the stringent requirements of the Classified Information Procedures Act (CIPA), which is designed to prevent the disclosure of national security information while at the same time not inhibiting a defendant's right to a fair trial. The CIPA procedures were a major hurdle in the George case as the defense sought to block trial by claiming that huge quantities of the nation's top secrets needed to be exposed to put on George's defense.³

³ Much of the pre-trial litigation in the George case revolved around classification problems in discovery and in working through the CIPA process. There were more than 10 pretrial motions relating to CIPA and over 80 hours devoted to hearings regarding classification issues. Although the classified information problems in the George case were formidable, the pre-trial obstacles were surmounted largely through excellent cooperation and diligence on the part of the Inter-Agency Review Group, a group made up of representatives from the intelligence community, and thoughtful application of the CIPA procedures by U.S. District Judge Royce C. Lamberth.

The George case was also important in Iran/contra because Clair George was one of a small group of high officials who was unavoidably a supervisor having oversight of both ventures and had, therefore, substantial knowledge of both the secret arms sales to Iran and the secret contra-resupply

operation. This meant that George was one of the few officials who could have provided Congress with specific and crucial information on the Iran arms sales and the illicit contra-resupply network when both operations began unraveling publicly in October and November of 1986.

George was not only privy to many of the details concerning the Iran/contra affair, he was also aware that other senior Government officials were aware of the same information. Moreover, George knew that many of these officials were withholding information or lying about what they knew.

During the investigation of the CIA's role in Iran/contra, Independent Counsel uncovered evidence indicating that George was a well-informed supervisor of the CIA's support of the NSC effort to supply military aid to the contras and to sell weapons to Iran. The evidence indicated that George was aware of information he later denied knowing. The relevant evidentiary documents were, for the most part, either created, reviewed or received by George. The witness testimony came primarily from individuals who had worked closely with George, or who had provided information to his most senior, trusted assistants.

Independent Counsel's case against George centered on testimony he gave before the Senate Foreign Relations Committee on October 10, 1986, the House Permanent Select Committee on Intelligence on October 14, 1986, and a federal Grand Jury investigating Iran/contra in 1991. The charges against him involved statements he made in the wake of the October 5, 1986, shootdown in Nicaragua of the contra-resupply plane carrying American Eugene Hasenfus. George was charged with falsely denying before Congress knowledge of who was behind the contra-resupply operation and the true identity of Max Gomez, a former CIA operative whose real name was Felix Rodriguez and whom Hasenfus had publicly identified as part of the resupply operation. According to the charges, George also falsely denied contacts with retired U.S. Air Force Major General Richard V. Secord, who was involved in both the Iran and contra operations.

George was tried in the summer of 1992 on nine counts of false statements, perjury and obstruction in connection with congressional and Grand Jury investigations. This trial ended in a mistrial after the jury was unable to reach a verdict on any count. George was retried in the fall of 1992 on seven counts, resulting in convictions on two charges of false statements and perjury before Congress. Before George was sentenced, President Bush pardoned him on December 24, 1992.

George and Contra Support

Beginning in early 1985, George was aware that North was the key player in the Reagan Administration's secret contra-resupply operations. For example, CIA officers in South Korea informed CIA headquarters on January 28, 1985, that retired U.S. Army Major General John K. Singlaub had asked the governing political party to contribute \$2 million to the contras. The Koreans told CIA personnel that some signal from the U.S. Government endorsing the Singlaub request would be necessary.⁴ George called North to inform him of the developments. North's notes from February 4, 1985, describe a call from "Clair" which relayed the information provided by CIA personnel in South Korea. According to North's notes, George said that the South Koreans were "increasingly inclined to contribute \$2M" but that they "[n]eed W[hite] H[ouse] indication."⁵ George also called North on February 2 and 5, 1985, to discuss the potential South Korean contribution to the contras.⁶

⁴ CIA Cable, 1/28/85, ER 29941, George GX 5.

⁵ North Notebook, 2/4/85, AMX 000427, George GX 8.

⁶ North Notebook, 2/2/85, AMX 000421 & 2/5/85, AMX 00043, George GX 7 & GX 9.

In a February 6, 1985, memorandum from North to McFarlane, North discussed Singlaub's solicitation of the South Koreans as a possible means of obtaining short-term financing for the contras:

Regarding [the Contras' short-term financing needs], as a consequence of GEN Singlaub's recent trip, both the Taiwanese and the South Koreans have indicated [to CIA field personnel] that they want to help in a ``big way." Clair George (CIA) has withheld the dissemination of these offers and contacted me privately to assure that they will not become common knowledge.⁷

7 Memorandum from North to McFarlane, 2/6/85, ALU 130089-90, George GX 10 (emphasis added).

Documents indicate that George was aware of the identity of others who were secretly arranging for arms shipments to the contras. In the first half of March 1985, George sent a memorandum to national security adviser Robert C. McFarlane regarding reports that a Canadian arms dealer was purchasing weapons in China on behalf of Secord for shipment to Guatemala.⁸ Alan D. Fiers, Jr., chief of the CIA's Central American Task Force from 1984 to 1986 testified that there was no doubt within the CIA that the arms purchased by Secord were headed to the contras.⁹

8 Memorandum from George to McFarlane, 3/6/85, ER AKW 031346-47, George GX 12.

9 Fiers, Grand Jury, 8/12/91, pp. 49-50. Fiers further testified that he vaguely recalled discussing the memorandum on Secord's arms purchases in China with George.

In the latter part of 1985, Congress authorized the sending of humanitarian aid to the contras. To oversee this aid, the Reagan Administration created an entity within the State Department known as the Nicaraguan Humanitarian Assistance Office, or ``NHAO." During late 1985 and early 1986, NHAO humanitarian-supply flights began being routed through Ilopango air base in El Salvador. At the same time, Felix Rodriguez was based at Ilopango and was coordinating North's secret weapons shipments to the contras.¹⁰ As the early months of 1986 passed, the two operations became indistinguishable, both using the same equipment and pilots, and both being coordinated by Rodriguez.

10 North's secret network of personnel that supplied weapons to the contras became known later in 1986 as the ``private benefactors."

CIA personnel in Central America had been instructed to abide by the Boland Amendment's restrictions on aiding the contras. But as the NHAO and ``private benefactor" operations at Ilopango grew, and as Rodriguez's role expanded, a senior CIA official in Central America grew more uncomfortable remaining on the sidelines. Guidance from headquarters was slow in coming, and finally, on February 7, 1986, the officer, known in the George trials as ``Officer #1," wrote a frustrated, sarcastic cable to headquarters. The cable described a recent incident in which a NHAO plane had crash-landed in El Salvador. Officer #1 had been unaware of the event until later, because Rodriguez was ``coordinating" all of his actions with North and leaving everyone else in the dark. The cable, titled ``End the Silence," ended with the question, ``What is going on back there?"¹¹

11 CIA Cable, 2/7/86, DO 10959, George GX 32.

The cable raised eyebrows at CIA headquarters. Fiers discussed it with George, whose reaction was unambiguous. George ordered Fiers to go to El Salvador and instruct Officer #1 to keep his nose out of the activities at Ilopango. Those activities, George told Fiers, were being run by ``Ollie North" and the White House.¹²

12 Fiers, Grand Jury, 8/12/91, pp. 150-53.

In April 1986, CIA headquarters received cable traffic from Europe regarding Thomas Clines, a former CIA employee whose association with convicted arms trafficker Edwin Wilson had given him a bad reputation within the CIA.¹³ According to one cable, Clines was planning a large shipment of arms from Europe to Honduras and ultimately to the contras. Fiers discussed this and similar cables with George. Both men were concerned about Clines's involvement with contra resupply, but, according to Fiers, George told him not to get involved in what was a sensitive operation.¹⁴

13 CIA Cable, 4/28/86, George GX 37.

14 Fiers, Grand Jury, 8/14/91, pp. 30-33. At his trials, George acknowledged that he read cables regarding Clines and the contras.

Additional documentary evidence regarding the private benefactors shows that key details were reported to George's office on October 9, 1986, on the eve of his Senate Foreign Relations Committee testimony. After Eugene Hasenfus, a captured resupply operation employee, had accused the CIA of being involved in contra-resupply operations, the CIA received a cable from Central America plainly stating that "Max Gomez," whom Hasenfus had named as a resupply manager, was a local alias used by Rodriguez.¹⁵ The cable also explicitly discussed Rodriguez's involvement with the private benefactors:

15 CIA Cable, 10/9/86, George GX 45.

[At a lunch with a senior CIA officer in Central America,] Rodriguez stated that he was [in El Salvador] in a dual capacity. One of his duties was to advise the Salvadoran Air Force in counter-insurgency tactics. The other was to participate in private benefactors' (unnamed) efforts to assist the FDN.¹⁶

16 Ibid.,

2.

This cable arrived at the CIA at 8:50 p.m. on October 9, 1986 and three copies were sent to George's office. This information subsequently appeared in the briefing book and other papers prepared for George's use during congressional testimony over the next several days.¹⁷ Copies of this briefing book and the Rodriguez papers were retrieved from one of George's CIA office files, or "soft files," suggesting that he received and retained them.¹⁸

17 Briefing Book, Tab H, DO 44536-44535, George GX 119.

18 "Soft file" is another term for a personal or working file. George retained certain documents of extreme sensitivity in soft files in his safe. (George, George Trial Testimony, 8/14/92, p. 3545.)

George denied having been involved in the drafting of the opening statement he gave to the Senate Foreign Relations Committee on October 10 and HPSCI on October 14. Drafts of that opening statement, however, show that George played an active role in the preparation of the opening statement, directing subordinates to remove significant information from it. One draft had contained language regarding the NHAO operations conducted at Ilopango. The language was crossed out, with the notation "deleted by DDO" written in the margin.¹⁹ On another copy of the same draft, one recovered from George's "soft" files, the same sentence is crossed out. FBI experts identified George's fingerprints on the page where the NHAO information was deleted.²⁰

19 Draft, "Subject: DDO's Opening Statement," ANT 1771-73, George GX 48.

20 Draft, "Subject: DDO's Opening Statement," DO 44828-26, George GX 105.

Besides the documents discussed above, numerous statements by a variety of witnesses, including subsequent statements made by George himself, showed that George's knowledge of the contra-resupply operation was extensive.²¹

²¹ A detailed recounting of these statements would be too lengthy for this report. What follows are highlights of the key points made by various witnesses.

Alan D. Fiers, Jr., who served as chief of the Central American Task Force within the Directorate of Operations, had day-to-day responsibility for CIA operations in Central America. From 1984 through 1986, Fiers's duties brought him in close contact with North and resupply operatives, including Rodriguez. In turn, Fiers reported significant information regarding the contra-resupply operation to George and others.

In the latter part of 1984, George was aware of North's activities in Central America. North during this time called Fiers asking for sensitive information on Nicaraguan air defenses. Fiers refused. He believed the information was too "operational," and "could only be used in conjunction with some support of air drops or contra activity." ²² Within a day, George called Fiers and asked for exactly the same information. Fiers brought it to George's office and asked if George intended to give the data to North. George responded that Fiers did not have to worry about what George would do with the information.²³

²² Fiers, Grand Jury, 8/12/91, pp. 24-26.

²³ Ibid., pp. 25-26.

Fiers testified that George was also aware of Rodriguez's presence in El Salvador by early 1985. Rodriguez had been recommended by individuals within the office of Vice President Bush to work with the Salvadoran military on counterinsurgency operations. Because of Rodriguez's ties to the White House, George and other CIA officials knew that any dealings with Rodriguez could have broader political implications.²⁴ Thus, Rodriguez's identity and whereabouts were a topic of discussion within the CIA by early 1985.

²⁴ Ibid., pp. 30-32.

Fiers put many of the documents discussed above in context. Fiers recalled discussing Singlaub's solicitation of the Koreans with George. The upshot of this conversation was that North should be called so that he could take care of the situation.²⁵ Fiers also recalled discussing with George Secord's 1985 weapons purchases in China on behalf of the contras. There was no doubt within CIA where the arms were headed.²⁶ Further, Fiers discussed with George the April 1986 cables from Europe that indicated that Clines was purchasing arms on behalf of the contras. When Fiers pressed for more information, George told him not to get involved.²⁷

²⁵ Ibid., pp. 33-34.

²⁶ Ibid., pp. 49-50.

²⁷ Fiers, Grand Jury, 8/14/91, pp. 30-32.

When Fiers received the "End the Silence" cable from Officer #1 in February 1986, George responded decisively.²⁸ He instructed Fiers to tell Officer #1 that the activities at Ilopango were not something the CIA should be involved in. George said that those activities were being handled by North and the White House. If Officer #1 could not keep out of it, George threatened to replace him.²⁹

²⁸ Fiers, Grand Jury, 8/12/91, pp. 151-52.

29 Ibid., pp. 151, 153.

During the summer of 1986, Congress appeared ready to approve \$100 million of unrestricted aid for the contras to be administered by the CIA -- in particular, by Fiers and the Central American Task Force. North hoped that the CIA would buy the airplanes that the resupply operation had been using to deliver secret weapons shipments to the contras.³⁰ Fiers was not interested. The planes were old, needed maintenance, and were not fuel-efficient. Fiers also wanted the new CIA program to be free from the taint of the equipment used by North's secret network.³¹ Fiers told North this. Shortly thereafter, George pressed Fiers on his reasons.³² Fiers's position ultimately prevailed, and the CIA did not buy the planes. George's efforts to change Fiers's mind nevertheless indicated that George was hearing from North about the operation.

30 Fiers, Grand Jury, 8/14/91, p. 68.

31 Ibid., pp. 68-69.

32 Ibid., p. 69. Others besides George pressed Fiers on the same point, including CIA Director Casey and CIA Deputy Director Gates.

Finally, Fiers provided important information about the preparation of the opening statement George gave to the congressional committees in October 1986. George ordered him to remove from the draft opening statement a section discussing the way the NHAO humanitarian aid flights out of Ilopango had become intertwined with private-benefactor lethal resupply flights out of the same facility.³³ George told Fiers that this information would turn a spotlight on the White House and the Reagan Administration's links to the lethal resupply operation. George did not want to be the first person to expose that link.³⁴

33 Fiers, Grand Jury, 8/16/91, pp. 10-12.

34 Ibid., pp. 11-12.

Louis Dupart, Fiers's compliance officer, corroborated portions of Fiers's testimony. Dupart testified that he prepared the initial draft of the statement on the evening of October 9, 1986, and left it on Fiers's desk at approximately 2:30 a.m. or 3:00 a.m. on October 10.³⁵ When Dupart came to work later that morning, Fiers was upstairs with George, going over the proposed opening statement.³⁶ When Fiers came back downstairs to the Task Force, he had a copy of the opening statement with some changes in it.³⁷ Dupart later wrote on one version of the draft opening statement the words ``Deleted by DDO."³⁸

35 Dupart, Grand Jury, 3/15/91, p. 27.

36 Ibid., pp. 28-29.

37 Ibid., p. 29.

38 Draft, ``Subject: DDO's Opening Statement," ANT 1771-73. See also Draft, ``Subject: DDO's Opening Statement," DO 44828-26.

George also told Fiers, who was to testify alongside him on Capitol Hill, that the CIA was not going to inform the committees that Gomez was an alias for Rodriguez. Fiers objected, telling George that he, Fiers, knew for a fact that Gomez was Rodriguez. But George instructed Fiers to answer any questions about Gomez by saying that the CIA was still checking into Gomez's identity.³⁹

39 Fiers, Grand Jury, 8/16/91, p. 21.

Fiers also explained that George aided an effort to conceal headquarters knowledge of the activities of CIA Costa Rican station chief Joseph F. Fernandez. Despite the Boland Amendment's ban on most forms of CIA support for the contras, Fernandez continued to have direct contacts with the resupply operation and North. In October 1986, Fernandez informed Fiers that there were phone records in Costa Rica that would show numerous calls between Fernandez and the resupply operation's quarters at Ilopango. Fiers told his immediate superior, and the division chief, in turn, informed George.⁴⁰

⁴⁰ Fiers, Grand Jury, 8/16/91, p. 57. When asked by SSCI on December 3, 1986, if he had "any knowledge of any activities by any official of CIA in conjunction with or in cooperation with North to raise private funds or otherwise assist in providing private assistance to the contras," George replied, "I do not." (George, SSCI Testimony, 12/3/86, p. 57.)

Despite learning in October of Fernandez's misconduct, Fiers, the division chief and George took no steps to correct George's inaccurate testimony to two congressional committees that the CIA had no involvement with the contra-resupply operation. Louis Dupart threatened to inform the CIA general counsel if the record was not corrected. On November 25, 1986 -- the date of the public exposure of the diversion, Poindexter's resignation and North's dismissal -- the three men simply agreed to say they had met on the Fernandez matter on November 10, even though this was pure fiction.⁴¹ The division chief wrote a memorandum on November 26, 1986 that and referred to this non-existent meeting in the first sentence.⁴²

⁴¹ Fiers, Grand Jury, 8/16/91, pp. 62-63.

⁴² Memorandum from Division Chief to the DDO, 10/26/86, DO 166541-39, George GX 131.

Another witness who called the truthfulness of George's testimony into question was a CIA officer who testified at George's second trial as "CIA Officer #7." In October 1986, Officer #7 was employed in the Air Branch of George's Directorate of Operations. But from February through June of 1986, before joining the CIA, Officer #7 had worked as a pilot flying contra-resupply flights out of Ilopango airbase. He also helped set up the air operation at Ilopango, and trained other pilots -- including Wallace Sawyer, one of the Americans killed when Hasenfus's plane was shot down over Nicaragua. Officer #7 had extensive knowledge of the secret contra-resupply network operating out of Ilopango. He also was working in George's directorate at the time George told the congressional committees in October 1986 that he did not know the identities of the persons behind the resupply flights.⁴³

⁴³ CIA Officer #7, FBI 302, 6/21/91, pp. 1-2.

Shortly after the Hasenfus shootdown, Norman N. Gardner, Jr. one of George's two special assistants, sought out Officer #7 while he was attending an antique auto show in Hershey, Pennsylvania. Gardner asked him to return to CIA headquarters. The two men met in Gardner's office, which was located in George's suite of offices, prior to George's HPSCI testimony on October 14, 1986. Officer #7 told Gardner the full story of his contra-resupply activities.⁴⁴ Gardner then accompanied George to the HPSCI hearing. When Independent Counsel asked Gardner whether he informed George of Officer #7's information prior to the HPSCI hearing, Gardner claimed his rights under the Fifth Amendment and refused to testify.⁴⁵

⁴⁴ Ibid., p. 3.

⁴⁵ Gardner, Grand Jury, 8/7/91, p. 8.

When Fiers learned of Officer #7's story, he spoke with both Gardner and George about how to handle the situation.⁴⁶ Fiers urged interviewing Officer #7 immediately and addressing head-on any problems caused by his recent employment. But George wanted to "slow-roll" any action taken with

respect to Officer #7 and the information he had provided about the contra-resupply operations. Officer #7's information was never used to correct George's testimony.⁴⁷

46 Fiers, Grand Jury, 8/16/91, pp. 54-55.

47 Ibid., p. 55.

George and the Iran Arms Sales

Fiers recounted to Independent Counsel that around the time of George's HPSCI testimony, Fiers and George met in Director Casey's office. Fiers suggested to Casey and George that congressional interest in the Hasenfus crash and the secret resupply flights would not abate until someone stood up and took responsibility for the flights.⁴⁸ Casey asked Fiers who that should be, and Fiers suggested Secord. According to Fiers, George then "looked at the Director and said, 'Bill, you know Secord has other problems.'" ⁴⁹

48 Fiers, Grand Jury, 8/14/91, p. 41.

49 Ibid.

George knew where Secord's "other problems" lay: in the Iran arms sales.⁵⁰ Fiers testified that North had told him in late summer 1986 that profits from the arms sales were being used to support the contras. Fiers said he reported North's statements to George, who told Fiers that only a handful of people in the U.S. Government knew of this. Fiers interpreted this to mean the arms sales, not the diversion.⁵¹

⁵⁰ George told the Senate Select Committee on Intelligence on December 3, 1986, that he had not learned of the diversion until Attorney General Meese's announcement of it on November 25, 1986. To a follow-up question inquiring whether George had any indication that anyone else at CIA knew of the diversion prior to Meese's statements, George replied, "None whatsoever." (George, SSCI Testimony, 12/3/86, pp. 29-30.)

⁵¹ Fiers, Grand Jury, 8/14/91, pp. 104-05. Fiers was not alone in recalling telling George about the diversion in advance of Meese's announcement. George Cave testified to SSCI that he had informed George in late October or early November of 1986 of allegations by Roy Furmark that arms sales proceeds had been diverted to the contras. (Cave, SSCI Testimony, 12/2/86, pp. 89-90.)

In his 1986 congressional testimony, George deflected questions about Secord by stating that he did not know him.⁵² Documents show that George knew what Secord's role was in the Iran arms sales. White House gate logs from January 20, 1986, show that George attended a meeting on that day with Secord and others in the White House Situation Room to discuss the operation.⁵³ According to Secord, he was introduced to George at this meeting, and the group discussed the role Secord was to play in the Iran arms sales.⁵⁴

⁵² George denied knowing Secord in his testimony to SSCI on December 3, 1986. Before SFRC on October 10, 1986, George denied ever having had contact with Secord.

⁵³ White House Gate Log 1/20/96, ALU 49624-27, George GX 52.

⁵⁴ Secord, OIC Interview, 5/14/87, p. 318.

Shortly after this meeting, on January 24, 1986, North prepared what he termed a "notional" time line for "Operation Recovery," North's code name for the arms-for-hostages deal with Iran.⁵⁵ The document described in detail the logistics of the Iran arms sales, particularly Secord's role. The only copy of the document at CIA was kept in George's safe, and George discussed the document with his senior subordinates before January 27, 1986.⁵⁶ Although the document referred to Secord by his

code name ``Copp," a colleague of George at the CIA who reviewed the Notional Time Line with him, Thomas Twetten, testified that George knew ``Copp" was Secord.⁵⁷

⁵⁵ George, George Trial Testimony, 8/13/92, p. 3307.

⁵⁶ Twetten, Grand Jury, 8/21/91, pp. 33-34, 36.

⁵⁷ Ibid., p. 33.

In late February 1986, George approved the issuance of false or ``alias" passports for Secord and for Albert Hakim, Secord's business partner.⁵⁸ George knew that these passports were needed in order to facilitate Secord and Hakim's roles in the Iran arms sales.⁵⁹

⁵⁸ Twetten, Grand Jury, 1/22/88, p. 85. Twetten had recommended that George not approve the issuance of the passports. George took the matter to Director Casey, who instructed him to issue the passports.

⁵⁹ George, George Trial Testimony, 8/13/92, p. 3324. The passports were introduced into evidence at George's trials. See Alias Passport for Richard V. Secord (Richard J. Adams), DO 69903, George GX 57; Release for Alias Passport for Secord, DO 69904, George GX 58; Alias Passport for Albert Hakim (Ibrahim Ibrahimian), DO 69870, George GX 59; Release for Alias Passport for Albert Hakim, DO 69871, George GX 60.

As the Iran arms sales progressed, George was briefed on important details by Twetten and George Cave, the CIA operative closest to the day-to-day events of the Iran arms sales.⁶⁰ CIA records indicate that after meetings in London in early May 1986, Cave briefed George and other CIA officials about Secord including his role as financial intermediary.⁶¹ According to Cave, George expressed concern about Secord's involvement.⁶² Records indicate that at a subsequent meeting on May 9, 1986, George and other CIA and NSC officials discussed Secord's role again.⁶³ As discussed in more detail below, CIA officers testified that George was present at yet another meeting in mid-May 1986 prior to McFarlane's mission to Tehran at which Secord's role was discussed in detail.

⁶⁰ Cave, Grand Jury, 8/30/91, p. 26.

⁶¹ Casey Schedule, 5/8/86, ER 609, George GX 61; Cave, Grand Jury, 8/30/91, pp. 78-79.

⁶² Ibid., pp. 80-81.

⁶³ Memorandum for the Record by Robert Earl, 5/9/86, AKW 8904-06, George GX 72.

As an Iranian ``Second Channel," ⁶⁴ or Iranian contact, was being cultivated in the late summer of 1986, George was kept informed of the developments. After the Second Channel came to Washington in mid-September 1986 for in-depth meetings with North, Cave and Secord, North prepared and sent to Poindexter transcribed minutes of the meetings.⁶⁵ This document stated on its front page that Secord had been one of the three U.S. participants in the talks. North's cover memorandum to Poindexter recited that ``[t]he only other copy of this memorandum of conversation has been given (by hand) to the DDO of CIA." ⁶⁶

⁶⁴ The ``Second Channel" referred to a group of Iranians, including a nephew of Rafsanjani, who were viewed as more promising intermediaries for releasing the hostages.

⁶⁵ Memorandum from North to Poindexter, 9/25/86, AKW 7291-7308, George GX 98.

⁶⁶ Ibid., AKW 7291.

North's memorandum contained information that would have been of great interest to George. The Second Channel reported that the Iranians possessed a 400-page transcript of the torture/debriefing of William Buckley, the former CIA station chief in Beirut who had been taken hostage and killed by terrorists in Lebanon.⁶⁷ George had been "extremely emotionally involved" in the Buckley matter.⁶⁸

⁶⁷ Ibid., AKW 7293-94.

⁶⁸ George, Select Committees Deposition, 4/24/87, p. 131.

On November 18, 1986, two weeks after details of the Iran arms sales began to appear in the press, George gave a briefing to congressional staffers on the CIA's role in the initiative. A memorandum of that briefing written by the chief counsel of Senate intelligence committee recited that George told the staffers that the CIA received money directly from Iran, and made no mention of Secord's role as a financial intermediary.⁶⁹ A contemporaneous internal CIA document retrieved from George's working files contained a handwritten notation next to a similar assertion that Iranian funds went directly to the CIA. The notation is "Gorba > Secord > CIA Account > DOD." ⁷⁰ A CIA witness identified the writing as George's.⁷¹ The document indicates that George clearly understood the path of the Iran arms money and Secord's role in the Iran arms sales.

⁶⁹ Memorandum to the Record by Daniel Finn, 11/19/86, SSCI Covert Action Document 86-3964, George GX 77.

⁷⁰ Subject: CIA Involvement in NSC Iran Program, DO 44620-17, George GX 68.

⁷¹ George subsequently acknowledged at trial that the writing was his. George, George Trial Testimony, 8/13/92, p. 3461.

Following the November 18, 1986, briefing, George's two special assistants, Norman Gardner and an officer referred to in this report as "CIA Subject #2," met with North. A one-page document containing North's notes of that meeting was retrieved by FBI agents from the "burn bag" in North's office one week later.⁷² North recorded the points made by George at the briefing. North then wrote "Not reveal Dick Secord."

⁷² North Note, AKW 32705.

Significant witnesses added to the documentary record of George's knowledge of Secord's role in the Iran arms sales. Thomas Twetten, who later became deputy director for operations, testified that during his return from a meeting in Europe relating to the Iran arms sales, North told him that Secord and Hakim were working with North in Central America.⁷³ Twetten was concerned that Secord and Hakim were involved in both operations. He reported North's comments to George, including the information about Secord and Hakim's conflicting roles.⁷⁴

⁷³ Twetten, Grand Jury, 8/21/91, pp. 36-38.

⁷⁴ Ibid., pp. 41, 44-45.

Twetten also discussed with George North's Notional Time Line, which frequently referred to actions to be taken by "Copp." ⁷⁵ Twetten testified that George knew that Copp was an alias for Secord,⁷⁶ and that George was aware of the flow of funds associated with the Iran arms sales -- including Secord's role.⁷⁷

⁷⁵ Ibid., p. 26.

⁷⁶ Ibid., pp. 33-34.

77 Ibid., p. 35.

After Twetten's meeting in Europe, George assigned Cave, an experienced CIA operative who spoke fluent Farsi, to work with North as an interpreter. Cave briefed George throughout 1986 on important issues relating to the arms sales.⁷⁸ After a meeting in London in early May 1986, he explained to George and others at the CIA the financial arrangements, including Secord's role in the flow of funds.⁷⁹ Cave recalled George expressing concern over Secord's involvement in the Iran arms sales.⁸⁰ And prior to traveling with McFarlane to Tehran in late May 1986, Cave informed George and other CIA officials about the role Secord was playing with respect to the Tehran mission: arranging for aircraft and supervising other logistical details.⁸¹

78 Cave, Grand Jury, 8/30/91, p. 26.

79 Ibid., pp. 78-79.

80 Ibid., pp. 80-81.

81 Ibid., pp. 48-49, 85.

In August through October 1986, Cave kept George informed also of Secord's involvement in the development of the Second Channel.⁸² Then in October 1986, Cave informed George of Roy Furmark's allegations of a diversion of funds from the Iran arms sales to the contras.⁸³

82 Ibid., p. 115.

83 Cave, SSCI Testimony, 12/2/86, pp. 44, 89-90.

In an April 24, 1987 deposition taken by the staff of the Senate Select Committee, George himself made significant admissions that contradicted his 1986 congressional testimony. First, regarding Secord, he admitted that he had a clear memory of Secord's presence at the Situation Room meeting on January 20, 1986. In conflict with his October 10, 1986, denial to the Senate Foreign Relations Committee of ever having had contact with General Secord, and his December 3, 1986 denial to SSCI that he had ever had any meetings with Secord, George testified:

Q: When did you know that Secord and North were associated together in their efforts on behalf of the Contras?

A: Well, my mind is so riveted on the day when I saw them both standing there together that I might have to say, if there was ever any question, that was the day, in the White House situation room.⁸⁴

84 George, Select Committees Deposition, 4/24/87, p. 44.

George's False Testimony

George's Congressional Testimony

George testified on several occasions before various congressional committees and other investigative bodies. The charges brought against him arose out of this testimony. On two occasions, George essentially denied the CIA's knowledge of and involvement in the contra-resupply network: On October 10, 1986, before the Senate Committee on Foreign Relations (SFRC) and on October 14, 1986, before the House of Representatives Permanent Select Committee on Intelligence (HPSCI). On December 3, 1986, George testified before the Senate Select Committee on Intelligence (SSCI) regarding the CIA's role in the Iran arms sales.

During his testimony before SFRC, the focus of the committee's inquiry was the recent downing of a contra resupply plane within Nicaragua. Two Americans died in the crash. The sole survivor, an

American named Eugene Hasenfus, claimed that he was working for the CIA and had flown numerous missions delivering lethal supplies to contra forces inside Nicaragua. In light of these statements, the committee wanted to know (1) whether Hasenfus's assertions about CIA involvement were true, and (2) if not, what knowledge the CIA had regarding the persons coordinating the contra resupply effort of which the downed flight was a part. On October 10, 1986, George told the Senate Foreign Relations Committee:

[MR. GEORGE]: . . . We learned that support flights had American citizens involved.

[SENATOR KERRY]: When was this?

[MR. GEORGE]: Oh, I would say probably around March of this year, Senator. However, we were not aware of their identities.

* * *

However, to reiterate my opening remarks, we did not directly or indirectly assist them. We provided a great deal of intelligence about supplies into Nicaragua, and I believe that those of you who followed the "National Intelligence Daily" over the last two or three months will have noted that we have provided several articles about the growing amount of supplies being provided over land and by air to the Contras inside Nicaragua. I would only conclude in saying that at no time did we attempt to investigate those Americans. That is not our responsibility. On those occasions in the past, where we have come across Americans who we have determined were violating law, we have made that information available to the Department of Justice. We do not know the individuals involved in this affair which led to the downing of the airplane, and we do not know the details of supply routes which they used. Thank you, Mr. Chairman.⁸⁵

⁸⁵ George, SFRC Testimony, 10/10/86, pp. 29-31. In this and other quoted passages of George's testimony, the specific statements later charged in the indictment are underscored.

During the same SFRC testimony, George made the following statements regarding Secord:

[SENATOR KERRY]: . . . How about General Secor[d]? Do you have any contact with General Secor[d]?

[MR. ABRAMS]: I never met him. I read in today's paper that he is alleged to be behind all of this. But I have never met him.

[SENATOR KERRY]: You have never had any contact with him at all?

[MR. ABRAMS]: None whatsoever.

[SENATOR KERRY]: What about you?

[MR. GEORGE]: No. I know his name well and I have known his name for years. But I do not know the man.⁸⁶

⁸⁶ Ibid., pp. 74-75.

Four days later, George testified before HPSCI about the same subjects. Like SFRC, HPSCI was interested in learning what George knew about the Hasenfus allegations and the individuals behind the secret contra-resupply flights. Once again, George made statements indicating he had little information on these topics. He denied knowing the identities of the individuals who were behind the secret contra-resupply flights of which the downed flight was a part:

[MR. CHAIRMAN]: There are a number of airplanes that take off there to supply the Contras regularly. You don't know who they are?

[MR. FIERS]: We know the airplanes by type. We knew, for example, there were two C-123s and two C-7 cargoes. We knew that they were flying out of Ilopango and we knew they were flying both from [another location in Central America] and from [another location in Central America] into Nicaragua. We knew in some cases much less frequently that they were flying down the Pacific air corridors into southern Nicaragua for the purposes of resupply, but as to who was flying the flights and who was behind them, we do not know.

[MR. CHAIRMAN]: And you still don't?

[MR. FIERS]: No.

[MR. GEORGE]: No, sir.

[MR. FIERS]: We know from the newspapers that a company called Corporate Air Services is the company that appears to have some involvement with them, but -- --

[MR. GEORGE]: What we know at this point is as [Alan] says, is from the press.⁸⁷

⁸⁷ George, HPSCI Testimony, 10/14/86, pp. 20-21.

Second, George denied to HPSCI knowing whether "Max Gomez" was actually involved in providing supplies to the contras. Hasenfus had stated at an October 9, 1986, press conference in Managua, Nicaragua, that he and numerous other crew members had been flying contra resupply missions out of Ilopango air base. Hasenfus had claimed that Max Gomez and Ramon Medina, two Cubans who purportedly worked for the CIA, were overseeing the operation. Congress wanted to know whether this was true.

Before the SFRC, George stated that he had some tentative information that the name Max Gomez was an alias for a former CIA employee. But George said his information was not firm and needed further checking.

Between George's October 10 testimony and his HPSCI appearance on October 14, several major newspapers reported that Max Gomez was an alias for Felix Rodriguez. According to these reports, Rodriguez had close contacts inside the office of Vice President George Bush. So by the time of George's HPSCI testimony, Max Gomez's true identity -- Felix Rodriguez -- had become common knowledge. For this reason, George agreed that the CIA could no longer fail to acknowledge that Gomez was Rodriguez.⁸⁸ But Rodriguez's specific activities on behalf of the contras were still not fully understood, and HPSCI was looking for detailed information.

⁸⁸ Fiers, Grand Jury, 8/16/91, pp. 43-44.

This led to the following interchange between George and Representative Matthew McHugh:

[MR. McHUGH]: . . . Do any of you gentlemen know Ramone [sic] Medina? His name has been mentioned.

[MR. GEORGE]: That was the other name mentioned by Mr. Hasenfus. He mentioned two. We have identified the first as Felix Rodriguez, and correct me, Alan or Elliott, we don't know what that second name means.

[MR. FIERS]: We still are trying to find out who Ramone Medina is.

[MR. McHUGH]: I'd like to be clear in my own mind as to whether you or anybody in the Government knows as a matter of fact whether Mr. Gomez or Rodriguez was involved in providing supplies to the Contras.

[MR. GEORGE]: I do not know that per se. I do not. Or any record I have ever read.⁸⁹

89 George, HPSCI Testimony, 10/14/86, p. 40.

On November 28, 1986, the Senate Select Committee on Intelligence began a formal investigation into the circumstances surrounding the Iran arms sales and the use of funds generated by these sales for contra resupply operations. On December 3, 1986, George testified under oath as part of SSCI's investigation.

By then, Secord's name had been publicly linked to both the Iran arms sales and the secret contra resupply network. This produced the following dialogue between George and Keith Hall, the Committee's deputy staff director:

[MR. HALL]: Was it your understanding that Colonel North or anybody else in the National Security Council or any private parties would have some responsibilities and roles in the financial transactions?

[MR. GEORGE]: I'm told that an individual that had -- I'm told after the fact that an individual who did have a role in the financial affairs of this enterprise was Richard Secord.

[MR. HALL]: Were you aware of any role that Colonel North played?

[MR. GEORGE]: I have no information on Colonel North and funds.

[MR. HALL]: Can you tell us what role Secord did play?

[MR. GEORGE]: I cannot. Please.

* * *

[MR. HALL]: Are there any other details associated with this project that you have not already discussed with us that you are aware of?

[MR. GEORGE]: No. . . . I am sure [the people I put into the initiative] told me many, many things that I, sitting here before you, can't recall off the top of my head, and I have again, as I said, gone out of my way not to sit down with Mr. Cave and Mr. Twetten and everyone else and say now let's all remind each other what happened here, because I understand that's the way it should be. But I at no time felt uncomfortable that the law was broken or that we knew money was being siphoned off or -- --

[MR. HALL]: Did you have --

[MR. GEORGE]: I was a little disturbed about some of the players in the affair. I think I was worried about -- I was worried about, you know, who was Hakim and where is his role in this, and the good General Secord whom I had never laid eyes on but whose name I was familiar with.

* * *

[MR. HALL]: Did you ever ha[ve] any meetings with General Secord?

[MR. GEORGE]: [The witness nodded in the negative.] 90

90 George, SSCI Testimony, 12/3/86, pp. 19, 30-31.

George's Grand Jury Testimony

In early 1991, Independent Counsel was investigating the testimony given by George and others before Congress in October 1986. In late June 1990, Independent Counsel received drafts of the opening statement showing that important information about the origins of the secret contra-resupply effort had been deleted. The preparation of the opening statement became an area of investigative concern for Independent Counsel.

On April 5, 1991, George appeared before a federal Grand Jury in the District of Columbia. He was asked for information regarding the preparation of his opening statement:

Q: . . . During our meeting in our office, the Office of Independent Counsel, you indicated that you did not edit anything out of these drafts?

A: I do not recall editing these drafts at all.

Q: Okay.

A: I was finally handed Draft Number whatever it was, and that was it.

* * *

Q: On page two of Draft 3, at the bottom of that I will read the following sentence and it has three lines through it. It says, "Subsequent to the 1984 cutoff, Ilopango airfield in San Salvador was used to support the democratic resistance as a transit point for congressionally authorized humanitarian assistance." And then by the third line through that sentence, it says, "Deleted by DDO."

First of all, is that your handwriting?

A: It's not my handwriting.

Q: Did you direct that portion of the draft be excised?

A: I cannot believe I did.

Q: Do you know who did?

A: I do not. Uh, as we said previously, "deleted by DDO" could be by DO, the Director of Operations and they were confusing terminologies. I do not recall getting to this kind of detail in preparing this statement.⁹¹

91 George, Grand Jury, 4/5/91, pp. 70-80, 82-83.

The George Prosecution

On September 6, 1991, a federal Grand Jury in the District of Columbia returned a 10-count felony indictment against George, charging him with perjury, false statements and obstruction of congressional and Grand Jury investigations.

Based on the narrow interpretation of the obstruction statute expressed in *United States v. Poindexter*,⁹² which was decided after the George indictment was returned, Judge Royce C. Lamberth dismissed three obstruction counts in George on May 18, 1992. In light of the *Poindexter* decision, the Government did not object. On May 21, 1992, a federal Grand Jury in the District of Columbia returned a supplemental two-count indictment charging violations in conformity with the

holding in Poindexter. George's efforts to dismiss the new counts were unsuccessful. The case proceeded to trial on nine counts.⁹³

92 951 F.2d 369 (D.C. Cir. 1991).

93 The charges faced by George in the first trial under the consolidated indictment included:

-- Count 1: False statement to the SFRC on October 10, 1986, about knowledge of individuals involved in contra-resupply, including Rodriguez, North and Secord.

-- Count 2: False statements to SFRC on October 10, 1986, about knowledge of Secord and his involvement in both the Iran arms sales and contra-resupply.

-- Count 3: Obstruction of Congress stemming from his actions on October 9-10, 1986, by directing Fiers to delete portions of George's SFRC testimony regarding the use of Ilopango air base for contra-resupply and by telling Fiers not to reveal that Max Gomez was an alias for Rodriguez.

-- Count 4: Obstruction of Congress stemming from his actions on October 9-14, 1986, by instructing Fiers not to convey certain facts regarding the use of Ilopango air base for contra-resupply.

-- Count 5: False statements to HPSCI on October 14, 1986, about his knowledge of individuals involved in contra-resupply, including North, Secord and Rodriguez.

-- Count 6: False statements to HPSCI on October 14, 1986, about his knowledge of Rodriguez's involvement in contra-resupply.

-- Count 7: Perjury before SSCI on December 3, 1986, about Secord's role in the Iran initiative and about his contact with Secord.

-- Count 8: Obstruction of a federal Grand Jury on April 5, 1991, regarding the preparation of testimony before the SFRC on October 10, 1986.

-- Count 9: Perjury before a federal Grand Jury on April 5, 1991, regarding his role in preparing testimony given the SFRC on October 10, 1986.

On August 26, 1992, the Court declared a mistrial in light of the jury's inability, despite protracted deliberations, to reach a unanimous verdict on any count. The Court scheduled a second trial to begin on October 19, 1992.

Independent Counsel took steps to simplify the George case at retrial based on the experience at the first trial.⁹⁴ First, he moved to dismiss the two obstruction counts. Second, he chose to delete certain specific charged statements in other counts, where more than one statement was charged as false.⁹⁵ The retrial began as scheduled on October 19, 1992.

94 Both trials were conducted by Deputy Independent Counsel Craig A. Gillen, assisted by Associate Counsel Jeffrey S. Harleston, Michael D. Vhay, and Samuel A. Wilkins III.

95 The charges faced by George in the second trial were simplified. They included:

-- Count 1: False statements before SFRC on October 10, 1986, about the identity of individuals involved in contra-resupply, including Rodriguez, North and Secord.

-- Count 2: False statements before SFRC on October 10, 1986, about his contact with Secord and Secord's involvement in the Iran initiative.

- Count 3: False statements before HPSCI on October 14, 1986, regarding his knowledge of the identity of individuals involved in contra-resupply, including North, Rodriguez and Secord.
- Count 4: False statements before HPSCI on October 14, 1986, about his knowledge of Rodriguez's involvement in contra-resupply.
- Count 5: Perjury before SSCI on December 3, 1986, about Secord's role in the Iran initiative.
- Count 6: Obstruction of a federal Grand Jury on April 5, 1991, regarding his role in the preparation of testimony to SFRC on October 10, 1986.
- Count 7: Perjury before a federal Grand Jury on April 5, 1991, regarding his denial of editing his opening statement to SFRC on October 10, 1986.

The case went to the jury on November 19, 1992. After eleven days of deliberation, the jury returned on December 9 with a verdict of guilty on Counts 4 and 5 and acquittal on the other five counts. Count 4 charged that George made false statements before HPSCI on October 14, 1986, in denying knowledge about Rodriguez's role in the contra-resupply operation. Count 5 charged that George committed perjury before SSCI on December 3, 1986, in denying knowledge about North and Secord's role in the Iran initiative.

The Court set sentencing of George for February 18, 1993. Before sentencing could take place, President Bush granted a full and unconditional pardon to George and five other Iran/contra defendants on December 24, 1992. Three of the five had, like George, been convicted of crimes prior to receiving their pardons. In view of the pardon granted to George, the Court dismissed the indictment with prejudice on January 15, 1993.

Conclusion

The documentary and testimonial evidence presented against George in the two trials refuted the view that the secret Iran/contra operations were essentially run out of the NSC and that high Administration officials at the various departments of Government, including the CIA, Defense and State, were unaware of the details or not involved in the activities. George was in a position to provide this crucial information to Congress when various congressional committees, in attempting to fulfill their constitutional oversight responsibility, began official inquiries into the Iran/contra affair. But instead George chose to evade, mislead and lie.