



Part IV

Investigations and Cases:

The National Security Council Staff

At the center of the covert Iran and contra operations were three members of President Reagan's National Security Council staff: National Security Adviser Robert C. McFarlane; McFarlane's deputy and successor, Vice Adm. John M. Poindexter; and the deputy director of political-military affairs, Lt. Col. Oliver L. North.

It is the duty of the national security adviser to brief the President daily on foreign and domestic developments of national security concern, and to integrate and keep him apprised of the views of his National Security Council. The national security adviser heads the NSC staff. The principal members of the NSC in the Iran/contra matters were the President, the Vice President, the secretaries of state and defense and the director of the CIA.

Beginning in 1984 through most of 1986, members of the NSC staff implemented President Reagan's foreign-policy directive to keep the Nicaraguan contras alive as a fighting force, despite a law -- the Boland Amendment -- prohibiting U.S. aid for their military activities. Largely acting through North, their contra-support activities included approaches to foreign countries and private American citizens for funding; the provision of military and tactical advice and intelligence; and working with private operatives, chiefly retired Air Force Maj. Gen. Richard V. Secord and Albert Hakim, to supply weapons.

In 1985, in what was originally a separate undertaking from the contra-support operation, McFarlane initiated contacts with Israel leading to the sale of U.S. weapons to Iran in an effort to free American hostages held by pro-Iranian terrorists in Beirut; in 1986, the NSC staff under Poindexter continued in this effort through direct U.S. arms sales to Iran. Poindexter authorized North to arrange the diversion of Iran arms sales proceeds to the contras, secretly marking up the prices for U.S. weapons and relying on the excess proceeds to help finance the contra-resupply operation, subsequently called the "Enterprise," which was run by Secord and Hakim under North's direction.

The NSC staff members in these operations could not have carried out many of their activities without the support or knowledge of officials in other agencies: most prominently the CIA, State Department and the Department of Defense. Nevertheless, after public exposure, the Reagan Administration used the most dramatic dimension of the Iran/contra affair -- the Iran/contra diversion -- to focus public attention and to blame the NSC staff for what went wrong.¹ On November 25, 1986, President Reagan announced the firing of North and the resignation of Poindexter. Attorney General Edwin Meese III then disclosed the Iran/contra diversion, erroneously stating that only three U.S. officials knew about it: North, Poindexter and McFarlane.

¹ On November 24, 1986, the day before the Iran/contra diversion was to be publicly announced, White House Chief of Staff Donald T. Regan recommended a damage-control strategy that put the NSC staff in the line of fire: "... Tough as it seems[,] blame must be put at NSC's door -- rogue operation, going on without President's knowledge or sanction. When suspicions arose he took charge, ordered investigation, had meeting of top advisers to get at facts, and find out who knew what." (Memorandum from Regan, 11/24/86, ALU 0138832.)

The criminal prosecutions showed that members of the NSC staff, although most directly involved in the operations, were not the only participants in Iran/contra matters. Rather, these matters often

were not aberrant acts but part of a widespread pattern of covert conduct condoned at the highest levels of Government.