

# Gates's Memory Gaps Contrast With Others' Iran-Contra Recall

9/23/91  
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Robert M. Gates, nominated by President Bush last May to be CIA director, has had all summer to refresh his recollections about the Iran-contra affair but says he still can't remember much.

Gates's memory, which has been keen in matters other than the scandal, has emerged as one of the few stumbling blocks to his easy approval by the Senate intelligence committee, although he is still expected to receive the committee's endorsement.

Most committee members so far have declined either to pursue the gaps in Gates's Iran-contra testimo-

ny or to view them as a bar to his becoming director. In the same vein, Rep. Lee Hamilton (D-Ind.), co-chairman of the House committee that investigated Iran-contra in 1987, yesterday endorsed Gates's nomination even while acknowledging on NBC's "Meet the Press" that Gates had "looked the other way when hints of Iran-contra came up" and had "tilted the intelligence towards policy" in CIA reports.

Depositions and documents released by the Senate committee last week attest in detail to what past and present CIA officials say Gates was told about crucial aspects of the affair. In sworn statements, Gates's former colleagues have been able to recall conversations that Gates says

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## Memory Gaps Pose Dilemma For Gates

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he cannot—conversations in which Gates reportedly was first informed about such things as the diversion to support Nicaraguan rebels of profits from covert arms sales to Iran and the central role then-White House aide Oliver L. North played in directing the secret contra resupply operation.

Gates, however, faces a dilemma. If he recalls episodes that his colleagues have now described, he could contradict his testimony to Congress in 1986 and 1987 when the Iran-contra scandal was just unfolding. On the other hand, if his lapses of memory persist, they could strain his credibility and perhaps leave a permanent cloud over

his role in the affair.

### First Word of Diversion

The gaps in Gates's recollections occur most often when the subject is the illegal diversion of profits at the center of the scandal.

The first time Gates was told there was a diversion was in late August 1986, according to Richard J. Kerr, now acting CIA director. At the time, Kerr was running the intelligence directorate, a job he had just taken over from Gates after Gates was promoted to the No. 2 spot at then CIA under then-Director William J. Casey.

Kerr had been alerted by CIA analyst Charles Allen, who was working closely with North on the covert arms sales to Iran, which were intended to help free Western hostages held by pro-Iranian groups in Lebanon.

In a notarized statement taken by the Senate committee, Allen said he had been "deeply troubled" by various aspects of the Iranian initiative since mid-August. Allen said he told Kerr and one of Kerr's aides that he had concluded from his own dealings with the Iranians and from reviewing intelligence intercepts of their conversations that the Iranians were being "grossly overcharged by agents of the U.S. government," perhaps in order to send money to the contras. Allen also mentioned that North was involved.

Kerr, at a closed-door hearing earlier this month, said he thought Allen's speculation was important enough to report the matter to Gates, which he did "either the same day . . . or the following day." Kerr recalled that Gates "expressed surprise, concern," but also said "something to the effect" that he had heard "rumors" about this before.

What made the speculation about the diversion of profits particularly interesting, Kerr said, was North's reported involvement since "most people" viewed North as "a loose cannon." Kerr said he did not tell Gates at that August meeting about everything Allen had said, just the possibility of a diversion. Kerr said he had wanted to make "sure that Mr. Gates knew the issue was that funds were being overcharged and that money was passed to the contras."

Gates has said he cannot remember talking to Kerr about the diversion, but acknowledges the conversation might have taken place. If it did, it would undermine his 1986

and 1987 testimony that he had first heard rumors about the diversion on Oct. 1, 1986.

### **Secord as Middleman**

It was Allen who came to Gates on Oct. 1, with information similar to that he had given Kerr more than a month earlier. Allen, who is scheduled to testify at the confirmation hearing Tuesday, has said he laid out for Gates the role played by North's colleague, retired Air Force major general Richard V. Secord. Secord was managing both the contra resupply network and the sale of U.S. arms to Iran.

In testimony given to congressional investigators in 1987, Allen said Gates seemed "very startled" at first, but then grew serious, telling Allen that "in the past he had admired Colonel North because of his work in crisis management and things of this nature, but this was going too far . . . ."

Gates has told the Senate committee he cannot remember saying anything to Allen about North. If he could recall North's name being mentioned by Allen, that would call into question his 1986 testimony, when Gates said Allen had not mentioned the name of anyone from the National Security Council staff.

### **Poindexter Meeting**

Talk about the diversion was also circulating that summer in the covert operations directorate of the CIA. Alan D. Fiers Jr., who was chief of the CIA's Central American Task Force, said in testimony last week that North had told him about it in late August. Fiers said he quickly brought it to the attention of Jerry Gruner, who headed the Latin American Division, and Clair George, who was running the operations directorate.

When Allen told Gates about the operation on Oct. 1, Gates's response was to ask Allen to arrange

a meeting with Casey, a meeting which did not take place for a week.

Gates, however, saw Casey that same day. The next day, Gates went with Casey to the White House for a regular weekly meeting with President Reagan's national security adviser, John M. Poindexter.

Gates has said he did not mention at that meeting what Allen had told him. A CIA memorandum for the record, dated Oct. 3, 1986, and ini-

tialed by Gates, states that at the White House meeting "there was a discussion of a special Iranian project." The memo adds: "Have Tom Twetten [then CIA's Near East division chief who was working with North on the Iranian arms sales] and Charlie Allen call me."

Gates has told the Senate committee he has "no recollection" of this discussion and cannot remember why he wanted to talk to Twetten and Allen.

On Oct. 7, Casey met with a lawyer he knew, Roy Furmark, who represented individuals involved in the Iranian arms sales. According to North, who had lunch with Casey and Gates at CIA headquarters two days later, Casey said Furmark had mentioned "a connection between the Iranian initiative and aid to the Nicaraguan resistance."

Gates has told the committee that North's testimony differs from what Casey told him about the Oct. 7 meeting with Furmark.

### **Lunch With Casey, North**

On Oct. 9, Casey invited North and Gates to lunch to discuss meetings North had just had in Frankfurt with a new set of Iranian middlemen. But that was not the only topic. One of North's contra resupply planes had been shot down over Nicaragua and the survivor was claiming he had been working with "CIA people."

Gates has said this was his main concern at the lunch. North assured him that "the CIA is completely clean on the question of any contact with those organizing the [private] funding and the operation."

North also testified during his 1989 trial that he talked about the diversion at this lunch, but was not certain Gates was there. Gates has said he left the lunch before North did and so did "not know what they may have discussed after my departure."

Gates was asked in written questions submitted to him in June by the committee why he did not question North about Allen's suspicions of a diversion, particularly since North made a cryptic remark during the lunch about "Swiss bank accounts and the contras." Gates responded:

"[T]o the best of my recollection, Allen never mentioned to me or speculated that anyone in the U.S. government, including the CIA, NSC or the White House, was involved in the possible diversion of funds paid by the Iranians to sup-

port the contras."

That conflicts with Allen's account of his Oct. 1 meeting with Gates.

### **Memos and Mideast Trip**

Also on Oct. 7, Allen met with Casey to discuss the possible diversion—a meeting Gates also attended—and was instructed to put his conclusions in writing, which resulted in a memo from Allen on Oct. 14. The memo referred only briefly to the possible diversion.

Gates has made much of this abridged analysis, saying it showed Allen was "less certain" of the suspicions he had voiced earlier. But Allen told the Senate committee in his deposition that he was deliberately "oblique" because he had not thought it "prudent" for him to allege in writing that White House officials were involved in "highly questionable, if not illegal activities," given what Casey might do with the paper.

Allen's suspicions were on target. Casey handed the memo to Poindexter.

Allen was subsequently instructed by Casey, with Gates present, to meet with Furmark and find out more about the financing behind the U.S. arms deals with Iran. The result was a Nov. 7, 1986, memo from Allen, reporting that Furmark's clients, who had financed one of the shipments, believed they had been "swindled and that the money paid by Iran for the arms may have been siphoned off to support the contras in Nicaragua." Allen said the moneymen intended to file a lawsuit and "implicate in the litigation directly senior levels of the U.S. government."

The memo was addressed to Casey and Gates. Gates has told the Senate committee he does not recall ever seeing the memo, though the CIA has produced the copy that was sent to Gates's office. Allen has told the committee he not only sent Gates a copy of the memo, but also discussed it with him.

Gates has said his attention was diverted for two crucial weeks in October 1986 when he went on a trip to the Middle East. He has told the committee that he had "no communications with anyone at CIA headquarters or any other person on the subject of the diversion during the course of my travel."

Thomas Twetten, who then headed the CIA's Near East division and now directs the agency's covert operations, has said he traveled with Gates and recalls talking to him on the trip about the reported diversion of funds to the contras. But Twetten does not recall the specifics of the conversation.