



Part IX

Investigations of the White House

The Iran/contra affair flowed from decisions made and actions taken in the White House by President Reagan and his closest advisers.

The operational aspects of Iran/contra were carried out by the national security adviser to the President and the National Security Council staff, who were aided by private operatives they recruited. Their criminal activities are related in earlier sections of this report.

This part of the report covers the actions and decisions relative to Iran/contra of President Reagan; White House Chief of Staff Donald T. Regan; Attorney General Edwin Meese III, in so far as Meese acted in his capacity as friend and adviser to the President; Vice President George Bush; Bush's national security adviser Donald P. Gregg; and Gregg's deputy, Col. Samuel J. Watson III.

The criminal investigation established that President Reagan, with the support of Vice President Bush, promulgated the two policies that drove Iran/contra:

- that the contras would be kept viable as an insurgent force during the Boland cut-off period from October 1984 to October 1986, and
- that arms would be sold to Iran, first from Israeli stocks and later directly from the United States, in exchange for the release of Americans held hostage in the Middle East.

The investigation also established that the President, Vice President and Regan were briefed regularly and in considerable detail as to the operations being conducted to carry out those policies. Independent Counsel found no credible evidence that the President authorized or was aware of the diversion of profits from the Iran arms sales to assist the contras, or that Regan, Bush, or Meese was aware of the diversion.

Similarly, Independent Counsel found no convincing evidence that Reagan formally or specifically authorized the National Security Council staff in general or Lt. Col. Oliver L. North in particular to establish a U.S. Government-coordinated covert, full-scale contra-resupply organization to replace the CIA during the Boland cut-off period. President Reagan and Vice President Bush did receive regular reports on the strengths and problems of the contras and knew that North was the Government official charged in the first instance with trying to find solutions to their problems.

The OIC found considerable evidence that the President and the Vice President knew about and, in some instances, directly participated in contra-funding efforts during this period -- including third-country donations, quid-pro-quo arrangements to encourage third-country support, and contributions from private citizens. In addition, there was evidence that Bush's aides Gregg and Watson had information on North's direction of the contra-resupply effort through Gregg's close relationship with Felix Rodriguez, a former CIA operative whom North enlisted as a part of his contra-supply organization. Gregg claimed that, notwithstanding the Administration's interest in the success of the contras, he never mentioned any information regarding contra resupply to Vice President Bush, the person he was advising on national security matters.

A principal focus of this section centers on the activities of the President, the Vice President, Regan and Meese during November 1986 when the public disclosure of the Iran arms sales created a political furor, generating demands for a congressional investigation and the appointment of an independent counsel. Of particular interest to congressional leaders was whether the Iran arms sales,

in the face of a U.S.-supported embargo on such sales, were in violation of any statutes, and whether the failure of the Administration to disclose the Iran arms sales to Congress was in violation of the Arms Export Control Act, the National Security Act or any other statute.

Independent Counsel concluded that President Reagan, Vice President Bush, Regan, Meese and other senior Administration officials in November 1986 undertook to ``rearrange the record," as Secretary of State George P. Shultz put it in a conversation with his senior advisers, in an effort to protect the President and themselves from accusations of possible violations of law. A particular concern was that the 1985 Iran arms sales from Israeli stocks violated the congressional notification requirement of the Arms Export Control Act. Evidence to support this conclusion was obtained by Independent Counsel in 1991 and 1992 from notes, diaries and documents previously withheld from the Tower Commission, the congressional Select Committees and the OIC. The withheld evidence demonstrated that:

-- President Reagan authorized the 1985 sale of TOW and HAWK missiles from Israeli stocks in an effort to free Americans held hostage even though he was warned such sales were in violation of the Arms Export Control Act.

-- The President's senior national security advisers -- Vice President Bush, Shultz, Secretary of Defense Caspar W. Weinberger, CIA Director William J. Casey, and Regan -- were informed in 1985 of presidential approval of the transactions.

One year later, in November 1986, when Congress tried to learn the facts about the Iran arms sales, the Administration first tried to withhold information about the 1985 sales from Israeli stocks. Thereafter, Poindexter and Meese stated that the President was unaware of and had not authorized the November 1985 shipment of 18 HAWK missiles from Israel to Iran -- that the initiative had been handled by former National Security Adviser Robert C. McFarlane without presidential authorization. The evidence demonstrates that Poindexter and Meese, as well as the President and his other senior advisers, knew that to be false, but they at least tentatively accommodated that position.

Independent Counsel concluded that no criminal charges should be brought against President Reagan, Vice President Bush, Meese or Regan because the belated production of notes and other documents delayed the investigation beyond the point where it could be effective.