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Poindexter Persuaded Meese to Delay Probes of Arms Shipments to Contras

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WASHINGTON—Former White House National Security Adviser John Poindexter persuaded Attorney General Edwin Meese to sidetrack criminal investigations of arms shipments to Nicaraguan insurgents in late October by asserting that the probes endangered efforts to free American hostages in the Middle East.

Earlier that month, on the same day that Nicaraguan troops shot down a cargo plane ferrying supplies to the Contras, Felix Rodriguez, a former Central Intelligence Agency operative with close ties to Vice President George Bush, notified former White House aide Lt. Col. Oliver North that the plane was missing, according to administration officials.

The officials said Lt. Col. North immediately flew to El Salvador to prevent details of the Contra supply mission from becoming public and to arrange death benefits for survivors of the two Americans killed in the incident.

The new disclosures suggest that at least some administration officials knew more about the Contra resupply effort than the White House has admitted. They also raise questions about the role Mr. Meese, some of his top aides and the Federal Bureau of Investigation played in the Iran-Contra affair.

Meese Agreed to Delay Probes

Justice Department spokesmen yesterday confirmed that Mr. Meese agreed to go along with Mr. Poindexter's highly unusual request. Federal investigators believe the request was part of a broader effort by Mr. Poindexter and other administration officials to try to hold off criminal investigations that they feared could hinder release of the hostages or expose links between secret arms sales to Iran and shipments of arms to the Contras.

Lt. Col. North, who at the time was one of Mr. Poindexter's top aides, made a similar request in October to Oliver "Buck" Revell, an executive assistant director of the FBI, according to these investigators.

Meanwhile, law enforcement officials said they now suspect that as much as \$40 million involved in the U.S. arms sales to Iran was shifted among a complex web of secret bank accounts in Switzerland and the Caribbean. Mr. Meese previously said that between \$10 million and \$30 million in funds raised in the arms sales may have gone to the Nicaraguan insurgents.

But administration officials acknowledged yesterday that the total amount of money involved in the complex transactions almost certainly will prove to be

much higher after detailed bank records and other documents are reviewed.

At least some of the profit from the arms sales apparently was combined with millions of additional dollars provided by the governments of Saudi Arabia, Brunei and other sources to help the anti-Sandinista rebels, according to an official familiar with the investigation.

The flow of money from the arms sales, along with the the Justice Department's handling of the Contra investigations, is certain to be a major concern of the independent counsel that an appeals court panel is expected to appoint to unravel the complex affair. Administration officials said Lawrence E. Walsh, a former American Bar Association president and Justice Department official, is likely to get the job, perhaps as early as today.

Conflicting Testimony

The latest disclosures came as the Senate and House Intelligence Committees tried unsuccessfully to resolve conflicting versions of how President Reagan authorized the first of the controversial shipments of U.S. arms to Iran in 1985.

Appearing for the second time before the Senate panel, Robert McFarlane, Mr. Poindexter's predecessor as national security adviser, repeated his earlier testimony that Mr. Reagan orally authorized the shipment before it was sent in August 1985.

But White House Chief of Staff Donald Regan, repeating his version of events, told the House Intelligence Committee that the president only sanctioned that shipment in October, two months after it had occurred.

In his testimony to the House panel, Mr. Regan reiterated that the president didn't have prior knowledge of the diversion of arms-sale funds to the Contras. And he bluntly described the diversion as a "mistake," according to sources.

Sources said Mr. Regan sought to downplay Lt. Col. North's stature in the Reagan administration. But separately, an intelligence source said CIA Director William Casey earlier had instructed his subordinates to obey instructions from Lt. Col. North, who he said was acting on Mr. Casey's authority and that of Mr. Poindexter. And a senior Justice Department official said Lt. Col. North and Mr. Meese "used to talk fairly regularly" about terrorism and other national security issues.

The Justice Department's confirmation that Mr. Poindexter sought to sidetrack investigations of arms shipments to the Contras follows a report in The Wall Street Journal last Friday that senior department officials sought to delay the probes. Mr.

Meese's spokesman said the attorney general "had absolutely no reason to wonder about" Mr. Poindexter's motives in seeking a delay.

Cargo Plane Shot Down

But by the time the cargo plane was shot down Oct. 5, Mr. Poindexter knew that funds were being diverted to the Contras, according to administration officials. Mr. Meese has asserted that he was never told about the diversion—or even suspected it—until he started looking into the matter around the last week of November.

The Contra supply operation has been linked to Southern Air Transport, a Miami-based cargo airline. The airline, which the Reagan administration hired to ship arms to Iran, also was part of criminal investigations in October by the FBI and the Customs Service into alleged gun-smuggling to Nicaragua rebels.

Terry Eastland, Mr. Meese's chief press aide, said Mr. Poindexter specifically asked the attorney general to "delay" criminal investigations of Southern Air, citing "national security interests" and the fact that "certain personnel of (the airline) were scheduled to perform a mission in the Middle East" related to release of the hostages.

Law enforcement officials familiar with the sequence of events said Mr. Poindexter apparently was referring to a shipment of arms that a Southern Air Boeing 707 was scheduled to take to Iran near the end of October or in early November. Federal investigators believe that the shipment did occur. American hostage David Jacobsen was released Nov. 2.

FBI's Probe of Southern Air

Following his discussion with Mr. Poindexter, Mr. Meese told Associate Attorney General Stephen Trott to ask FBI director William Webster to delay the bureau's probe of Southern Air, according to Justice Department officials. Officials said that Mr. Trott made the request to Mr. Webster in Mr. Meese's name, and that the FBI chief agreed to it after some discussion.

Mr. Trott, or another of Mr. Meese's aides, also sought assurances that the Customs Service, which is an arm of the Treasury Department, would suspend an investigation it was conducting into Southern Air's operations, according to investigators. The investigators said the Customs Service agreed.

In addition, senior Treasury Department officials confirmed a Washington Post report that an administration official

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