Legal Maneuvering May Delay Release

By Walter Pincus and George Lardner Jr. Washington Post Staff Writers

Release of the final Iran-contra report of independent counsel Lawrence E. Walsh may be held up for a month or more because of last-minute legal motions that seek deletion of material, including some sections critical of former president Ronald Reagan and top members of his administration, according to informed sources.

Hours after a three-judge panel of the U.S. Appeals Court announced on Dec. 3 that there would be "a slight delay" before it would release the multi-volume report with "minor" deletions, lawyers rep-

resenting individuals investigated by Walsh filed several sealed motions asking for a review of that order and time to file an appeal to the Supreme Court if necessary.

Sources said yesterday that the special panel, which has responsibility for releasing the report under the independent counsel act, probably will not hand down any new decisions until next year. They also said the panel would permit those unhappy with their decisions file appeals to the Supreme Court.

There are no precedents for the behind-the-scenes legal maneuvering that is now taking place, according to several lawyers involved. Some individuals named in the report and their lawyers have been under instruction from the special

court panel to seal their motions and not discuss them with reporters

For example, Walsh and Theodore Olson, attorney for Reagan, declined to discuss the matter. The Associated Press recently quoted unnamed sources as saying that the Walsh report had concluded that Reagan had created an atmosphere in which the criminal actions involved in Iran-contra could take place.

Other sources said the sealed motions raise questions about such matters as the need to protect the rights of individuals named in the report who were investigated during the almost seven-year inquiry but never indicted.

Under the independent counsel

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of Iran-Contra Report by a Month

act, Walsh is directed to include in his report "the reasons for not prosecuting any matter within" his jurisdiction.

In the still-secret report, sources said, Walsh comments on the guilt or innocence of such persons and sometimes cites grand jury testimony or material from grand jury procedings. Edwin Meese III, attorney general in the Reagan administration and an unindicted subject of Walsh's inquiry, is discussed in this manner in the report, according to sources.

One lawyer familiar with the sealed motions said yesterday that instead of laying out all the testimony about Meese, the Walsh report should just state why he was not indicted.

"There is no function served for Walsh to engage in speculation, innuendo or conclusions other than that narrowly prescribed by the statute," this attorney said. "The report should not possibly damage reputations or be unfair to individuals."

In 1988, an earlier independent counsel, James C. McKay, filed a final report after an ethics investigation into Meese and concluded that although Meese probably committed a crime, it did not warrant prosecution. That finding in the McKay report has since been criticized by criminal committees of the American Bar Association.

One publicly announced motion filed in the case came from the

American Civil Liberties Union, which called on the panel "to with-hold any portions . . . that specifically accuse unindicted individuals of crimes or reach legal conslusions about the criminal guilt of any individuals who have not been convicted."

In its Dec. 3 order, the special panel noted that federal grand jury secrecy rules or some other statutory mandate "may require limited deletions from the final report before its general release." But the panel added, "We anticipate that these deletions, if any, will be minor."

One source familiar with the sealed motions said the requested deletions, if upheld, would be substantial.