

Iran-Contra Probe Nears Completion

No More Indictments Expected, Walsh Says; Three Trials Pending

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Independent counsel Lawrence E. Walsh said yesterday that he expects to wind up his investigation of the Iran-contra scandal this week and does not anticipate any more indictments.

"We are nearly complete," he said of the \$32.5 million investigation that began almost six years ago. "It's unlikely that there will be any further presentations to the grand jury."

Walsh cautioned in an interview, however, that there are still three more trials scheduled, including that of former defense secretary Caspar W. Weinberger. "If something comes up at the trials, and it always has, that could make us go back to work."

Sworn in on Dec. 19, 1986, after the embattled Reagan administration's attorney general, Edwin Meese III, sought his appointment, Walsh said "the passage of time has been a real detriment to sharpening the investigation."

Ironically, Meese was the last top Reagan administration official Walsh's office considered for indictment, according to sources. Walsh declined to discuss Meese or any other former high-ranking individuals who have been focal points of the final phase of the investigation, which has sought to determine whether senior Reagan administration officials tried to cover up the U.S. role in a covert November 1986 shipment of U.S.-made arms by Israel to Iran that some considered illegal.

The Iran-contra affair involved the secret resupply of contra rebels in Nicaragua in the mid-1980s and

the covert sale of U.S. arms to Iran in hopes of freeing American hostages then being held in Lebanon. The scandal erupted when it was publicly disclosed in November 1986 that profits from the Iran arms deals had been used to pay for secret military aid to the contras.

Walsh would not discuss the upcoming Weinberger trial, which
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Some sources originally said he intended to use to prove a high-level conspiracy existed to insulate President Ronald Reagan from the scandal. Sources now say Walsh's prosecutors have become more interested in simply winning a conviction. Weinberger has been charged with five counts of perjury, obstruction and making false statements.

The prosecutor also declined to comment on two other pending cases: a retrial of former CIA spy chief Clair E. George and trial of Diane "Dewey" Clairidge, another former CIA official. Both men have been accused of perjury and false statements to Iran-contra investigators.

The first proceeding against George ended in a mistrial Aug. 26 when jurors were unable to reach a unanimous verdict on any of the five counts against him. Walsh reportedly is being lobbied by a number of prominent Washington attor-

neys not to retry the case. But should he pursue his current intention to hold another trial, Walsh is said to be considering a revision of some of the original charges to make the case less complicated for a new jury.

Several times during the hour-long interview Walsh alluded to the frustrations of a private lawyer coming in as a court-appointed independent counsel to investigate three major government departments—State, Defense and the CIA—along with the White House and the National Security Council.

No one, he said, wanted to cooperate. In the three major Iran-contra cases brought to trial by his office, Walsh said, "each prosecution witness has been a character witness for the defense. It isn't like a criminal trial where you have a complainant who's aggrieved."

Walsh's critics in Congress and elsewhere have accused him of bringing his headaches on himself and turning what was essentially a

political dispute between Congress and the administration over Nicaragua into a criminal matter. But the 80-year-old prosecutor, a lifelong Republican, has been adamant in his insistence that the integrity of government rests in large part on the obligation of the executive branch to tell the truth to Congress.

Sensitive to the long time his work has taken, Walsh said that when he first took the independent counsel's job, he could not even promise a full year's employment to the lawyers he was hurriedly hiring. But he said their attempts to get records were continually frustrated, and this resulted in their focusing on what Walsh called "a central operating group" made up of former White House national security advisers Robert C. McFarlane and John M. Poindexter and their aide, Oliver L. North.

McFarlane and Poindexter supervised North's handling of both the Iran arms initiative and the secret

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network that supplied military equipment to the contras at a time when U.S. military assistance had been barred by Congress.

McFarlane eventually pleaded guilty in March 1989 to four counts of illegally withholding information from Congress. North was convicted on three felony counts, but the convictions were dismissed in September 1991 following hearings over whether they were tainted by immunized testimony. Poindexter was found guilty of five felonies, but a federal appeals court reversed these convictions last November. Walsh's office is appealing this decision to the Supreme Court.

Walsh said the investigation, the longest ever conducted under the 14-year-old independent counsel law, was divided into two phases: the "central operating group" and what he called "the pattern of deception" by other officials in the administration.

"The obligation to tell the truth to Congress was the big issue in the second phase," he said. "The second phase was also important to go beyond the hypothesis of a 'runaway group' [consisting of McFarlane, North and Poindexter] and 'and show the extensiveness [of the operation] and widespread backing throughout the entire administration."

The "second phase" extended Walsh's work far beyond his expectations. After a detailed review of laboriously obtained CIA communications, his prosecutors extracted a guilty plea last year from Alan D. Fiers, a senior CIA official. At almost the same time, they uncovered evidence that led to Claridge's indictment and discovered the Iran-contra notes that Weinberger and aides to then-Secretary of State George P. Shultz kept but which had not previously been delivered to Congress or to Walsh's investigators.

Walsh still has a final report to

complete, but said he cannot finish it until pending trials are concluded. "Until then," he said, "I don't see how I can release an informative final report that names names."

Auditors from the General Accounting Office are reviewing the expenditures of Walsh and his office since its inception in the wake of Republican criticisms about per diem payments to cover hotel and food bills here while maintaining residence in Oklahoma. In addition, both Walsh and his top prosecutor, Craig Gillen, who has kept his official residence in Atlanta, belatedly learned they were liable for D.C. income taxes—Walsh for one year, and Gillen for two—despite their payment of home-state income taxes.

Asked how he felt about the entire experience, Walsh paused for almost a minute and said "the serious lessons learned are going to be in the report . . . but you wonder, have you dealt as effectively as you could with the litigation? Rarely do you go away totally happy."