



Part VI

Investigations and Cases:

Officers of the Central Intelligence Agency

The Central Intelligence Agency's role in the Iran/contra affair was in large measure a manifestation of Director William J. Casey and President Reagan's shared goal of rolling back Soviet-supported communist regimes around the world. Casey and Reagan mutually supported the cause of the Nicaraguan contras. This support inspired Lt. Col. Oliver L. North's efforts to supply the contras in defiance of the Boland Amendment's prohibition on U.S. military aid. Casey also respected Reagan's concern for the Americans held hostage in Lebanon. Casey was an early and vigorous advocate of the Iran arms sales and was strongly against telling Congress about them until all of the hostages were released -- a position consistent with his general attitude as director of central intelligence that Congress be told as little as possible.

Casey's support of the contras and his backing of the Iran arms sales had direct consequences for the officers under his direction. Casey's position on the contras gave his chief of the Central American Task Force, Alan D. Fiers, Jr., a green light to "dovetail" the CIA's Central American activities with those of North's contra-resupply operation. With Casey's encouragement, Fiers also used North to replace CIA funding of a classified project banned by Congress in the summer of 1985.

As for the Iran arms sales, Casey was largely responsible for forcing the CIA's Directorate of Operations, the U.S. Government's covert-action arm, to rely on operatives whom they distrusted, whom they could not monitor, and who ultimately laid the groundwork for the infamous diversion of Iran arms profits to the contras. Casey supported the decision to have the national security adviser direct the operations of the Iran arms sales. He also overrode strong opposition from seasoned CIA professionals to using Manucher Ghorbanifar, retired Air Force Maj. Gen. Richard V. Secord, and Albert Hakim in the effort. Ghorbanifar was "a liar and has a record of deceit," warned Casey's deputy, John McMahon. "[W]e would be aiding and abetting the wrong people." ¹ Thomas Twetten, a senior agency official, returned from meetings in Europe shocked to learn that Secord and Hakim, whom North told Twetten were assisting him in Central American operations, were principals in the Iran initiative. Casey, who had originally paired Secord and North in contra resupply, overrode these concerns.

1 DIRECTOR 705574, 1/25/86, ER 24834-35.

When the Iran/contra affair became public in late 1986, at least three of Casey's subordinates -- Fiers, Clair E. George, and Duane R. Clarridge -- responded to Congress in keeping with the tone set by Casey throughout his tenure at the CIA: Tell Congress as little as possible and keep the spotlight off the White House. Independent Counsel found that key Agency officials were better informed and more directly involved in the contra-resupply effort and in the Iran arms sales than they previously admitted.

It would be wrong, however, to blame all of the improper conduct of CIA officers on Casey. Some CIA officers had their own motives for violating the law during the course of the affair, or for denying knowledge of it once it came into public view. For example, James L. Adkins, chief of a CIA facility in Central America, acted out of what he claimed were "humanitarian" motives in supplying the contras in violation of the Boland cut-off of contra aid, without any demonstrable tie to Casey or other CIA officials. Joseph F. Fernandez, a CIA station chief in Costa Rica, disregarded explicit warnings from his superiors: He deliberately violated the Boland restraints, and subsequently lied to federal investigators out of friendship for North and to protect himself. The

claims of faulty memories by ``CIA Subject #1," a counterpart of Fernandez's in Central America, and Robert M. Gates, deputy director of the CIA, were self-protective.

The accounts that follow in this section are based on an exhaustive review of CIA cables and documents, and from extensive interviews with former and present Agency employees.

Independent Counsel's investigation resulted in a comprehensive analysis of CIA activities in the Iran arms sales and in contra resupply during the mid-1980s. Despite this investigation, the last word about the CIA in Iran/contra cannot be written. Casey suffered a seizure in his office on December 15, 1986, and died on May 6, 1987. Independent Counsel never questioned him, and the investigation recovered only a few contemporaneous notes written by him.² A potentially significant area of inquiry was thus closed to Independent Counsel.

² Independent Counsel learned in November 1987 that after Casey had resigned as DCI in January 1987, the CIA removed safes, telephones and other Agency equipment and materials from Casey's three homes. The CIA later returned to Casey's widow, Sophia, 25 boxes of unclassified papers, documents and other materials. (Murphy, FBI 302, 11/5/87, pp. 1-2.) A subpoena directing Mrs. Casey to produce to the Grand Jury ``any and all" documents, diaries, notes, calendars and other materials maintained by Casey in his capacity as director of the CIA had little result. Mrs. Casey reported that the boxes had been sent to the Hoover Institution at Stanford University. Family members who reviewed the boxes said that no CIA material or documents or notes relevant to Iran/contra were included. (Sophia Casey, Grand Jury, 3/7/88, pp. 7-18.)

Renewed interest in possible Casey documents and relevant Iran/contra materials was spurred in 1992 with the opening of the Casey Library and statements by Casey's biographer, Joseph Persico, that Mrs. Casey had made available to him all of Casey's personal papers. Despite extensive effort, no significant materials were recovered.

Casey's death also provided an opportunity for many -- most importantly, North and Fiers -- to attribute activities and decisions to the late director, without rebuttal from him. That Casey was close to both North and Fiers cannot be disputed. As the head of an agency that had no supervisory authority over North, Casey had an impressive number of individual contacts with the National Security Council staffmember. Casey also interceded with the White House in May 1984 to keep North on the staff of the National Security Council, characterizing North's impending transfer back to the Marine Corps as a ``critical problem" for the Administration's Central American program.<sup>3</sup> As for Fiers, Casey personally put Fiers in charge of the contra program as the ``full Boland" restrictions went into effect, and both men regularly sidestepped the CIA's chain of command to work exclusively on the program. Nevertheless, important charges about Casey's conduct were made only after his death, making verification in many instances impossible.

³ Meese Notes, 5/15/84, 55301467; Kelley, North Trial Testimony, 4/3/89, pp. 6272-74.

The OIC charged four CIA officials with criminal offenses: George, the deputy director for operations and the third highest-ranking CIA official; Clarridge, chief of the Agency's Latin American Division and, later, its European Division; Fiers; and Fernandez. George was convicted by a jury of two felony counts of false statements and perjury before Congress. Clarridge was charged with seven counts of perjury and false statements. Fiers pleaded guilty to two misdemeanor counts of withholding information from Congress. The case against Fernandez, who was charged with four counts of false statements and obstruction, was dismissed after the CIA, backed by Attorney General Richard Thornburgh, refused to declassify information sought by the defense.

President Bush pardoned George, Clarridge and Fiers on December 24, 1992, before Clarridge could be tried.

