ARTICLES.

CASEY AND THE OCTOBER SURPRISE

The Man Who Wasn't There

ROBERT PARRY

Washington breathed a palpable sigh of relief on January 13 when a bipartisan House task force concluded that there was no credible evidence that the 1980 Reagan presidential campaign had cut a deal with Iran to prevent the release of American hostages until after the election—the so-called October Surprise conspiracy. The witnesses—former Iranian officials, Western intelligence operatives and international arms dealers—were simply fabricators and frauds, the task force decided. The investigators interviewed 230 individuals, reviewed thousands of documents and listened to 1,800 hours of F.B.I.-wiretapped conversations of a central figure in the allegations. But in a *New York Times* Op-Ed piece Representative Lee Hamilton, who headed the task force, declared that the key to debunking the suspicions was proving where Reagan campaign chairman William Casey was on days when two meetings with Iranians were said to have taken place. Having established Casey's whereabouts, he wrote, the task force's findings "should put the controversy to rest once and for all."

But putting a national security scandal, even a potential one, to rest is a difficult matter. Hamilton's task force did unearth material that undercuts the case for an October Surprise conspiracy, but in striving for a neat conclusion it also misrepresented facts and discounted contradictory evidence—most strikingly on Casey's whereabouts—leaving open the window of suspicion.

Hamilton's previous experiences as an investigator who accepted the word of "respectable" men with a strong interest in hiding the truth do not inspire confidence. In August 1986, while head of the House Intelligence Committee, he looked into allegations, then circulating in the press, that White House aide Oliver North was running a secret intelligence operation to support the Nicaraguan *contras*. As a reporter at the Associated Press who had written many of those early stories, I was told by Hamilton's office that North and his superiors had denied all, and so my articles were wrong. A few months later the scandal broke wide open, and Hamilton became chairman of the House Iran/*contra* committee.

There, however, he took the word of President Reagan and other senior officials that they knew little of North's actions and that there had been no cover-up. Years later, Iran/*contra* special prosecutor Lawrence Walsh would disclose evidence proving that those assurances also were lies.

Finally, a year ago Hamilton was called back to investigate the October Surprise allegations. In the face of Republican hostility, Hamilton again sought bipartisanship, even granting the minority a say over Democratic staff. He blocked the task force appointment of a Democratic House aide, R. Spencer Oliver, after Representative Henry Hyde, the ranking Republican, objected to Oliver's involvement. Oliver, who had pushed for the investigation and suspected that the allegations were true, "raised a red flag with the minority," Hamilton explained in an interview.

With no strong advocate for the allegations on board, Hamilton's investigators and the Republicans agreed there was no credible evidence of any contacts between the Reagan/Bush team and the Iranians in 1980. Earlier, a poorly funded Senate inquiry had concluded that William Casey had been "fishing in troubled waters" through direct or indirect contacts with Iranians. Hamilton's investigation dismissed even that possibility. But how objective were the findings? As the report neared completion, one task force member, Representative Mervyn Dymally, complained about selective handling of the evidence to clear the Reagan campaign. In a written dissent, submitted on January 3, Dymally cited the investigation's reliance on shaky circumstantial data and its uncritical acceptance of accounts from Casey's associates.

Casey's noninvolvement rests on two dubious alibis.

In a telephone interview from his office in Los Angeles, Dymally, who is now retired from Congress, said Hamilton warned him that if the dissent was not withdrawn, "I will have to come down hard on you." The next day, Hamilton, the new chairman of the House Foreign Affairs Committee, dismissed the staff of the Africa subcommittee that Dymally had headed. The firings were billed as routine (Hamilton told me that "the two things came along at the same time, but they were not connected in my mind"), but hoping that some of his old staff might be rehired, Dymally dropped his dissent. Still, he refused to sign the final report.

Some of Dymally's concerns about selective use of evidence seem well founded. Central to Hamilton's conclusion that the October Surprise suspicions have no merit are two dubious Casey alibis. The first covers the last weekend of July 1980 and puts Casey at the exclusive Bohemian Grove retreat north of San Francisco. This alibi is used to debunk a claim by Jamshid Hashemi, a slippery Iranian arms dealer and ex-C.I.A. operative, that Casey met in Madrid during that period with a senior Iranian cleric. The second alibi—for October 19, 1980—places Casey at work in the G.O.P. campaign office in Arlington, Virginia. That would disprove his attendance at an alleged meeting in Paris.

Neither alibi stands up to scrutiny, however. To take October 19 first, the task force accepted the uncorroborated recollection of Casey's nephew Larry that on that day his father

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had placed a telephone call to Casey at G.O.P. campaign headquarters in Arlington. Larry Casey's father has since died and there are no phone records verifying the call.

The likelihood of Larry Casey remembering the exact date of a 1980 phone call is questionable enough. But even more troubling, the nephew offered a totally different alibi for his uncle in a 1991 videotaped interview with me for a PBS *Frontline* documentary on the October Surprise allegations. At that time he said that William Casey had had dinner with his, Larry's, parents at Washington's Jockey Club restaurant on October 19.

"It was very clear in mind even though it was eleven years ago, my uncle actually taking them to dinner at the Jockey Club," Larry Casey said in the videotaped interview.

But American Express receipts and campaign visitor logs showed that the dinner actually had occurred four days earlier, on October 15. Only then did Larry Casey remember the phone call.

Armed with this new alibi, Hamilton's investigators dismissed perhaps the strongest piece of testimony that there had been some Casey-Iranian connection. That testimony came from David Andelman, a former *New York Times* and CBS News correspondent whom the task force regarded as a reliable witness. Andelman is the biographer of Alexandre de Marenches, the ex-chief of French intelligence, and was the spymaster's co-author on a recent book, *The Fourth World War.*

Under oath, Andelman testified that de Marenches told him that he had set up a meeting for Casey with Iranians in Paris during October 1980. But Andelman said that de Marenches, a longtime Casey friend, gave few details and ordered the story kept out of the book. Officially, de Marenches denied knowing anything. "He thought the world of Casey and Bush," Andelman told me. "He never wanted anything to come out that would hurt Bush's chances for re-election or Casey's legacy."

A leading French investigative reporter, Claude Angeli, also told the task force that his sources inside French intelligence confirmed that de Marenches had provided "cover" for a meeting between American Republicans and Iranians in France on October 18-19. Another reporter, *Der Spiegel*'s Martin Kilian, received a similar account from a senior de Marenches aide.

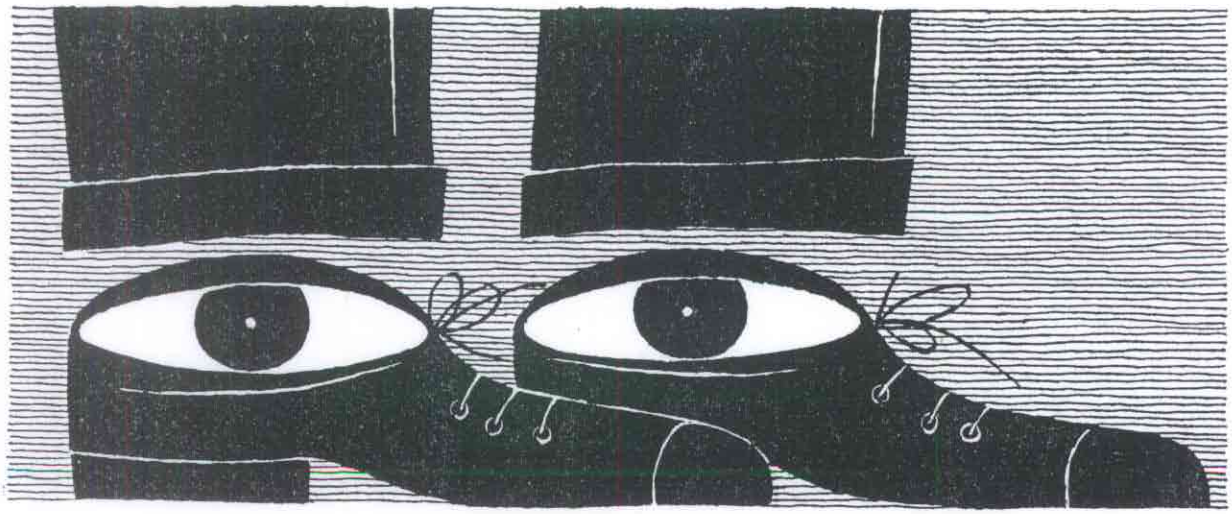
The de Marenches connection is further supported by evidence that Casey had met privately with the French spy chief during a trip to Paris on July 3, 1980. The task force also received testimony from Iranian arms dealer Ahmed Heidari that de Marenches put him in touch with French middleman Yves DeLoreilhe, who put together an arms shipment to Iran in October 1980. Then, only weeks after the U.S. election, de Marenches was one of the first foreign officials to meet with President-elect Reagan for a discussion in California about intelligence policy and international strategy.

But Hamilton's task force rejects de Marenches's statement to his biographer as "cryptic" and lacking "probative value," given other evidence that the Paris meeting could not have taken place. "Credible witnesses and corroborating documents" have established Casey's whereabouts in Washington and California on the dates for the alleged Paris and Madrid meetings, Hamilton wrote in *The New York Times.* Still, for October 19, there are no documents confirming Larry Casey's phone-call recollection.

Hamilton's evidence is even weaker for late July 1980. Jamshid Hashemi claims his younger brother, Cyrus, one of President Carter's intermediaries in the hostage crisis, began double-dealing Carter at the time by working with the Republicans. Jamshid testified that he and Cyrus took part in a two-day meeting between Casey and a senior Iranian cleric in Madrid. The likely dates were July 27-28.

But Hamilton's task force concludes that Casey stayed at the Bohemian Grove retreat in Northern California from Friday, July 25, until Sunday, July 27. Then, on Sunday afternoon, the report claims, Casey caught a plane in San Francisco for an overnight flight to London, arriving at a World War II historical conference at 4 P.M. on Monday, July 28. This itinerary, the report argues, makes a side trip to Madrid an impossibility and thus proves that Jamshid Hashemi lied.

But in reaching its conclusions, the task force ignores solid documentary evidence that puts Casey on the East Coast for



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July 25-26 and at the Grove on August 1-3, the following weekend. That evidence leaves open the possibility that Casey could have traveled to Madrid before flying to London. The evidence is as follows:

§ Darrell Trent, a Republican activist and Casey's Bohemian Grove host, believes—though is not sure—that he accompanied Casey from Los Angeles to the Grove on Thursday afternoon, July 24. And Trent's presence at the Grove then is established by three signed and dated receipts from the bar. But on that day Casey was filmed accepting a matching-fund check from the Federal Election Commission in Washington. Casey also was charged for using the telephone at the Metropolitan Club in Washington that Thursday. So he could not have gone with Trent on Thursday from Los Angeles to the Grove.

§ On Friday, July 25, Trent stayed at the Grove. He signed two more Grove bar tabs and was charged for skeet shooting. Meanwhile, Casey's personal calendar shows him having two meetings at the G.O.P. campaign office in Arlington on Friday morning.

§ While the task force found no documentary evidence that Casey flew to the West Coast that weekend—no tickets, no receipts, no calendar entries—the investigators did discover Casey's ticket for the Eastern Airlines Washington-to-New York shuttle on Friday, July 25. So instead of flying to Los Angeles and then San Francisco, the documentary record shows Casey going to New York City.

§ Two days into Casey's supposed visit to the Bohemian Grove, his calendar for Saturday, July 26, lists him meeting with a Mrs. Tobin, presumably Mary Jane Tobin, a New York–based right-to-life advocate. Tobin confirms meeting with Casey at his estate at Roslyn Harbor on Long Island.

§ Further undercutting the task force conclusion, Casey does not appear in a group photograph of the men staying with Trent at the Bohemian Grove during the weekend of July 25-27. There is also no documentary evidence—no ticket, no boarding pass, no receipt—putting Casey on any flight from San Francisco to London.

§ As consistent as all the evidence is that Casey remained on the East Coast for those two days in late July and was not at the Bohemian Grove, the evidence is even stronger that Casey traveled to Los Angeles and then to the Grove the following weekend. For starters, his calendar shows that he was in Los Angeles on Friday, August 1. Meeting notes taken by Reagan campaign official Richard Allen put Casey at a strategy session in Los Angeles on that day. The same notes show Darrell Trent sitting across the table from Casey. So while Trent could not have left with Casey for the Grove on July 24 because Casey was in Washington, Trent and Casey were together on August 1 in Los Angeles, before Trent went to the Grove that weekend.

§ Trent's Bohemian Grove bill shows him with three more bar tabs at the resort on August 1, and the club's financial records show Casey is charged that day for a commemorative book. Then there is the contemporaneous diary of Matthew McGowan, a San Francisco businessman. McGowan's diary has notations on each day that he was at the Grove that summer. On Sunday, August 3, the last day of the Grove encampment, McGowan wrote: "1980 Bohemian Encampment closed this date. . . . We had Bill Casey, Gov. Reagan's campaign mgr., as our guest this last weekend."

Even the House Task Force admits that "on its face, McGowan's calendar entry for August 3, 1980, indicates that Casey was at the Bohemian Grove on that date." Still, despite all this documentation, the task force concludes that "the great weight of evidence places Casey at the Bohemian Grove on the weekend of July 25-27, 1980."

To do this, the task force throws out all opposing evidence: McGowan must have made a mistake in his diary, even though the encampment did close on August 3; Trent's signed-and-dated Grove bar tabs for July 24 must be in error; Casey must have skipped the Eastern shuttle to New York City on July 25, even though he bought his ticket at the airport; the three meetings listed on his calendar for July 25-26 must have been canceled; Casey must have been out for a walk when the group photo was snapped on the last weekend in July.

While the documentary evidence is rejected, subjective recollections are not. The task force's report makes much out of Darrell Trent's memory that he understood that Casey, after leaving the Grove, was planning to fly from San Francisco to London. But the report's "footnote 218" explains the context for that memory. Trent testified, "I don't know whether that [recollection of London] was triggered by some of the information that I have heard since on the reason for the investigation, or whether in fact he did say that he was going to London." In other words, Trent acknowledged that his own memory might have been tainted by what he had heard recently.

The documentary evidence disproving the Bohemian Grove alibi, of course, does not mean that Jamshid Hashemi is telling the truth about the alleged meeting in Madrid. Nor does the flimsiness of the October 19 phone-call alibi prove that de Marenches did arrange for Casey to meet with Iranians in Paris. But Casey's bogus alibis undermine the task force's certainty that it has laid the October Surprise suspicions to rest. Instead, there are new questions about the objectivity of the investigation. Hamilton's reliance on those alibis and his rejection of Andelman's information make one wonder if maybe, yet again, Bill Casey got away with something.