

Office of Independent Counsel for Iran/contra Matters

Summary of Prosecutions

After Independent Counsel Lawrence E. Walsh's appointment in December 1986, 14 persons were charged with criminal offenses. Eleven persons were convicted, but two convictions were overturned on appeal. Two persons were pardoned before trial and one case was dismissed when the Bush Administration declined to declassify information necessary for trial. On December 24, 1992, President Bush pardoned Caspar W. Weinberger, Duane R. Clarridge, Clair E. George, Elliott Abrams, Alan D. Fiers, Jr., and Robert C. McFarlane.

Completed Trials and Pleas

Elliott Abrams—Pleaded guilty October 7, 1991, to two misdemeanor charges of withholding information from Congress about secret government efforts to support the Nicaraguan contra rebels during a ban on such aid. U.S. District Chief Judge Aubrey E. Robinson, Jr., sentenced Abrams November 15, 1991, to two years probation and 100 hours community service. Abrams was pardoned December 24, 1992.

Carl R. Channell—Pleaded guilty April 29, 1987, to one felony count of conspiracy to defraud the United States. U.S. District Judge Stanley S. Harris sentenced Channell on July 7, 1989, to two years probation.

Thomas G. Clines—Indicted February 22, 1990, on four felony counts of underreporting his earnings to the IRS in the 1985 and 1986 tax years; and falsely stating on his 1985 and 1986 tax returns that he had no foreign financial accounts. On September 18, 1990, Clines was found guilty of all charges. U.S. District Judge Norman P. Ramsey in Baltimore, Md., on December 13, 1990, sentenced Clines to 16 months in prison and \$40,000 in fines. He was ordered to pay the cost of the prosecution. The Fourth Circuit U.S. Court of Appeals in Richmond, Va., on February 27, 1992, upheld the convictions. Clines served his prison sentence.

Alan D. Fiers, Jr.—Pleaded guilty July 9, 1991, to two misdemeanor counts of withholding information from Congress about secret efforts to aid the Nicaraguan contras. U.S. District Chief Judge Aubrey E. Robinson, Jr., sentenced Fiers January 31, 1992, to one year probation and 100 hours community service. Fiers was pardoned December 24, 1992.

Clair E. George—Indicted September 6, 1991, on 10 counts of perjury, false statements and obstruction in connection with congressional and Grand Jury investigations. George's trial on nine counts ended in a mistrial on August 26, 1992. Following a second trial on seven counts, George was found guilty December 9, 1992, of two felony charges of false statements and perjury before Congress. The maximum penalty for each count was five years in prison and \$250,000 in fines. U.S. District Judge Royce C. Lamberth set sentencing for February 18, 1993. George was pardoned on December 24, 1992, before sentencing occurred.

Albert Hakim—Pleaded guilty November 21, 1989, to a misdemeanor of supplementing the salary of Oliver L. North. Lake Resources Inc., in which Hakim was the principal shareholder, pleaded guilty to a corporate felony of theft of government property in diverting Iran arms sales proceeds to the Nicaraguan contras and

other activities. Hakim was sentenced by U.S. District Judge Gerhard A. Gesell on February 1, 1990, to two years probation and a \$5,000 fine; Lake Resources was ordered dissolved.

Robert C. McFarlane—Pleaded guilty March 11, 1988, to four misdemeanor counts of withholding information from Congress. U.S. District Chief Judge Aubrey E. Robinson, Jr., sentenced McFarlane on March 3, 1989, to two years probation, \$20,000 in fines and 200 hours community service. McFarlane was pardoned December 24, 1992.

Richard R. Miller—Pleaded guilty May 6, 1987, to one felony count of conspiracy to defraud the United States. U.S. District Judge Stanley S. Harris sentenced Miller on July 6, 1989, to two years probation and 120 hours of community service.

Oliver L. North—Indicted March 16, 1988, on 16 felony counts. After standing trial on 12, North was convicted May 4, 1989 of three charges: accepting an illegal gratuity, aiding and abetting in the obstruction of a congressional inquiry, and destruction of documents. He was sentenced by U.S. District Judge Gerhard A. Gesell on July 5, 1989, to a three-year suspended prison term, two years probation, \$150,000 in fines and 1,200 hours community service. A three-judge appeals panel on July 20, 1990, vacated North's conviction for further proceedings to determine whether his immunized testimony influenced witnesses in the trial. The Supreme Court declined to review the case. Judge Gesell dismissed the case September 16, 1991, after hearings on the immunity issue, on the motion of Independent Counsel.

John M. Poindexter—Indicted March 16, 1988, on seven felony charges. After standing trial on five charges, Poindexter was found guilty April 7, 1990, on all counts: conspiracy (obstruction of inquiries and proceedings, false statements, falsification, destruction and removal of documents); two counts of obstruction of Congress and two counts of false statements. U.S. District Judge Harold H. Greene sentenced Poindexter June 11, 1990, to six months in prison on each count, to be served concurrently. A three-judge appeals panel on November 15, 1991, reversed the convictions on the ground

that Poindexter's immunized testimony may have influenced the trial testimony of witnesses. The Supreme Court on December 7, 1992, declined to review the case. In 1993, the indictment was dismissed on the motion of Independent Counsel.

Richard V. Secord—Indicted March 16, 1988 on six felony charges. On May 11, 1989, a second indictment was issued charging nine counts of impeding and obstructing the Select Iran/contra Committees. Secord was scheduled to stand trial on 12 charges. He pleaded guilty November 8, 1989, to one felony count of false statements to Congress. Secord was sentenced by U.S. District Chief Judge Aubrey E. Robinson, Jr., on January 24, 1990, to two years probation.

Pre-trial Pardons

Duane R. Clarridge—Indicted November 26, 1991, on seven counts of perjury and false statements about a secret shipment of U.S. HAWK missiles to Iran. The maximum penalty for each count was five years in prison and \$250,000 in fines. U.S. District Judge Harold H. Greene set a March 15, 1993, trial date. Clarridge was pardoned December 24, 1992.

Caspar W. Weinberger—Indicted June 16, 1992, on five counts of obstruction, perjury and false statements in connection with congressional and Independent Counsel investigations of Iran/contra. On September 29, the obstruction count was dismissed. On October 30, a second indictment was issued, charging one false statement count. The second indictment was dismissed December 11, leaving four counts remaining. The maximum penalty for each count was five years in prison and \$250,000 in fines. U.S. District Judge Thomas F. Hogan set a January 5, 1993, trial date. Weinberger was pardoned December 24, 1992.

Dismissal

Joseph F. Fernandez—Indicted June 20, 1988 on five counts of conspiracy to defraud the United States, obstructing the inquiry of the Tower Commission and making false statements to government agencies. The case was dismissed in the District of Columbia for venue reasons

on the motion of Independent Counsel. A four-count indictment was issued in the Eastern District of Virginia on April 24, 1989. U.S. District Judge Claude M. Hilton dismissed the four-count case November 24, 1989, after Attorney General Richard Thornburgh blocked the disclosure of classified information ruled relevant to

the defense. The U.S. Court of Appeals for the Fourth Circuit in Richmond, Va., on September 6, 1990, upheld Judge Hilton's rulings under the Classified Information Procedures Act (CIPA). On October 12, 1990, the Attorney General filed a final declaration that he would not disclose the classified information.

The Congress

Independent Counsel's investigation produced a real record of U.S. Government's involvement with the Nicaraguan conflict during a turbulent time in military and foreign policy history (1984-1986). The Office of Independent Counsel (OIC) conducted an inquiry into possible criminal activities—ranging from violations of the Boland Amendment prohibition on aid to conspiracy to violate the law—in Administration efforts to assist the military and paramilitary operations of the contra. The investigation also centered on what officials knew about that assistance and what they offered when questioned about it. No effort was made to create a complete historical record of U.S. activities in the region, or even of Administration ties to the contra.

Independent Counsel's work in the "country" side of Washington quickly formed an critical episode for American policy in Central America. A discussion of some of these episodes is useful for understanding the prosecutive impact as defined by Independent Counsel.

The Reagan Administration's Contra Policy

President Reagan took an early lead against opponents of the Sandinista regime that seized power in Nicaragua in 1979 via a presidential executive order that prohibited sending aid to the Nicaraguan government; as President, Reagan stepped up American activities against the Sandinistas and endorsed their opponents, known as the Nicaraguan Democratic Resistance or "contra."

Reagan's posture towards the Sandinista government was highly controversial. The opponents of the Administration's anti-Sandinista

policy considered a majority of the lawfully obtained U.S. foreign aid resources were a waste of money and national resources. This effort resulted in passage by Congress of an amendment introduced by Rep. William Bonior of Michigan in the House of Representatives, H.R. 1500, "Foreign Assistance Act of 1984," which prohibited the Central Intelligence Agency (CIA) from providing support to or control over spending any money "on the basis of overfunding the government of Nicaragua."

Continuing over contra policy and other provisions of the law passed passed on. The Foreign Assistance Act of 1984 was a major change to the statute which House Democrats proposed in mid-1983. Support altogether for early December 1983. The House passed the Foreign Assistance Act of 1984. The House passed a 200-100 vote—by unanimous agreement—lower than what the Administration had a 200-100 vote with the passage of the Administration, could approach the Congress for additional funds later.

The December 1983 act by Congress and other action a major in the Administration's contra program the following year. As early as February 1984, Reagan's national security adviser, Robert C. McFarlane, had suggested to other Administration officials that one way to fund the contra would be to encourage other countries to contribute support. CIA Director William J. Casey agreed with the idea, and interviewed several countries that had been approached. By May 1984, McFarlane had interviewed one of these countries, Saudi

Source: *Washington Post*, 1984, 1985, 1986, 1987, 1988, 1989, 1990.