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Firm says U.S. urged covert plots

*Khomeini
called target
of one scheme*



Richard J. Meadows
Peregrine's president

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WASHINGTON — Pentagon intelligence specialists urged a private Texas company to mount several secret operations deemed too sensitive for direct U.S. government involvement, including the sale of arms for an aborted 1982 plot by Iranian military officers to assassinate the Ayatollah Ruhollah Khomeini, according to founders of the firm.

The company officials said in interviews that they also received clearance from Pentagon officials for vigilante-style schemes to nab and kill drug smugglers in Peru, Honduras, Belize and the Caribbean. They said they also were encouraged to arm and train Nicaraguan contra rebel forces and elite military commando units in El Salvador, Honduras and Peru.

"Our job was to do the things that the government could not be seen to be doing," said Gary S. Howard, founder of Peregrine International Associates of Dallas. "Our deal was that the private sector could handle lots of security missions abroad and American boys wouldn't get killed — or, if they did, there'd be no fugs."

Peregrine's executives say they believe their firm was the model for what became the Reagan administration's broad policy of carrying out politically unacceptable covert operations "off the books," by using private companies. Congressional inves-

tigators say they believe it was this pattern of using retired military personnel in secret contracts that finally exploded in the Iran-contra scandal.

No explicit contracts governed the relationship between Peregrine and the Pentagon. Peregrine executives said each side understood it needed the other: the Pentagon needed an independent company to accomplish its policy objectives and Peregrine needed the tacit support of the U.S. government to carry out covert operations abroad.

Foreign governments would pay for most operations, possibly using U.S. military aid, according to Peregrine's plans. In some circumstances, U.S. government agencies, such as the Customs Service, would pay Peregrine.

Often, Peregrine operated like a private CIA, offering counterterrorist and counterinsurgency assistance to foreign countries. For example, in 1982 Peregrine designed a commando training program for Honduras that included instruction in urban assault tactics, restraint techniques, interrogation and sniper marksmanship, according to a prospectus of the program.

Howard and his partner, Ronald R. Tucker, explained their company's history in lengthy interviews. They are the first commando entrepreneurs to reveal their secret arrangements with the government. They said they decided to speak publicly, in part because they have not been paid \$1.25 million they said the U.S. Customs Service owes them.

Peregrine officials said that few of their projects were carried to completion, but that they met "all the time" in Washington with Pentagon intelligence specialists to discuss missions the government wanted accomplished.

Work for the CIA

Among those with whom they met were retired Army Lt. Gen. Samuel V. Wilson, a former director of the Defense Intelligence Agency and currently an adviser to the secretary of defense on special operations, and Lt. Col. Wayne E. Long, a senior officer of a top-secret military intelligence unit called the Foreign Operations Group.

Previously published accounts have identified Long's unit as part of the Army's Intelligence Support Activity, which is said to work with the CIA to provide intelligence, deep cover and laundered money for secret U.S. military missions abroad.

"Wilson and Long told us what we could do and what we couldn't do,"

said Howard, a deputy sheriff in central Texas since Peregrine folded in 1984. "They'd give us sanction from Mother. We wouldn't do anything without sanction from Mother." Howard defined "sanction from Mother" as "an OK from State, CIA and Defense giving their tacit approval, their assurance that they wouldn't stand in our way."

Howard and other participants said active-duty Special Forces personnel on leave, as well as personnel from the elite Army counterterrorist unit called Delta Force, assisted Peregrine in the plot against the ayatollah.

In a brief interview, Long said that he knew Peregrine and some of its officials and that he knew of the firm's efforts to interdict narcotics in Central America. He declined to elaborate on any aspect of his dealings with Peregrine without approval from the director of the Defense Intelligence Agency or the Army's deputy chief of staff for intelligence. That approval was not given.

'Personal advice'

Wilson, in a telephone interview, confirmed that he had met with several Peregrine officials but minimized any role he may have played with the company. He said he gave only "personal advice" to Peregrine's president.

Maj. Philip Soucy, an Army spokesman, said late last week that a search of Army records for information about Peregrine had been under way for several days and was continuing. "We haven't found anything yet," he said.

Like other international arms dealers and go-betweens involved in the Iran-contra affair, Howard and Tucker are flamboyant, conspiratorial, colorful and controversial figures. For that reason, multiple confirmations of their allegations were sought through Customs documents, State Department records, memos and letters from the company itself.

FBI, Customs and military officials also were interviewed. In some cases, however, multiple confirmations were not possible because the only knowledgeable person — Lt. Col. Long, for example — was unable to speak freely because of the classified nature of his work.

Company employment charts show that Peregrine drew most of its manpower from a pool of retired Special Forces personnel familiar with secret military operations, most of them veterans of the elite Delta Force counterterrorist unit.

Howard, 38, and Tucker, 39, a pair of tobacco-chewing West Texas lawmen, worked their way into that network in 1981.

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Free-lance agents

Since 1979, they said, they had worked as free-lance undercover agents for the Customs Service infiltrating illegal international arms deals and passing along information to the Customs officials. As a reward for each success, they received a moiety — a percentage of the seized property.

Backed by about \$1,650,000 in commissions and moieties, most of the money coming from the sale of a seized Boeing 707, Peregrine was incorporated in 1981 with Howard as chairman and Tucker as secretary-treasurer. They said their intention was to use proceeds from undercover arms deals to ransom a U.S. prisoner of war out of Vietnam, a cause in which they had long been active.

But the company's mission changed in December 1981, when two government officials that Howard and Tucker knew from Customs work introduced them to retired Army Special Forces Maj. Richard J. Meadows, a highly decorated Vietnam War commando.

Meadows, whom they hired as Peregrine's president, had made Newsweek's cover after slipping into Tehran in 1980 and, with little more than an Irish brogue as a disguise, provided key on-site intelligence for the Iran hostage rescue raid that failed. State Department records confirm that Meadows did indeed go to work at Peregrine.

Meadows arranged for Howard and Tucker to meet his friend and mentor, Lt. Gen. Wilson, former director of the Defense Intelligence Agency, in a Holiday Inn room in Rosslyn, Va., a Washington suburb. At the meeting, Howard and Tucker said, they told Wilson their plan for getting a prisoner out of Vietnam. They said Wilson had other ideas for the fledgling paramilitary company.

"Wilson told us our job was to do the things that the government could not be seen to be doing," Tucker recalled.

In time, the plans laid out at the Rosslyn meeting crystallized. Peregrine would become a private arm of Army intelligence, training foreign military groups and developing anti-terrorism plans under Meadows' direction, according to Tucker and Howard. The two said they would use Peregrine's manpower to pursue undercover arms and narcotics work.

Peregrine was modeled on a London firm that Tucker and Howard had come across in arms deals: Keeni-Meeni Services Ltd. Keeni-Meeni — a Swahili word describing a snake's movement through grass — employed retired British Special Air Service commandos in unofficially

endorsed operations where an official British presence would have been embarrassing. If caught, Keeni-Meeni's highly skilled operatives were on their own.

"Intelligence people were so excited. There had never been anything like that in the United States," Howard said.

Of the skilled covert paramilitary operators in the United States, Howard said: "Peregrine had the cream of the crop."

Former National Security Council aide Oliver L. North apparently admired Keeni-Meeni, too; two Keeni-Meeni pilots served 90-day stints with the contra arms airdrop operation exposed in October, according to other participants. In a contra aid organizational sketch found in North's safe, the initials "KMS" appear among the operational elements.

Howard and Tucker said they found the government to be an eager partner in their endeavors.

Shortly after the Washington organizational meeting, Lt. Col. Long provided a list of countries in which Peregrine could and could not operate, according to Tucker, Howard and other former Peregrine employees.

Bolivia was off-limits, they said, because the United States already had covert operations in place there. Belize, Chile, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Morocco, Nigeria, Paraguay, Peru, Somalia and Sudan were encouraged.

"Sure, we were used as a cover for the U.S. government," Tucker said. "We knew Meadows reported to Wilson and Long. There was no doubt Gary and I were going to be bastardized stepchildren, but we didn't mind being manipulated as long as we knew what we were doing."

Peregrine's mission was shaped by two retired Army Special Forces majors Meadows hired to help him run the company — Charles Odorizzi, former director of selection and training for Delta Force, and William Patton, a Latin America specialist.

For operations, Peregrine offered Special Forces and Delta personnel \$30,000 a year. That compared favorably to the CIA's standing offer to Delta Force retirees of \$21,000 for work with Afghan rebels in South-west Asia.

Peregrine used both retired and active duty personnel on leave as what Howard calls "guns" — "guys who had no qualms about blowing people away, which is real fine for protective-type work."

No killing was done, Howard said, "but our idea was to be like Delta and not leave anybody alive. If we found

communist cadres or terrorist cells in Honduras or wherever, we'd eliminate them, except for the people we wanted to interrogate or bring back for display."

Perhaps the most dramatic mission that Long and Wilson urged Peregrine to become involved in, according to Howard and Tucker, was a plot by Iranian military officers to overthrow Khomeini.

Certain details of the plot are contained in a September 1982 internal Customs Service report on an investigation of an illicit arms sale.

That record shows that in January 1982 Meadows met in London with an Iranian Air Force major named Masoud Yahya. At the meeting, according to the Customs records, Yahya said he was looking to buy about \$100 million in small arms, explosives, ammunition and bulletproof vests to be used in a "military coup in Iran."

According to the records, Yahya also sought "to obtain technical advice and assistance from the United States government" for the coup.

Yahya's moderate faction intended to kill the ayatollah's palace guard and assassinate Khomeini, then sweep aside his supporters with a force of 4,000 pro-Western military men, Howard and Tucker said.

After meeting in London with Yahya, Meadows went to Washington to discuss the plot with Long and Wilson, Peregrine officials said. "Dick told us they wanted to do it," Howard said. "They [Long and Wilson] wanted to let this one go through, and told us, 'Whatever you need, let's get the money and let's go.'"

To finance the plot, Peregrine was to receive \$120 million from Yahya. The money, which Peregrine officials were told would come from holdings of the late shah of Iran, was stored in a vault in New York.

Howard, Tucker, Meadows and eight or nine other men — including three active-duty military personnel whom Meadows obtained from Fort Bragg — spent 21 days in April 1982 at the Grand Hyatt Hotel in Manhattan waiting for the Iranians to arrive with their money, according to Howard and Tucker. Two other Peregrine executives also said in interviews that active-duty personnel from Fort Bragg participated.

In the course of their three-week stay, they ran up a \$77,000 hotel bill. One of the men met a Pan Am stewardess whom he later married. But Yahya never showed up. The deal collapsed.

More precisely, it was interrupted. While at the Hyatt, Howard said, Meadows received a call from Long urging that Peregrine help free a Honduran airliner that had been seized with 48 aboard in Tegucigalpa by leftist hijackers. Five Peregrine commandos, led by Meadows and Odorizzi, responded immediately.

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Their arrival in Tegucigalpa aboard a chartered Learjet impressed Honduran military authorities. So did Meadows' plan to storm the hijacked plane. Although the seizure eventually was settled by negotiation, Peregrine retained a chip of gratitude from the Honduran government.

Free training

Meadows, Odorizzi and Patton immediately sought to exploit it. They offered free firearms training at a military range. They proposed to train an elite Honduran military commando unit, called the COBRAs, in counterterrorism and counterinsurgency techniques. And they proposed to Honduran Gen. Walter Lopez a plan to interdict drug smugglers and split their seized property 50-50 with the Honduran government.

Money proved the stumbling block. Both Peregrine and Honduran officials figured it would come from U.S. military aid. Instead, the CIA stepped in, and, according to documents, used active-duty Special Forces personnel from Fort Bragg, posing as civilians, to train Honduran commandos in counterinsurgency techniques.

Howard and Tucker say that Meadows and Odorizzi offered similar proposals wherever they could in Latin America. The strongest interest, they said, came from Peru, where a leftist insurgency called the Shining Path was reportedly taking protection money from rural cocaine growers. Meadows and Odorizzi also thought they could supply Peru with spare parts for Eastern bloc military hardware, mementos of a dashed flirtation with the Soviet Union.

On Oct. 26, 1982, amid the blooming Peruvian deal, Meadows quit, for reasons that remain mysterious. He told subordinates that he would organize a new company within 60 days and find work for them in Latin America. Odorizzi resigned days later. But the new company never materialized.

A memo they left behind says of the Peruvian proposal: "Sky's the limit."

Meadows, in a telephone interview, stressed that while many of the operations may have been discussed, "nothing materialized." He described Long as "a friend and adviser whom I would ask every now and then to sound me out on something and perhaps assist me in making contacts."

He described Gen. Wilson as "the best sounding board in the world. He could say this is good or this is bad and pass information on if needed, or say hold off and back off."

One important message to Meadows and other Peregrine officials, they said, was that the Reagan administration, early on, had decided to assign much of the government's covert and clandestine activity to the military, rather than the CIA.

The Defense Intelligence Agency, for example, which was created in 1961 to oversee the services' separate military intelligence units, also stepped up its "extraordinary military activities" to include counterterrorism and counterinsurgency.

Wilson's observation, according to Howard, was that "The DIA was picking up 90 percent of the CIA's work. The DIA was going to become the new CIA and leave the CIA out there to take the public licks."