Washington Post Staff Writer By Walter Pincus

incording to a report sent to Congress yesindependent counsel Lawrence E. Walsh eserday. structing official investigations into the said yesterday he may seek indictments 1985 arms-for-hostages sales to Iran, acevel of government" for their roles in obagainst additional officials "at the highest

eximal phase of his 51/2 year investigation should be completed this summer." rite. The Iran-contra prosecutor also said this The concluding inquiry, Walsh said, will including former president Ronald Reagan, To obstruct official inquiries into the Iran focus on whether there was a conspiracy among top Reagan administration officials,

> ments and other information, by lying and by supplying a false account of the 1985 arms sales." initiative . . . by withholding notes, docu-

fense secretary Caspar W. Weinberger on Iran. made Hawk antiaircraft missiles by Israel to personal notes that disclosed his knowledge of the November 1985 shipment of U.S.five counts, four of which related to the for-mer Cabinet official allegedly withholding Last week, Walsh indicted former de

mer secretary of state George P. Shultz, illegal. The notes, according to the indictment, also described Weinberger's advice to the White House that the shipment could be was notified months ago that he was a sub Another Reagan Cabinet member, for-

ect of the coverup investigation that is be-

in August and September 1985, Israel—with White House approval—secretly shipped 508 U.S.-made TOW antitank missiles to Iran, a transaction that led to the Sept. 14 release of the Rev. Benjamin Weir, one of five American hostages then held in Craig A. Gillen. ebanon by pro-Iranian militants.

ing run by deputy independent counsel

Two months later, under a more ambitious plan that had CIA assistance, Israel shipped the first 18 of a planned total of 80 U.S.-made Hawk antiarrcraft missiles to of the remaining American hostages. Iran that were supposed to gain the release

being too old, and no hostages were re-However, Iran rejected the missiles as

House officials attempted to hige the 1985 A year later, when the arms-for-hostage dealings came to public attention, White

Iran-Contra Case, Walsh Says

shipments, having been advised by Pentagon, Justice and State Department officials that the shipments might have violated federal laws.

The prosecutors have focused their coverup inquiry on three top-level meetings in November 1986 attended by Reagan, Weinberger, Shultz, then-Vice President Bush, White House chief of staff Donald T. Regan and Attorney General Edwin Meese

Walsh, who said more than a year ago that his investigation was in its closing phases, explained yesterday that the inquiry had taken on a new life since mid-1990 due to "newly discovered documents including the personal notes of key officials, CIA cables and tapes and other records previously withheld" from him and other governmental investigators.

In his report, Walsh drew a distinction

between lying to the public about covert activities and misleading investigators.

"It is not a crime to deceive the American public, as high officials in the Reagan administration did for two years while conducting the Iran and contra operations," Walsh told the legislators.

"But," he continued, "it is a crime to mislead, deceive and lie to Congress when in fulfilling its legitimate oversight role, the Congress seeks to learn whether administration officials are conduciting the nation's business in accordance with the law."

Walsh, who had been spending much of his time since late last year in his home state of Oklahoma working on his final report, said he intends to work fulltime in the Iran-contra prosecutors' office in Washington "in order to complete the final phase of our investigation."