



Chapter 21

CIA Subject #1

CIA Subject #1 was a senior CIA field officer in Central America from 1984 through 1987. His identity as a CIA officer is classified. Independent Counsel learned in early 1987 that CIA personnel under Subject #1's supervision had illegally resupplied the contras. While Independent Counsel determined that Subject #1 was unaware of this activity,¹ other evidence raised questions about his contacts with persons working on behalf of the contra-resupply operation run by Lt. Col. Oliver L. North and retired U.S. Air Force Maj. Gen. Richard V. Secord, and Subject #1's knowledge of these activities.

1 See Adkins chapter and Adkins Classified Appendix. Subject #1 may have conveniently forgotten witnessing, however, a confrontation between James L. Adkins and another CIA officer, during which Adkins admitted that he had authorized CIA pilots to ship lethal materials to the Contras. Subject #1 admitted witnessing part of the argument, but never testified that Adkins confessed his wrongdoing.

Subject #1's responses to this evidence were unconvincing. Nevertheless, for the reasons set forth below, Independent Counsel chose in the summer of 1991 not to prosecute Subject #1. This unclassified chapter describes some of the highlights of Subject #1's contacts with the North-Secord Enterprise, his false statements to congressional investigators and Independent Counsel, and Independent Counsel's reasons why he declined to seek an indictment. A more complete version of this chapter is found in the Classified Appendix.

Subject #1 and the North/Secord Enterprise

The Honduran Arms Competition

The genesis of the North-Secord effort to help the contras purchase weapons is described elsewhere in this report.² The halt to U.S. aid to the contras opened the door to a host of arms dealers.³ These dealers realized that, since the bulk of the contra forces was in Honduras, an essential element to providing them with weapons was good relations with the government of Honduras. One way the North/Secord Enterprise hoped to obtain Honduran government approval for its services to the contras was through CIA Subject #1.

2 See Secord and North chapters.

3 See the Flow of Funds section.

Secord and his associate Thomas G. Clines, a former CIA agent, knew Subject #1 from their service together in Southeast Asia during the Vietnam War. Clines knew Subject #1 particularly well, as Subject #1 had been Clines's deputy for four years. Clines and Subject #1 remained in contact. They met socially as late as December 1984, when Clines and another former CIA operative, Rafael Quintero, were on a business trip in Mexico City. Subject #1's contacts with Secord and Clines "from the old . . . days" were well known to North, who talked to Secord frequently about Subject #1.⁴

4 Secord, Grand Jury, 1/25/91, pp. 3-4; Clines, Grand Jury, 4/19/91, p. 26; Secord, OIC Interview, 5/13/87, pp. 105, 113. According to Quintero, the Mexico City meeting occurred because he and Clines had bumped into Subject #1's wife. The men met later with Subject #1. (Quintero, FBI 302, 4/9/91, p. 10; Quintero, Grand Jury, 1/6/88, p. 55.) Subject #1 did not tell Independent Counsel

about the Mexico City meeting until well after Quintero first disclosed it. Subject #1 never mentioned that Quintero was with Clines. (CIA Subject #1, FBI 302, 6/24/88, p. 2.)

Subject #1 was aware of the post-Boland competition among international arms dealers. Chief among these competitors was Ron Martin, a Miami-based arms dealer who had been the focus of investigation by the Bureau of Alcohol, Tobacco and Firearms for many years, and who at one time had been charged with providing arms illegally to narcotics traffickers. Martin had been approached about selling arms to the contras in late 1984 by a former U.S. military attache to Nicaragua, Col. James McCoy. McCoy assured Martin that such sales would have U.S. Government approval.⁵

⁵ Martin, FBI 302, 4/13/92, p. 2. Martin told Independent Counsel that he learned later from Calero and a Honduran military officer that the U.S. Government sanctioned private weapons sales to the contras. Calero told Martin, however, that some U.S. officials disliked Martin. (Ibid., p. 8.)

Over time McCoy and a Honduran-based U.S. national who was working for McCoy, Mario Dellamico,⁶ convinced Martin to get into the contra arms market. Martin and McCoy developed a plan to ship a storehouse of weapons into Honduras, where the Honduran government would take possession of them. The contras then could purchase weapons from this supply as they needed. Martin obtained financing for this proposal from Enrique DeValle, the brother of a former Panamanian president. Martin was responsible for purchasing and shipping the weapons; Dellamico's job was to intercede with the Honduran government (that is, the Honduran military) and contra military commander Enrique Bermudez.

⁶ According to Dellamico, but contrary to many of the transcripts and documents cited in this chapter, this is the correct spelling of his name.

Subject #1 became aware of Martin's "Arms Supermarket" by mid-February 1985. CIA officers learned from Calero and others that the Honduran government had agreed to permit an "international arms supplier to establish a stock of ammunition and weapons parts in Honduras upon which the FDN [contras] could draw as needed [on] a cash-and-carry basis." CIA officers further reported that the Honduran government had issued end-user certificates for weapons transactions to the supplier.⁷

⁷ Field Intelligence Report, 2/11/85, DO 94825. This report was disseminated throughout the intelligence community, including the NSC, by Classified Intelligence Report, 2/19/85, DO 181966-64.

A Meeting in Honduras

By May 1985 the supermarket was worrying the North-Secord Enterprise. A large shipment of arms purchased by the Enterprise in Europe was on board the Danish freighter Erria and on its way to Honduras in May 1985 when North noted during a meeting with Secord: "Martin setting up munitions 'supermarket' in Tegu[cigalpa]." Intelligence reports a week later stated that the contras were entertaining an offer by "an international arms dealer" to store a stock of munitions in Honduras, from which contras could make purchases as required. North noted that he had to raise the matter with the contra leadership when they next spoke.⁸

⁸ North Note, 5/1/85, AMX 000638; Classified Intelligence Report, 5/8/85, DO 175558; North Notebook, 5/9/85, AMX 000658.

North and Calero met on May 13, 1985. North starred as "to do" items "Check w/ Ron Martin 'Supermarket' being set-up by Aplicano" (a colonel in the Honduran army) and "Secord/Aplicano meeting." ⁹ North spoke with Secord four days later, noting:

⁹ Ibid., 5/13/85, AMX 000668.

Ron Martin & Mario del Amico (Cuban American) wanted in Guatemala for criminal activity
Dealing w/ AUTOMEX in Lisbon & CRADDOCK in U.K.

* * *

- Promised to sell weapons thru ``supermarket"
- Probably levered by HOAF personnel
- DEFEX people [Secord's suppliers] will not work w/
- g008MARTIN letter of credit floating all over Lisbon
- Prices from Secord based on adequate lead time.

North further noted this report from Secord, whose ``on scene" man in Honduras was Quintero:

View from on scene:

- Mario more & more in picture

* * *

- serious logistics problems
- Possible Martin interference w/ Puerto Cortez delivery
- Ship arrives 1 June 85 -- Danish vessel 10

10 North Note, 5/17/85, AMX 000679-80.

After talking with Secord, North phoned Calero. Calero said that a representative of the arms supermarket had quoted him prices on AK-47 and M-16 ammunition. The Honduran military was said to guarantee that the arms supermarket would not ``run short." 11 On May 20, 1985, North noted Calero's assessment that ``Supermarket is proceeding." 12

11 Ibid.

12 Ibid., 5/20/85, AMX 000687.

As Secord and North had discussed, the Erria was due at the Honduran port of Puerto Cortes in early June. Clines and Quintero departed for Honduras on May 31, 1985, to meet the vessel. Clines and Quintero were not the only ones, however, who were interested in what was arriving. Ron Martin had heard of the Erria from his own sources in Portugal, who said that the Enterprise was selling the contras old equipment at outrageous prices. Sensing an opportunity to shame his rivals, Martin ordered Dellamico to arrange with Col. Aplicano to secure as much paperwork as possible about the Erria's cargo.¹³

13 Quintero Passport; Martin, FBI 302, 4/13/92, p. 11.

With the help of the Honduran military, Dellamico boarded the Erria shortly after it arrived in Puerto Cortes. Dellamico convinced the Erria's captain that he was a representative of the purchasers and obtained a cargo manifest. Dellamico received the papers shortly before Clines and Quintero reached the ship. Clines confronted the captain, who explained that he thought Dellamico worked for Clines. Clines angrily threw Dellamico off the ship.¹⁴

14 Martin, FBI 302, 4/13/92, p. 11; Clines, Grand Jury, 4/19/91, pp. 27-28; Quintero, FBI 302, 11/13/87, p. 7. Quintero told Independent Counsel that he had first met Dellamico in late April 1985, somewhere near the Guatemalan/Honduran border. Quintero was in Guatemala supervising the first Second arms shipment to the contras. According to Quintero, Dellamico arrived at the border with a Honduran military officer, who was to take possession of the arms shipment prior to its delivery to the contras. (Quintero, FBI 302, 11/13/87, p. 5.) Dellamico has denied ever meeting Clines or Quintero. (Dellamico, FBI 302, 2/4/92, p. 7.) Martin claims, however, to have learned all that he knows about the Erria incident from Dellamico. Martin told Independent Counsel that he used the manifest and other documents that Dellamico took from the Erria to try to convince Calero that Second was "ripping off" the contras. (Martin, FBI 302, 4/13/92, p. 11.)

That same day -- witnesses are not sure if it was before or after the fight with Dellamico -- Clines and Quintero met with CIA Subject #1. Accounts of the meeting, which Subject #1 denies, differ.

-- Quintero testified that as he and Clines were awaiting the arrival of the Erria, they heard rumors that a ship carrying weapons had been sunk in the Caribbean. Clines tried to telephone Subject #1 to confirm the story.¹⁵ The Erria arrived safely, and afterwards Subject #1 picked up Quintero and Clines at the Maya Hotel in Tegucigalpa. Subject #1 took them to his residence for lunch. Quintero and Clines asked Subject #1 how they could contact the leaders of the anti-Sandinista Miskito Indians. Subject #1 reportedly advised them not to go to a Miskito encampment at Rus-Rus, but instead contact the leadership in Tegucigalpa.¹⁶ They then discussed the Erria shipment, particularly Clines, Quintero, and North's role in it.¹⁷ Quintero recalled asking Subject #1 if the CIA had been reporting on Quintero's many trips to Honduras. Subject #1 replied no, to which Quintero responded, "Fine, that's great, because Oliver North is going to be very happy about knowing that I'm coming here and there are no reports going around that I am doing any work here." Quintero asked Subject #1 for his telephone numbers, which Quintero wrote down in his address book.¹⁸ They then discussed Martin, Dellamico, and Dellamico's relationship with Col. Aplicano.¹⁹

¹⁵ In the Grand Jury, Quintero testified that Clines's call to Subject #1 came after their lunch meeting with Subject #1, and that Clines actually spoke with him. (Quintero, Grand Jury, 1/6/88, p. 61.)

¹⁶ According to Quintero, he and Clines contacted the Tegucigalpa office, only to learn that Indian leader Wycliffe Diego was in Miami. (Ibid., pp. 62-63.)

¹⁷ In a 1991 interview with Independent Counsel, however, Quintero said that he and Clines did not discuss contra resupply with Subject #1, although Quintero "assumed" Subject #1 knew about it. (Quintero, FBI 302, 4/9/91, p. 9.)

¹⁸ In 1991, however, Quintero said that Clines gave him Subject #1's telephone number. (Ibid., p. 11.)

¹⁹ Quintero, FBI 302, 11/13/87, pp. 6-7; Ibid., 12/28/87, pp. 4-5; Ibid., 4/9/91, pp. 9-10; Quintero, Grand Jury, 1/6/88, pp. 54-63; Quintero, North Trial Testimony, 3/2/89, pp. 2982-86.

-- Clines corroborated only a few aspects of Quintero's story. According to Clines, Quintero said that he had been advised previously that they should contact Subject #1. Quintero already had Subject #1's phone number.²⁰ Clines agreed that the three met with Subject #1 at his residence for forty minutes, around noon. Subject #1 acted as if he had met Quintero before. According to Clines, however, the only topic of discussion was where he and Quintero could meet the leadership of the Miskito Indians.²¹ Clines testified that they did not discuss contra resupply with Subject #1, as Clines wanted to "keep [Subject #1] out of trouble" with the Boland Amendment.²²

²⁰ Quintero's telephone records reveal several calls to Subject #1. Quintero could not recall why he made the telephone calls, or if he reached Subject #1. (Quintero, FBI 302, 12/28/87, p. 5.)

21 According to Clines, Subject #1 said that the Miskito leaders were not in Honduras, but rather were in Miami. Compare with n.16 above.

22 Clines, Grand Jury, 4/19/91, pp. 28-33.

On June 5, 1985, CIA field officers reported that the Honduran military backed the arms supermarket. This report, which was placed into an intelligence memorandum sent to North the next day, valued the arms destined for the supermarket at \$17 million. CIA field officers said that a Honduran military official had discussed the proposal with Calero, and that Calero had provided a list of weapons that the Supermarket should carry. CIA field officers concluded that the arrangement ``should help solve the problem [the contras] are now having with the time lag between the ordering and subsequent delivery of munitions." 23

23 CIA Cable, 6/5/85, DO 94828-26; Memorandum from George, 6/6/85, AKW 22961-64. CIA officers further noted that the Honduran military was expecting a cut of the supermarket's profits or ``a good deal" on its own munitions purchases in return for granting Martin his ``franchise. . . ." (CIA Cable, 6/5/85, DO 94828-26.)

A Meeting in Virginia

The North-Secord Enterprise's frustration with how the contras spent their money prompted North to call a meeting of Secord, Clines, Quintero, Calero and Enrique Bermudez in Miami in late June 1985. During the meeting, North noted:

- Supermarket
- Honduran E.U.C.'s
- L & M Equipment
- g008del Amico
- g008Martin 24

24 North Note, 6/28/85, AMX 000820.

After the meeting, which Secord described as a ``watershed" for him, North asked Secord to set up his own private airlift operation to benefit the contras. Starting this operation occupied Secord throughout the summer and early fall of 1985.25

25 Secord, OIC Interview, 4/29/87, pp. 31-38; Secord, Select Committees Testimony, 5/5/87, pp. 164-69; Secord, Grand Jury, 1/16/91, pp. 7-9; Quintero, Grand Jury, 1/6/88, pp. 66-75.

In setting up his private airlift service for the contras, Secord met with CIA Subject #1. On July 11, 1985, North was told by Alan D. Fiers, Jr., Subject #1's superior as chief of the CIA's Central American Task Force (CATF), that Subject #1 was in town and that he would call North that evening. New intelligence reports revealed that a shipment of 1,300 tons of arms from Poland had arrived in Honduras for the supermarket. These reports indicated that another shipment was due in August, and that while contra commander Enrique Bermudez was ``dubious" about the supermarket concept, the supermarket's terms and prices sounded to Bermudez ``almost too good to be true." 26

26 Secord, OIC Interview, 4/29/87, pp. 37-38; Secord, Select Committees Testimony, 5/5/87, pp. 168-69; Secord, Grand Jury, 1/16/91, p. 9; Quintero, Grand Jury, 1/6/88, pp. 73-75; CIA Subject #1 Travel Records; CIA Cable, 7/9/85, DO 178759; CIA Cable, 7/9/85, DO 107993, DO 108034; CIA Field Intelligence Report, 7/10/85, DO 181999-98; CIA Information Report, Subject: Scheduled Arrival in Honduras of Arms Shipment from Poland for the Nicaraguan Democratic Force, 7/22/85,

DO 175398-96; CIA Field Intelligence Report, 7/10/85, DO 107991-90. CIA headquarters directed its officers in Central America to find out more about the Supermarket shipments. (DIRECTOR 447814, 7/11/85, DO 178758; DIRECTOR 448583, 7/11/85, DO 178757.)

As Fiers promised, Subject #1 called North on the evening of July 11. North wrote down Subject #1's local telephone number, then noted:

-- passed # to Dick

Subject #1 met with Secord, Clines, and Quintero at Secord's home the next day. While Secord is unsure whether Clines or North told him that Subject #1 was in town, Secord was certain that North set up the meeting.²⁷

²⁷ North Note, 7/11/85, AMX 001222; CIA Subject #1, FBI 302, 5/16/91, p. 5; Secord, FBI 302, 2/26/88, pp. 2-3; Secord, Grand Jury, 1/25/91, pp. 8-11. Quintero says that Secord told him at the time that North had set up the meeting. (Quintero, Grand Jury, 1/6/88, pp. 83-87; Quintero, North Trial Testimony, 3/2/89, pp. 2986-87.) North's secretary wrote "Secord [CIA Subject #1]" in the 7:00 am to 10:00 am slot on North's appointment calendar for July 12, 1985. (North Calendar, 7/12/85, AKW 003872.)

The witnesses to the July 12, 1985, meeting at Secord's home gave different accounts of what was discussed.

-- Clines described the meeting as very brief, lasting no more than a few minutes. Clines said he was not privy to the entire conversation and did not recall hearing about the contras. Clines could not recall even if Quintero was there.²⁸

²⁸ Clines, Grand Jury, 4/19/91, pp. 34-35.

-- Secord recalled the meeting more vividly, saying he told Subject #1 that he "wanted to get a handle" on what was happening in Honduras. They discussed the general tactical situation of the contra war, the extent of Honduran government support for the contras, and how best to ensure effective private deliveries to the contras ("a common theme," according to Secord, since the June 1985 Miami meeting).²⁹

²⁹ Secord, FBI 302, 2/26/88, pp. 2-3; Secord, Grand Jury, 1/25/91, pp. 8-10.

-- Quintero corroborated Secord. Quintero said that Secord had called him in Miami and told him to come to Washington. Quintero and Clines went with Secord to meet with Subject #1. The meeting was short but friendly, revolving around the contras and events in Honduras. One topic was how Martin and Dellamico were working with the Honduran government to block Secord from selling and airlifting weapons to the contras.³⁰ Subject #1 said that he had spoken with North about Martin and the Honduran problem, but that he did not want to assist Secord in solving it.³¹

³⁰ Secord told Independent Counsel that at this time, Calero had been saying that Martin was pressuring him to buy arms from the supermarket. "I believe that starting about August of '85 a number of desperate groups started focusing on me and my men as great threats, one was Ron Martin and his group. They saw me and my group as a threat to their business which we weren't even aware of." Mario Dellamico "was seen by all of us -- that means Clines, Secord, Quintero -- as hostile to our interests. . . ." (Secord, OIC Interview, 4/29/87, pp. 55-56; Secord, Grand Jury, 1/16/91, pp. 40, 54-56, 70; Secord, Grand Jury, 1/25/91, pp. 52-53.)

³¹ Quintero, FBI 302, 12/28/87, p. 6; Quintero, FBI 302, 4/9/91, pp. 9-10; Quintero, Grand Jury, 1/6/88, pp. 83-87; Quintero, North Trial Testimony, 3/2/89, pp. 2986-87. Quintero provided other details that are presented in the Classified Appendix.

Second reported the meeting to North later the same day. North's notes corroborate Second and Quintero's version of the meeting:

- mtg. tonight w/Dick/Rafael/Tom w/ Romero FDN Log Chief
- [CIA Subject #1] discussions re Supermarket
- HO Army plans to seize all mat'l when supermarket comes to a bad end
- \$14M to finance came from drugs
- [Subject #1] expects HOAF to seize the supermarket's assets when the supermarket folds.
- [Subject #1] likes light A/C [aircraft] ASAP

oesn't like goons [slang term for C-47]

Should get CASA 212's 32

32 North Note, 7/12/85, AMX 001225.

Watching the Arms Supermarket

Subject #1's actions subsequent to the July 12, 1985 meeting are consistent with Quintero's characterization of him as an intelligence officer who was unwilling to side either with the Enterprise or the Supermarket in their rivalry. Subject #1 returned to Central America and secretly recounted to Fiers later that he would begin collecting more intelligence about the supermarket. Subject #1 further passed on his understanding that the contras were about to make their first purchases from Martin:

My concern is the source of the funds for the Supermarket (10 to 14 million USD). We cannot conceive that the backers of this program are doing it for patriotic or altruistic reasons and we hope UNO/FDN leader[s]hip will exercise prudence and conduct an in-de[p]th check of sources of the financial backing before becoming involved.³³

33 CIA Cable, 8/29/85, DO 94841. By late August 1985, North's interest in Martin and McCoy had flared once again. He may have prompted CATF to run traces on the men. (North Note, 8/28/85, AMX 001341; DIRECTOR 511129, 8/28/85, DO 94835; CIA Cable, 8/29/85, DO 94837.) On August 30, 1985, North noted information similar to what had been reported by DO 94837. (North Note, 8/30/85, AMX 001343.) See also CIA Cable, 8/30/85, DO 94843 (confirming DO 94837 and reporting on ATF investigation of Martin's operations).

Subject #1's subsequent reports reflected the CIA's concerns that Martin and McCoy had an ``unsavory past," but Subject #1 did not attempt to exploit this anxiety to the Enterprise's advantage.³⁴

34 All of the examples of this conduct are classified and are thus set forth in the Classified Appendix.

Cables from the Fall of 1985 support the view that Subject #1 was honestly monitoring, rather than choosing sides in, the supermarket/Enterprise competition. Fiers cabled Subject #1 on September 17, 1985, that Calero urgently needed to know more about the supermarket, as Calero was ``under increasingly intense pressure" from Bermudez and others ``to avail himself of . . . the warehouse." Subject #1 suggested that Calero question the supermarket's backers himself. Calero did just that, prompting Martin and McCoy to offer to fly a CIA representative to Panama City to meet ``the banker financing the supermarket transaction and to examine the paperwork." ³⁵

35 DIRECTOR 534371, 9/17/85, DO 94859; CIA Cable, 9/18/85, DO 94860; CIA Cable, 9/27/85, DO 94864. Calero called North a few days after meeting Martin with a full report. North noted:

- Martin said that Calero has created probs w/ weapons
- ``Damned ship is not mine"
- preoccupied -- believes that [Calero] has screwed up the supermarket.
- says he has someone who has invested heavily + bank support.
- Says he wants to see [CIA Subject #1]. Take him to Panama to show him paperwork.
- Says he has a valid contract w/ Honduran Govt.

(North Note, 9/24/85, AMX 001773.)

Calero reported his discussions with Martin and McCoy to Subject #1 on September 27, 1985. Subject #1 relayed Calero's information via special channels to Fiers. Subject #1 argued against accepting Martin's invitation to examine the supermarket's records: ``There is no advantage for [CIA] to get involved in anything like this nor do we wish to be seen as the approval mechanism on whether or not [Calero] buys from Martin." Subject #1 recognized, however, that Calero wanted to buy from Martin. Subject #1 wrote that Martin's

prices are good, the credit terms excellent and the material newer and in better condition than that UNO/FDN [contras] has received from other sources. [Calero] wants to be told if [U.S. Government] has any information that would make his involvement with the Supermarket an unwise decision. [Calero] will hold back on purchases until he hears . . . but he has to make some move soon.

The CIA ended up making no recommendation to Calero about the supermarket, and Calero purchased weapons from it.³⁶

36 CIA Cable, 9/27/85, DO 94864; Calero, FBI 302, 6/10/91, pp. 5-6. Subject #1 shared his views about the Supermarket with U.S. Government personnel in Honduras. (See, for example, Comee, FBI 302, 5/17/91, pp. 10-12.)

Subject #1 and 1986 Resupply Activities

Subject #1's agnosticism towards the arms supermarket and the North-Secord Enterprise manifested itself in an incident that occurred in February 1986 -- an episode that made Subject #1 aware of a link between the two resupply operations in the persons of Dellamico and Felix Rodriguez. Subject #1 had met Rodriguez in the early 1980s. Subject #1 later claimed that he and Rodriguez had a falling-out in 1984, shortly before Rodriguez headed to El Salvador, and never spoke again. Evidence from as early as January 1985 suggests, however, that Subject #1 kept aware of Rodriguez's activities.³⁷

37 CIA Subject #1, FBI 302, 5/16/91, pp. 1-2. North noted, for example, during a trip to Honduras in late January 1985 (emphasis in original):

Discussion w/ [Subject #1]

La Quinta, Las Vegas,

-- FDN Air Arm

- Felix too involved w/ Alvarez
- Not enough money to do what's needed
- Parachutes.

(North Note, 1/30/85, AMX 000409.)

Subject #1 and NHAO #4 Transshipment

In September 1985, Subject #1 and other CIA field personnel began assisting a new U.S. Government humanitarian assistance program for the contra rebels. Sponsored by the State Department's Nicaraguan Humanitarian Assistance Office (NHAO), the new aid was to travel from the United States directly to Honduras, to be shipped overland to contra bases. Unfortunately, excessive press coverage of the first NHAO mission to Honduras soured the Honduran Government on the program and resulted in a temporary ban on NHAO flights into Honduras.³⁸

38 CIA Cable, 10/10/85, DO 22975; CIA Cable, 10/16/85; CIA Cable, 10/16/85, ER 33056-57; DIRECTOR 584237, 10/23/85; CIA Cable; CIA Cable, 10/24/85, DO 22976; CIA Cable, 10/25/85, DO 2298; CIA Subject #1, FBI 302, 5/16/91, pp. 4-5.

The halt to NHAO flights began in mid-October 1985. After a series of official visits from persons including North, National Security Adviser John M. Poindexter, U.S. Ambassador to Honduras John Ferch, and Subject #1,³⁹ the Honduran government eventually agreed to allow NHAO-sponsored flights to resume over Honduran airspace -- provided that the flights originated from El Salvador.⁴⁰

39 CIA Subject #1 Travel cables; CIA Subject #1, Select Committees Deposition, 4/25/87, pp. 94-105; CIA Subject #1, FBI 302, 5/16/91, p. 11; CIA Cable, 11/9/85; CIA Cable, 11/11/85, DO 22983; CIA Cable, 11/13/85, DO 7409; CIA Cable, 11/15/85; CIA Cable, 11/16/85; CIA Cable, 11/18/85, DO 22984; CIA Cable, 11/20/85, DO 7443; CIA Cable, 11/21/85, DO 7451; CIA Cable, 11/27/85, DO 7475; CIA Cable, 12/2/85; DIRECTOR 637248, 12/2/85, DO 7488; North Notebook, 12/13/85, AMX 001933-34; CIA Cable, 12/13/85, DO 8527; CIA Cable, 12/17/85, DO 8544; CIA Cable, 12/17/85, DO 8545.

40 CIA Cable, 12/20/85, DO 8556; AMEMB TEGUCIGALPA 17411, 12/20/85, ALW 30596-602; DIRECTOR 665928, 12/21/85, DO 8572; DIRECTOR 667352, 12/24/85. Subject #1 grudgingly provided testimony on this subject to Congress in 1987. (CIA Subject #1, Select Committees Deposition, 4/25/87, pp. 32-36.)

NHAO worked to mount the first in the new series of flights -- embarking from the United States to Ilopango air base in El Salvador, and then crossing to contra bases in Honduras -- in January 1986. CIA officers in Central America were charged with obtaining clearances for these flights from the Honduran military. As a result, CIA officers in Central America began learning about the contractors who were making NHAO's deliveries -- some of whom were delivering lethal supplies for the North-Secord operation. In seeking clearances for the first drop, proposed for the contra base at Yamales, field officers reported their concern that a "possible conflict in aircraft use" could jeopardize it. Officers said that another Honduran project was using "an L-100 . . . , operated by Dick ((Gadd)), who in turn gets his aircraft from Southern Air in Miami." Gadd, an associate of Secord, was known by CIA field personnel to be a NHAO contractor. CIA field personnel feared that if Gadd used the NHAO mission as a way to lessen his expenses on the other project, the Hondurans would get angry. The drop to Yamales was eventually cancelled, at the Hondurans' insistence.⁴¹

41 CIA Subject #1, FBI 302, 4/9/87; DIRECTOR 683461, 1/9/86; DIRECTOR 685439, 1/10/86; CIA Cable, 1/10/86; CIA Cable, 1/10/86, DO 84692; DIRECTOR 687081, 1/10/86; CIA Cable,

1/13/86, DO 20034. See also DIRECTOR 691558, 1/15/86, DO 39668 (advising that Gadd will move supplies for NHAO from cancelled Yamales drop, and has arranged for construction of Butler buildings at Ilopango).

Subject #1 denied knowing the background of the cables discussing Gadd when questioned about them in 1987. (CIA Subject #1, OIC Interview, 8/28/87, pp. 102-3.) Other cables suggest that personnel other than Subject #1 may have been close to the situation. (See, for example, CIA Cable, 1/15/86, DO 83565; CIA Cable, 1/18/86, DO 83567-66.) Subject #1's deputy believed he may have been the first senior official in the region to learn of Gadd's activities, although the deputy told Independent Counsel that DIRECTOR 687081 should have been sufficiently important to CIA Subject #1 for him to know what Gadd was doing in Honduras. (Field Deputy, FBI 302, 6/7/91, pp. 7-8.)

For other cables about Gadd's activities in Honduras, see DIRECTOR 760645, 3/3/86; and CIA Cable, 3/3/86, DO 103566 (proposal to use Gadd to erect warehouses at Aguacate); CIA Cable, 3/10/86; CIA Cable, 3/11/86, DO 103566; CIA Cable, 3/12/86, DO 85474; DIRECTOR 778444, 3/14/86, DO 177472 (squabble among CIA field personnel over the unannounced appearance of ``NHAO communications specialist" described as a Gadd employee); DIRECTOR 780844, 3/15/86, DO 11534; CIA Cable, 3/17/86; DIRECTOR 803080, 3/29/86; CIA Cable, 4/1/86, DO 85492; DIRECTOR 807942, 4/2/86, DO 85493; CIA Cable, 4/3/86, DO 85494 (CIA field activities in arranging contra-sponsored drops of lethal and non-lethal supplies to contra forces on the Nicaraguan ``Southern Front;" Gadd mentioned as NHAO and private benefactor contractor).

Rodriguez and Dellamico

By late January 1986 CIA personnel in Central America, including those closest to Subject #1, recognized a second American citizen, Felix Rodriguez, in NHAO and private lethal resupply efforts. CIA field personnel had been asked in late January to facilitate the movement of contra logistics officers to Ilopango air base and to set up a contra communications network linking Honduras and El Salvador. CIA headquarters complained that CIA officers closest to Subject #1 were responding slowly. CIA officers closest to Subject #1 tried to put the blame elsewhere:

[Officers] believe additional confusion being introduced into San Salvador scenario by Felix ((Rodriguez)), who has somehow become involved in the San Salvador end of the NHAO system. He reportedly was the person who receipted for the NHAO shipment to Ilopango, and he has become involved in conflict with both UNO/FDN [contra] air force commander Col Juan ((Gomez)) and UNO/FDN San Salvador logistics chief Lopez by insisting that all matters relating to the Ilopango logistics system be channelled through him. According to Col Gomez, Rodriguez implied that he was employed by [CIA] without actually saying so. . . .

Other field personnel warned that, in fact, logistics officer Lopez was being ``dominated" by Rodriguez and the Chief of the U.S. Military Group in El Salvador, U.S. Army Col. James Steele.⁴²

⁴² CIA Cable, 1/18/86, DO 83567-66; CIA Cable, 1/23/86, DO 84696; CIA Cable, 1/24/86, DO 10534; CIA Cable, 1/24/86, DO 10545; DIRECTOR 706924, 1/25/86, DO 10548; CIA Cable, 1/25/86, DO 39672; CIA Cable, 1/27/86, DO 39675. See also CIA Cable, 1/27/86, DO 39676 (reporting from Col. James Steele that a January 26 NHAO flight was arranged by a contact of Rodriguez).

Ten days later, CIA officers closest to Subject #1 reported that the Hondurans finally had granted permission for resumption of contra resupply flights. CIA officers expected the flights would begin promptly, and were stumped when they learned that Lopez had been told to stop work on the first load. CIA officers closest to Subject #1 suspected Rodriguez. Fiers soon announced that he would travel to Honduras and El Salvador to consult with officers about NHAO transshipment operations.⁴³

43 CIA Cable, 2/7/86, DO 84703; CIA Cable, 2/8/86, DO 178737.

Fiers went first to Honduras to cement an agreement on obtaining clearances of NHAO flights. He then traveled to Ilopango air base, where he witnessed the loading of a Southern Air Transport C-130 with supplies for the contras. Concerned that the flight would upset the new American-Honduran rapprochement, Fiers went to Rodriguez's quarters at Ilopango and persuaded North to have him cancel the flight.⁴⁴

44 For a more complete account of Fiers's confrontation with Rodriguez, see Fiers chapter.

Or so Fiers thought. Two days later, CIA officers closest to Subject #1 reported that Rodriguez attempted to make a second end-run around the official clearance system -- this time, with the help of Mario Dellamico:

It appears that the private citizen in San Salvador ⁴⁵ who was sowing confusion on the question of a C-130 flight to Honduras did not give up easily. While we have not established the time of day of the request, during the day on 9 Feb he did contact his counterpart in Tegucigalpa, [Mario Dellamico], and requested that clearance for the L-100 be obtained. [Dellamico] met with Honduran Army Commander Col Thumann morning of 10 Feb, without having discussed the subject with any other interested party in Honduras, and subsequently appeared at UNO/FDN Directorate house saying he had obtained clearance for the aircraft and needed to travel to San Salvador immediately to coordinate the flight from that end. Per Col Thumann's office, no such approval was granted, and Hondurans had merely agreed to consider the subject, somewhat reluctantly and based on appeals by [Dellamico] that were not necessarily true. This situation has been corrected.⁴⁶

45 According to Fiers, he instructed CIA personnel in Central America during his February 1986 trip to keep Rodriguez's name out of CIA cables. (See Fiers chapter.) CIA field personnel thus began using phrases like "private citizen in San Salvador" as euphemisms for Rodriguez. For an example of an exchange among CIA field personnel (not including Subject #1, who was in Miami) that reflects an understanding of the meaning of this euphemism, see CIA Cable, 2/28/86, DO 85445; CIA Cable, 3/1/86, DO 85451; CIA Cable, 3/2/86, DO 103559.

46 CIA Cable, 2/11/86, DO 10987. This cable raised Fiers' temperature. (See DIRECTOR 731090, 2/11/86 (report "disturbing").) See also CIA Cable, 2/15/86, DO 11038; CIA Cable, 2/15/86 (reporting angry reaction of a contra leader).

By February 14, 1986, contra shipments from Ilopango to Aguacate had resumed. CIA personnel reported to the Central American Task Force that "[t]he role of the now infamous local 'private American citizen' has been reduced to that of an 'on-looker' at the NHAO/UNO/FDN warehouse at Ilopango." ⁴⁷

47 CIA Cable, 2/14/86, DO 101121.

CIA Subject #1 denied hearing anything about Rodriguez's private resupply activities until October 1986. In a May 1991 interview, Subject #1 explained his ignorance of repeated mentions of Rodriguez in field cable traffic by insisting that other field personnel wrote the cables and were more knowledgeable of the resupply operation.⁴⁸ Subject #1's excuse is unconvincing. First, as is clear from the events of 1985, Subject #1 was the CIA officer in the area most knowledgeable of Dellamico's activities in Honduras.⁴⁹ Subject #1 also knew that Dellamico had high contacts in the Honduran military -- specifically, with Col. Thumann -- and that he was a friend of Rodriguez.⁵⁰ Second, Subject #1 was heavily involved in trying to persuade the Honduran government to allow resumption of NHAO resupply operations -- a critical U.S. objective in early 1986.

48 Some CIA cables do suggest that Subject #1's deputy was heavily involved in discussions with the Honduran government about clearances. (See, for example, CIA Cable, 2/19/86, DO 11062; CIA

Cable, 2/27/86, DO 85443-42.)

49 See Classified Appendix.

50 CIA Subject #1, FBI 302, 5/16/91, p. 6.

The most telling evidence of Subject #1's contemporaneous knowledge of the Rodriguez/Dellamico clearance incident is, however, a contemporaneous KL-43 message from North to Secord. The message states in part:

Regarding the El Salvador problem, we may have created one of our own with Maximo [Felix Rodriguez's alias]. While our L-100 was on the ground in El Sal he apparently called to Mario Del Amico . . . and asked Del Amico to go to the general staff to get flight clearance from Ilopango to Aguacate. Thumann, the Honduran Chief of Staff -- who had just cleared the FDN C-47 flight clearances[--]told Del Amico that he would quote consider the request unquote. Thumann then called [CIA Subject #1] and asked him what the hell was going on since he -- Thumann -- was reluctant to give any clearances at all but that [Subject #1] had brought enough pressure to bear with [Subject #1] that he -- Thumann -- had no choice and now Del Amico was asking for more before the first flight of the C-47 had even taken place. [Subject #1] told Thumann -- without checking with Fiers -- to stand down on the Del Amico request and that Del Amico might well be a close friend of Calero but he was no friend of ours. . . . The bottom line is that Felix has once again exceeded his mandate and has dissembled with us -- or at least allowed himself to hear from Del Amico that the L-100 was cleared. I have no reason to disbelieve [Subject #1] and find the story about Del Amico to be plausible.⁵¹

51 Secord, OIC Interview, 5/13/87, pp. 118-19; KL-43 Message from North to Secord, AQT 000002. The KL-43 message refers to upcoming talks between Fiers and Gadd. Independent Counsel's evidence is that these meetings occurred on February 12, 1986. See Fiers chapter.

North's account of the Dellamico/Rodriguez ``end run," which describes Subject #1 as a knowledgeable witness, is corroborated by the former U.S. military adviser to Honduras, Col. William C. Comee. Colonel Comee told Independent Counsel in May 1991 that he was in frequent contact with Subject #1 during February 1986. According to Comee, Subject #1 was very upset by the ``end run" around the CIA's clearance system -- not because a private resupply flight was involved, but rather because it ruffled the delicate Honduran relationship.⁵²

52 Comee, FBI 302, 5/17/91, pp. 2-3. See also CIA Cable, 4/24/86, DO 177531, DO 83790; CIA Cable, 4/26/86, DO 3792 (attributing resupply confusion to ``local contractors" identified as Rodriguez and Quintero).

Independent Counsel was unable to prove another Boland violation attributed to Subject #1 in a later North KL-43 message. In early April 1986, the North-Secord Enterprise arranged for another L-100 cargo plane to drop lethal supplies to contra forces operating on the Nicaraguan ``southern front." Preparations for this drop were at their peak on April 10-12, 1986. Prior to the drop, North sent a KL-43 message to Secord that stated that Subject #1 would be assembling supplies at the contra base at Aguacate and moving them to Ilopango Air Base in time for the L-100's mission. (KL-43 Message, from North to Secord, 4/86.) To the best of Secord's knowledge, however, Subject #1 played no part in the L-100 mission and did not assemble materials at Aguacate. Subject #1's travel records confirm that he was out of Central America at the time. Secord admitted, however, that Subject #1's subordinates occasionally interceded with contra leaders in the north to free up supplies for the Southern Front -- an apt description of what the Enterprise accomplished with its April L-100 flight. (Secord, Grand Jury, 1/25/91, pp. 17-18; Secord, Select Committees Testimony, 5/6/87, p. 147; CIA Subject #1, OIC Interview, 8/28/87, pp. 107-11; CIA Subject #1 Travel Cables.)

Subject #1's False Statements

Meetings With Quintero, Secord, and Clines

Subject #1 first testified that he had no contact with Quintero, Secord and Clines between 1984 and 1987. The FBI Form 302 of an interview Subject #1 gave on April 9, 1987, to agents assigned to Independent Counsel states: "[CIA Subject #1] advised that during his assignment in [Central America] he had no contact with the following people: Richard Secord . . . and Thomas Clines." Subject #1 did indicate that one source of supplies for the contras was the supermarket managed by Martin. Subject #1 stated that he never met Martin, however, "and the CIA was told to stay away from him." 53 But on April 25, 1987, in a deposition for the Select Committees, Subject #1 admitted that he had met Secord and Clines:

53 CIA Subject #1, FBI 302, 4/9/87, pp. 1-2. The special agents' handwritten notes are consistent with the Form 302 prepared following their interview with Subject #1. One agent noted specifically: "Tom Clines -- never in Hond [Honduras]."

Q: Richard Secord. What knowledge do you have of this individual?

A: Oh, I knew Richard Secord for a number of years.

Q: Let's say after 1984, the beginning of 1984. Have you seen Secord?

A: Yes.

* * *

Q: What was the nature of that contact?

A: Well, I ran into him. I'm not sure how it occurred. But he invited me to stop by his place for a cup of coffee. I'm not sure if it was '84 or '85. And I did.

Q: That was his home?

A: Yes.

* * *

Q: Did he have any specific reason to see you at that time?

A: It was more just shooting the breeze, as I recall.

Q: Did he make any statements, to your recollection, that would indicate that he was involved in private support to the contras?

A: No.

Q: Did he give you any reason to believe that he sought something or sought some assistance from you with respect to that?

A: No. No, sir.

* * *

Q: When is the last time you saw Mr. Clines?

A: It was at Secord's house.

Q: At that same function?

A: Yes.

Q: Did Secord or Clines explain why they were together at that time?

A: No, they did not.

Q: Was this a family function?

A: It was just in the morning.

Q: Just the three of you?

A: And Secord's wife.

Q: Did Clines give you any reasons to believe that he was involved in Central American-related things?

A: No.

* * *

Q: Do you recall the nature of the discussion you did have at that time?

A: No, I don't. It was just a general how are you doing type of thing. Have a cup of coffee.

Q: How long did that last?

A: Forty-five minutes, an hour at the most.

Subject #1 continued to deny having met Quintero.⁵⁴

⁵⁴ CIA Subject #1, Select Committees Deposition, 4/25/87, pp. 76-79, 81 (emphasis added). Subject #1 was questioned by counsel for the minority of the Senate Select Committee. Statements by counsel during the deposition indicate that Subject #1 had advance notice of some of the questions.

Subject #1 was called before a federal Grand Jury on June 5, 1987. Subject #1 once again denied knowing Quintero. He acknowledged meeting Secord and Clines once in 1985, but he claimed not to recall how the meeting came about.

Q: What went on at the meeting, do you know?

A: He just asked how I was doing, how things were going -- basically that's it -- what's the situation we're fighting in Nicaragua? Nothing memorable, actually.

Q: Were they asking you or you asking them?

A: They're asking me. It was more just a chat -- how ya' been? Haven't seen you in a long time.

Q: When did you first become aware, if ever, that [C]lines had a business relationship with Secord.

A: I didn't know he had a business relationship with Secord. I just thought they were personal friends from back in those days in the late sixties.

Q: Did you ever become aware that they had a relationship?

A: Not until this most recent stuff that's come out.

Q: What about General Secord. When did you become aware that he had an involvement in Central America and supplying the Contras?

A: I don't know. I guess when it came out in the press, frankly.

Q: In other words, in '87?

A: Whenever that was, yes.

* * *

Q: Did you know of the relationship, or did Colonel North ever advise you of the relationship between North and Secord?

A: Negative.

* * *

Q: Did you have any knowledge of Oliver North's involvement in fund raising or in providing materials [for the contras]?

A: No, I did not.

* * *

Q: When Secord had you over to his house . . . was he having you over because you are old friends, or was he having you over to, essentially, probe for information?

A: I assumed he was having me over because we are old friends. Or I knew him from the old days. That may have not been the case, of course, now. That's what I assumed.⁵⁵

⁵⁵ CIA Subject #1, Grand Jury, 6/5/87, pp. 65, 58-62, 72, 86-87 (emphasis added). In a deposition taken in August 1987, CIA Subject #1 repeated many of these points. (CIA Subject #1, OIC Interview, 8/28/87, pp. 106-9.)

Independent Counsel interviewed Subject #1 again in June 1988 about his contacts with the North-Secord Enterprise. During that interview, Subject #1 admitted for the first time that he and his wife had met Clines (but not Quintero) in Mexico City sometime in 1984. As for the July 1985 meeting, Subject #1 said that either Secord had telephoned him or they had run into each other. Subject #1 admitted that he was close to North, but denied ever giving Clines or Quintero his telephone numbers. The FBI agent who attended the interview noted:

[CIA Subject #1] did not recall discussing Contra resupply in Honduras with Secord, Clines, or North. He did not recall meeting with Secord or Clines to discuss setting up a Contra resupply operation or obtaining Honduran flight clearances for such an effort. . . . As far as [Subject #1] knew, Clines was not involved in purchasing weapons for the Contras.⁵⁶

⁵⁶ CIA Subject #1, FBI 302, 6/24/88, pp. 3, 5.

Subject #1 was interviewed one last time by Independent Counsel in May 1991. Subject #1 continued to deny (1) knowing as early as 1985 that Clines was involved in weapons shipments to the contras, (2) ever meeting Quintero, or meeting Quintero and Clines in Honduras (although he confirmed that the Miskito Indians had an office in Tegucigalpa), or (3) ever giving Quintero, Clines, or Secord his telephone number. He asserted that his first memories of the meeting at Secord's house may not have been good because the primary purpose for his extended leave in Washington in the summer of 1985 was to resolve certain upsetting family matters. He did not recall

discussing the arms supermarket with North, but he admitted that such a discussion would not have been unusual. Subject #1 denied discussing the supermarket with Secord during their meeting.

Knowledge of Rodriguez and Other Private Benefactors

CIA Subject #1 claimed not to know much about the NHAO transshipment operation when questioned about it less than eighteen months after it began: 57

57 The classified text of this exchange makes Subject #1's denials more unbelievable than they are rendered here.

Q: So you don't recall a specific period in which humanitarian assistance was coming only from Ilopango and not from the United States directly?

A: No, but it could very well have happened.

Q: So at some point, at any rate, supplies were coming in, humanitarian supplies were being received at Aguacate and they could have come from one of two sources, either from the mainland United States directly or from El Salvador, from Ilopango?

A: Yes.

Q: What was the role of [CIA field personnel] with respect to making arrangements to assist NHAO in providing the assistance in this matter?

A: Well, we were requested, I believe after the flights resumed, to obtain flight clearances from the Hondurans to allow those aircraft to come.

Q: Did [field personnel] obtain clearances for flights from Ilopango?

A: I don't know. I had the feeling flights from Ilopango were sort of -- the FDN may have done those themselves and it was sort of catch as catch can when a bird was coming. And there was traffic that went back and forth, but my recollection would have been from the States.

Q: So you can confirm that [field personnel were] making flight clearance arrangements for deliveries from the United States?

A: I have been told that and read that, but I did not remember that.

Q: But you cannot recall, at any rate, [] assistance in making similar arrangements for the flights from Ilopango?

A: I can't recall that, no.

Subject #1 was more categorical in denying knowing about Rodriguez:

Q: When did you become aware that Max Gomez or Felix Rodriguez was located at Ilopango?

A: Oh, I had heard Max Gomez was going to Salvador and Ilopango when I was still in [Classified Location], so that must have been '83 or early '84.

Q: Did you at some point link Gomez with the humanitarian assistance program?

A: No.

Q: When did you become aware that Gomez was performing some function with respect to deliveries to the FDN at Aguacate from Ilopango?

A: I don't recall. Perhaps the newspapers.

Q: Did you become aware at some point that private air crews had been retained by someone to shuttle supplies between Ilopango and Aguacate?

A: What time period are we talking about -- during the NHAO period?

Q: Yes. Let's say in the period of November of '85 to March of '86.

A: No, I did not.

Q: So it's your belief that the private air crews did not appear on the scene prior to the winding down of the NHAO program?

A: As far as I know.

* * *

Q: At the point that the humanitarian program was winding down were you generally aware that the contras were the beneficiaries of a private supply network that was operating out of Ilopango?

A: I'd say yes.

Q: Did you associate that network with Max Gomez' presence at Ilopango?

A: No.

Q: So it was your understanding that Gomez was at Ilopango solely to assist the Salvadoran government's counter-insurgency effort?

A: I may have heard that he was involved in, you know, some of these other things, but Max Gomez was involved in that for quite some time. That was his reason for being there, the insurgency effort, whatever he did with the insurgents or counter-insurgency, yes.⁵⁸

⁵⁸ CIA Subject #1, Select Committees Deposition, 4/25/87, pp. 35-36, 37-38, 46-47 (emphasis added).

Subject #1's testimony on these subjects was slightly more straightforward in his August 1987 deposition for Independent Counsel. He admitted that officers under his command -- most likely those closest to James Adkins -- were responsible for clearing NHAO flights into Honduras. He denied learning, however, of a link between NHAO and the private benefactors:

Q: Were you involved in [clearances for NHAO flights]?

A: We would also get the cable; sure.

Q: You personally though?

A: The cable would go to both locations.

Q: Would the air ops officer under Adkins command check with you before he talked to the Honduran government to get the clearance?

A: Probably with someone [close to Subject #1] or [Adkins] would talk to him probably, yes.

Q: Do you remember someone talking to you about some of the clearances, any clearances?

A: No, not really. Since I first discussed these I had forgotten that we did the clearances to tell you the truth.

* * *

Q: Did you ever make a connection between the NHAO flights and the private lethal flights?

A: The private lethal flights?

Q: Yes.

A: You mean the two?

Q: Yes.

A: No.⁵⁹

59 CIA Subject #1, OIC Interview, 8/28/87, pp. 97-98, 102 (emphasis added).

The Decision Not to Prosecute

Independent Counsel uncovered very little evidence that CIA Subject #1 participated in or facilitated the affairs of the North-Secord Enterprise. Subject #1 also appears not to have knowingly violated any of the statutory restrictions on assistance to the contras that were in effect from 1984 to 1986 -- particularly the Boland Amendment. This left the possibility of charging Subject #1 with false statements, obstruction, or perjury. Independent Counsel's decision whether to prosecute Subject #1 rested on (1) the strength of the case against him, (2) the significance of his obstruction of the Iran/contra investigations, and (3) the prospects for furthering Independent Counsel's investigation.

The strongest evidence against Subject #1 concerned his meetings with Secord, Clines, and Quintero in 1985. Independent Counsel believed that the circumstantial and direct evidence about these meetings was overwhelming. Nevertheless, the three principal witnesses to the 1985 meetings were carrying significant baggage by 1991. Secord had pleaded guilty to providing false testimony; Clines had been convicted of tax evasion; and Quintero had testified only under immunity. Moreover, while the witnesses agreed that the meetings had occurred, they disagreed as to what had been discussed. Could their testimony convince a jury that Subject #1's motive for covering up the 1985 meetings was to distance himself from the Enterprise when Quintero, Secord, and Clines could not agree whether Subject #1 had been told about it? 60

60 With respect to the meeting at Secord's house, Independent Counsel also would have had to overcome an emotional preoccupation defense.

The evidence of Subject #1's contemporaneous knowledge of Rodriguez and the NHAO transshipment operation was likewise powerful. Much of the Rodriguez/NHAO case relied on CIA cables, many of which were written or released by Subject #1. Nevertheless, in many significant instances, proving Subject #1 released a cable would have been impossible, as the original cables had been destroyed by the CIA in the ordinary course of its business.

The strengths of a Subject #1 case were overshadowed by the relative insignificance of his false statements, the slim prospects for obtaining important information from him, and the resources that would have been required to obtain a conviction. Subject #1 sought only to distance himself from the Enterprise. No evidence suggested that he was covering for anyone else, or that he had particularly valuable information concerning the matters about which he lied. There was no evidence of a special relationship between Subject #1 and North; he did not appear to be a confidant of Alan

D. Fiers, Jr., or other senior officials at CIA; and Independent Counsel had scant evidence that Subject #1 was involved in situations that could have incriminated other senior CIA officials.