

North Charges Dismissed At Request of Prosecutor

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Oliver L. North, the central figure of the Iran-contra affair, won his long battle with federal prosecutors yesterday when independent counsel Lawrence E. Walsh dropped efforts to pursue criminal charges against him. Moments after a federal judge dismissed all remaining charges, an exultant North hugged his lawyer and proclaimed himself "totally exonerated."

"For five years, my family and I have been under fire," North told reporters on the steps of the U.S. District Court minutes after Judge Gerhard A. Gesell brought a dramatic and surprising conclusion to the government's case against the former National Security Council aide to President Ronald Reagan by announcing that it was "terminated." North added: "I've had my last hearing . . . forever, I hope."

Gesell acted at the request of Walsh, who had decided over the weekend to end his action against North. Walsh made his decision after Robert C. McFarlane, North's former NSC boss, testified last week that his original testimony had been heavily influenced by information that North gave Congress in 1987 under a grant of limited immunity.

That congressional grant of im-



Special counsel Lawrence E. Walsh announces dropping of Iran-contra charges.

munity was at the center of the legal controversy that swirled about North and all other Iran-contra defendants whom the government sought to prosecute after the Reagan administration sold U.S. arms to Iran in exchange for hostages and diverted part of the proceeds from those sales to aid the Nicaraguan contra forces when such aid was banned by Congress.

Last year, the D.C. Circuit Court of Appeals overturned North's conviction for destroying documents

and sent two other convictions against him back to Gesell to determine whether testimony from any of the 67 witnesses at North's 1989 trial had been tainted by information North gave Congress under the immunity grant. The appeals court said Gesell had to resolve the issue with a detailed examination of the testimony from each of the witnesses against North—including, if necessary, a "line by line" perusal of their statements.

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One person familiar with the North proceedings said that McFarlane was a "test case" to help prosecutors decide whether the hearings before Gesell could continue. After McFarlane said that North's congressional testimony had "a very powerful impact" on him, Walsh decided they could not proceed with the case.

Walsh told reporters after yesterday's hearing that the decision to drop the case had been difficult, and that the outcome was a "very serious warning that immunity is not to be granted lightly."

"Now, I have never criticized Congress," he continued. "I urged them not to grant immunity, but

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they have the very broad political responsibility for making a judgment as to whether it's more important that the country hear the facts quickly, or that they await a prosecution."

Walsh said he had concluded "that the expenditure of additional prosecutorial, defense and judicial resources in this case is not warranted." He also said, "We felt it was in the interest of justice to move to dismiss these counts."

In court papers filed with Gesell, Walsh explained that "the government is not likely, in the unique circumstances here presented, to be able to sustain a successful outcome."

Reaction to the end of the intensely controversial North case was immediate—and predictably

mixed. President Bush said he was "very pleased" by the decision. Asked at a news conference whether he didn't think that North had "slipped the noose on a technicality," the president said: "... he's been through enough. He was acquitted once. There was an appeal. He's been let off. Now, the system of justice is working, and on a personal basis and for his family, who have been through a lot, I'm very, very pleased."

Bush also said he wasn't "going to second-guess the court system." Referring to the Iran-contra scandal, he remarked: "I wish the damned thing had never happened."

On Capitol Hill, where the Senate intelligence committee began confirmation hearings yesterday on Bush's nomination of Robert M. Gates to be director of central intelligence, committee Chairman David L. Boren (D-Okla.) interrupted opening remarks to read from wire service accounts about the dropping of charges against North. It was possible, Boren suggested, that the committee might want to call North to testify about Gates's knowledge of the Iran-contra affair, which unfolded when Gates was deputy to the late CIA Director William J. Casey.

Leading Democrats and Republicans divided along the kinds of partisan lines that have characterized the Oliver North story since he burst from obscurity as a young Marine lieutenant colonel assigned to the White House to become one of the best known and most controversial figures in recent American history.

Senate Minority Leader Robert J. Dole (R-Kan.) issued a statement saying it was time to close the Iran-contra investigation. "What have American taxpayers received for their \$50 million?" he asked. "A lot of press releases. A lot of rumor and innuendo. But little in terms of justice. Every conviction won by Mr. Walsh has been overturned or is likely to be overturned."

House Speaker Thomas S. Foley

(D-Wash.), who served on the Iran-contra investigation committee whose televised hearings were watched by millions of Americans four years ago, defended the congressional inquiry—and the immunity grant to North. "There is always a risk that when immunity is granted; that it could affect pros-

ecutions of individual witnesses," he said. "... But there is an important role that the Congress has in conducting investigations. It is one of its fundamental constitutional powers vested by the Constitution and one of the fundamental legislative purposes of the institution conducting such investigations."

Other House leaders defended Congress's decision to grant immunity, saying they could not have foreseen the subsequent change in legal standards governing tainted testimony.

"The [congressional] hearings were more important than the trial," said Rep. Lee H. Hamilton (D-Ind.), who chaired the House investigating committee. "It has always been my view that the policy questions exceeded in importance the question of individual criminal liability, and I do not think Congress made a mistake in granting that immunity."

However, Hamilton did predict that future congressional investigations will have to be more careful in seeking grants of immunity for witnesses facing possible prosecution. "I think the lesson is that the Congress, when they grant immunity now, must be very cautious in doing so because doing so probably defeats any criminal prosecutions."

The end of the legal case against North comes as the government's investigation of the complex Iran-contra affair has been reenergized. A guilty plea in July by one former high-ranking CIA official, Alan D. Fiers, has notably widened the scope of the investigation by

providing evidence that senior CIA officials knew of the illegal diversion of funds to aid the contras. This month, Clair E. George, former head of the CIA's clandestine operations branch, was indicted in the case.

North was at the center of the Iran-contra effort. It was his assigned job, he told Congress in four days of riveting televised testimony in 1987, to keep the contras alive "body and soul."

His eyes glistening with emotion, his demeanor sorrowful, his voice husky and cracking, North portrayed himself as a selfless patriot willing to take, as he put it, "the spear in my chest" for mistakes that might have been made in the national interest. He admitted to error, falsehood, obstruction and destruction of evidence—all for a higher cause. "Lying does not come easy to me," he said. "But we all have to weigh in the balance

the difference between lies and lives."

His testimony, in which he appeared in his Marine uniform with campaign ribbons and combat decorations, took the nation by storm. Overnight, North became a new American hero. Crowds demonstrated outside the Senate office building where the hearings were held, shouting, "Ollie, Ollie, Ollie."

In May 1989, after a lengthy tri-

al, North was convicted by a Washington jury of falsifying and destroying documents, accepting an illegal gratuity and aiding and abetting the obstruction of Congress. But he was acquitted of nine more serious charges. North was given a three-year suspended sentence and two years' probation, was ordered to perform 1,200 hours of community service in a Washington drug prevention program, and was fined \$150,000.

IRAN-CONTRA: THE SAGA CONTINUES

In December 1986, three weeks after Attorney General Edwin Meese III announced that profits from arms sales to Iran had been diverted to aid the Nicaraguan contras, a special panel of judges picked Lawrence E. Walsh to investigate the scandal.

Walsh's investigation, which has cost more than \$27 million to date, has so far yielded the following results:

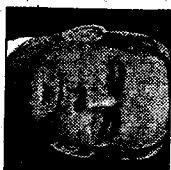


Oliver L. North:

The retired Marine lieutenant colonel, who worked on the staff of the National Security Council, was convicted in May 1989 of obstructing Congress, unlawfully mutilating government documents and taking an illegal gratuity. He was sentenced in July 1989 to two years' probation and community service, and was fined \$150,000. He was also disqualified from holding federal office. All of North's convictions were set aside on appeal last year. U.S. District Judge Gerhard A. Gesell yesterday ordered the charges dismissed.



John M. Poindexter: North's boss at the National Security Council in 1985-86, was convicted in April 1990 of two counts of lying to Congress, two of obstructing congressional investigations and one of conspiring to cover up the secret arms sales to Iran and the diversion of profits to aid the contras. He was sentenced in June 1990 to six months in prison; his appeal is before the U.S. Appeals Court.



Robert C. McFarlane: The national security adviser who preceded Poindexter pleaded guilty in March 1988 to four misdemeanor charges. He was sentenced in March 1989 to two years' probation and community service, and was fined \$20,000.



Richard V. Secord: The retired Air Force major general, who served as North's chief operative in the arms deals and contra resupply network, pleaded guilty in November 1989 to lying to congressional investigators. He was sentenced in January 1990 to two years' probation.



Albert Hakim: The businessman who managed the finances for North's network pleaded guilty in November 1989 to a misdemeanor charge of providing an illegal gratuity by paying for a security fence at North's home. He was sentenced to two years' probation, fined \$5,000 and agreed to relinquish his claim to \$7.3 million from the arms sales.

Carl R. "Spitz" Channell: The conservative fund-raiser pleaded guilty in April 1987 to a tax fraud charge. He was sentenced in July 1989 to two years' probation. Richard R. Miller: The head of a Washington public relations firm pleaded guilty in May 1987 to

conspiring to supply the contras with military equipment financed by tax-deductible contributions. He was sentenced in July 1989 to two years' probation and 120 hours of community service.

Thomas G. Cline: The former CIA agent and partner of Secord and Hakim was convicted in September 1990 on four felony tax counts. He was sentenced three months later to 16 months in prison and fined \$40,000. He has appealed.

Clair E. George: The former CIA deputy director for operations was indicted on Sept. 6 on 10 counts of perjury and obstructing inquiries into the Iran-contra scandal. He has pleaded not guilty. No trial date has been set.

Alan D. Fiers: The former chief of the CIA's Central American task force pleaded guilty July 9 to two misdemeanor charges as part of a deal in which he agreed to cooperate with Walsh's continuing investigation.

NOTE: An indictment against Joseph F. Fernandez, former CIA station chief in Costa Rica, was dismissed in November 1989 when the CIA refused to release classified information deemed necessary for a fair trial. SOURCES: The Washington Post; Facts on File; Reuters

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