

PHILADELPHIA INQUIRER  
8 March 1987

ARTICLE APPEARED  
ON PAGE 3E

*Crewmen found an operation beset by sloppy supervision, faulty equipment and incessant infighting.*

## How the secret contra-supply mission came unglued

By Steve Stecklow,  
Mark Fazlollah  
and Frank Greve  
*Inquirer Washington Bureau*

WASHINGTON — The C-123K cargo plane was on a secret weapons mission to the Nicaraguan contra rebels, flying perilously low over the jungle along the Nicaragua-Costa Rica border about 3 a.m. on a hot June night last year.

As the pilots searched for the contras, the plane dipped lower and lower, slicing through thick rain clouds.

Suddenly there was a jolt. The left side of the plane had struck a tree, crippling a booster engine, scraping a wing and crumpling the nose landing gear doors.

The large plane began to roll. The pilots, William J. Cooper and John Piowaty, struggled to regain control. Finally, they managed to pull the nose skyward, barely skirting a hillside, and to lumber back to El Salvador.

The incident, recounted by crewmen, was just one of many close calls in the shaky, brief lifespan of the clandestine arms-delivery network. Between April and October of last year, the supply operation airdropped tons of weapons each week to the Nicaraguan rebels, including rifles, grenades, mortars and ammunition, crewmen said.

The operation — now under investigation by a special prosecutor and Congress — was manned by a revolving cast of retired combat veterans, many of them middle-age men who longed for another taste of wartime. They were recruited to keep the contras armed while President Reagan worked to persuade Congress to lift a 1984 ban on direct or indirect U.S. military aid to the rebels.

Despite that ban, the supply operation, known within the National Security Council as "Project Democracy," received support from at least two active-duty U.S. officers and teams of CIA operatives, was closely monitored by Lt. Col. Oliver L. North and is believed by the Tower commission to have been illegally funded with millions of dollars diverted from secret U.S. arms sales to Iran.

The assistance was not nearly enough. As participants tell it, the operation was plagued by sloppy management, internal bickering and equipment problems.

Crewmen tell of daring, successful weapons drops into Nicaragua — and of drivers who didn't show up to take them to the airport, a \$22,000 high-tech radio communications network that never worked and a newly bought plane that made it to its destination only after a spare engine and a refrigerator were tossed out a cargo door.

"Command and control were so screwed up that ... we never knew who an order came from or whether it was legitimate,"

said Iain Crawford, 30, a former Green Beret who worked in the supply operation between March and May last year.

Added William K. "Jake" Wehrell, 51, a pilot who flew weapons missions in August and September, "We frequently had no food in the house, no gas in the car and we couldn't get fuel to take off. We had the wrong planes for the missions, and they were ancient mechanically."

In September, as Congress debated ending the ban on military aid and approving a \$100 million contra aid package, the pace of the supply operation quickened, crewmen say. They understood that the operation's organizers were trying to win the favor of the CIA so that they could continue supplying the contras in the future — under lucrative federal contracts.

And Cooper, the operation's chief pilot, confided to friends that he envisioned transforming the fledgling operation into another Air America — the giant CIA-run airline that flew supplies to U.S. servicemen during the Vietnam War.

As the pressure mounted to drop more and more arms to the contras, the crewmen say, the pilots decided in mid-September to begin flying into southern Nicaragua in the daytime so the airdrops would be more precise.

It proved to be a fatal decision. On Oct. 5, an arms-filled, C-123K cargo plane was shot down over southern Nicaragua in broad daylight by a teenage Sandinista soldier, and the operation came to a fiery halt.

Cooper, who piloted the plane, and two others were killed. The only survivor was Eugene Hasenfus, who was captured by the Sandinistas and readily talked about the secret supply effort.

What follows is a detailed portrait of the supply operation, based on interviews in the last four months with the men who flew the missions, repaired the planes and provided other support. In all, more than two dozen crewmen, equipment suppliers and other sources in the United States, Central America and Canada were contacted. Some spoke only on the condition that their names not be published. Many agreed to tell their stories on the record, for the first time. However, the men who recruited and supervised them — including two key figures who recently were granted immunity by Congress, Edward T. de Garay and Robert C. Dutton — declined to be interviewed.

The advertisement sought aircraft mechanics to work at an Air Force base in Southern California. But applicants who responded learned that American National Management Corp. (ANMC), a management services company in the Washington suburb of Vienna, Va., was looking for men to go to Central America.

The ad, buried in the classified section of the Dec. 2, 1985, issue of Air Force Times, was the first known case of recruiting for the contra supply network.

When Jim Stanford, an aircraft mechanic, sent his resume in February, he said, he received a telephone call from ANMC's president, Richard B. Gadd, a retired U.S. Air Force commando who has received federal contracts for several covert military operations. Gadd told Stanford that after working for six months in Honduras, he could move to the advertised job in California or another Air Force base in Florida, Stanford said.

Stanford was not interested in going to Central America. But he spoke to a friend, who was hired by Gadd to repair aircraft. The friend, who asked to remain anonymous, told another mechanic, 61-year-old Jim Steveson of San Diego, Calif., who was hired to procure aircraft spare parts.

To find pilots and parachute riggers, the operation's organizers tapped into several close-knit circles of retired military men experienced in covert operations.

John C. Cupp, a former Army Special Forces sergeant who works for Gadd, used his contacts at Fort Bragg in North Carolina to recruit from "an old boy network" of ex-commandos, crewmen say. At least three recruits, including Crawford, had been members of the Delta Force, the elite counterterrorist unit that participated in the disastrous 1980 hostage-rescue mission in Iran.

The network also hired more than a half-dozen veterans of Air America. Most were recruited by Cooper, an ex-Air America pilot who in April became the network's manager from the operation's base in El Salvador.

The crewmen, many of them veterans of Vietnam or Korea, say they were drawn to the operation by a desire to fight communism and, for some, a nostalgic yearning for the battlefield.

"There's always an old war horse in all of us who wants to make that one last run," said Joseph Smith, 49, a military surplus dealer from Shirleysburg, Pa., who provided parachutes for the operation but rejected an offer to work in Central America because of medical problems. "Even after 40 to 50 missions in Korea and some in Vietnam, you want that one last time, just to get the adrenaline flowing."

Money, too, was a factor.

Depending on the job, their pay ranged from about \$2,500 to \$4,250 a month, plus mission bonuses. Called "project pay" or simply "P-pay" by the crewmen, it paid a pilot an extra \$1,000 for flying into Nicaragua, while a parachute rigger, who pushed weapons out of the plane, could earn a bonus of up to \$500.

The crewmen, who generally worked 90-day contracts, said they did not know the

Continued

source of the money or the weapons. They said their paychecks and bank wire transfers came from a maze of companies in Quarryville, Pa.; Vienna, Va.; Miami and Panama that provided cover for the operation. The bonus money was paid in cash.

Said one mechanic, "I just took my money and done my job."

The first weapons drop into Nicaragua was planned for April 10. At the time, the supply operation owned two Vietnam-vintage cargo planes, a DHC-4 Caribou and a C-123K. Neither was in any condition to fly the mission.

Instead, Crawford said, Gadd leased an L-100 civilian cargo plane for \$4,000 an hour from Southern Air Transport, a Miami-based airline once owned by the CIA that had been contracted to transport weapons from Portugal to the contra supply operation.

"They needed a good bird and the L-100 was a Cadillac," explained Crawford, who flew on the first mission.

According to Crawford, Army Col. James Steele, commander of U.S. military forces in El Salvador, helped plot the flight path of the L-100 into Nicaragua. Steele, he said, "told us where the radar sites were and who would be looking for us. He pointed out three of them [on a map] and pointed out the armament sites in Nicaragua."

Teams of CIA operatives in Costa Rica had helped plan the inventory of weapons to be delivered and had also relayed the location of the rebel units, said contra sources.

Crawford said the weapons — seven tons of rifles, grenades and ammunition — were first flown from Aguacate, a secret Honduran military airstrip used by the contras, to Ilopango, a Salvadoran air force base in San Salvador, where they were repacked and loaded on the L-100.

On the night of April 10, the Southern Air crew flew into Nicaragua. But though they found the area targeted for the weapons drop, they couldn't spot the contras. After flying in circles for more than a half-hour, they gave up and returned to El Salvador.

The next night, the crew tried again.

This time, the contras lit bonfires on a mountain to outline the drop zone — and Crawford pushed the weapons out the cargo door.

News of the successful mission was relayed to NSC aide North April 12 in a "secure message" from a CIA field officer, the Tower commission reported last month. In addition, Crawford said that on April 20 he personally briefed North about the mission on a private jet flight from El Salvador to Washington. North nodded in approval and seemed relieved, Crawford said.

The arms drops continued through the summer, with as many as three or four missions per day flying over northern and southern Nicaragua. But there were frequent delays and postponements.

Sometimes, the drivers assigned to take the crews to Ilopango from their three rented San Salvador "safe houses" never showed up. Other times, the crew arrived to find that the planes had no fuel.

In late July, a dispute with the powerful Salvadoran general who ran the base, Rafael

Bustillo, cost the crewmen the ID cards — identifying them as U.S. military advisers — that allowed them on the base at Ilopango. Most eventually got new cards, but several days were wasted.

On top of all of these problems, the supply operation's aging cargo planes — two Caribous and two C-123Ks purchased for a total of more than \$1.5 million — constantly broke down.

The first plane, a Caribou purchased in Canada in January, barely survived its initial flight to El Salvador. After one of its two engines died, the crew had to toss out an expensive spare engine and a refrigerator to keep it airborne. The aircraft, which one mechanic described as "just a pile of junk," required a complete overhaul.

The second plane purchased, a C-123K, was the one that struck a tree during the aborted June mission and was out of commission for more than two weeks while mechanic Steveson repaired it in Miami. Another C-123K, bought in California in July, broke down twice in Texas before finally hobbling into Miami for repair.

Wehrell, who flew the Caribous, recalled that on his last flight in September, the fuel and temperature gauges, as well as the tachometer for the left engine, weren't working properly.

"I was actually opening the window of the airplane doing my [pre-flight] checks and listening to the sound of the engine instead of looking at my instruments because my instruments didn't work," he said.

Even when the planes were flight-worthy, the missions were not always successful, crewmen say. In some cases, the contras either failed to show up at the correct drop zone or the airdrops were made in the wrong place. Sometimes, planes had to turn around without dropping anything, wasting up to six hours in the air.

"You can't just dump it out in the jungle," explained one crew member. "There's a hell of a lot of money being hauled around in that plane."

Dick Gadd sometimes referred to "the benefactor" and "the principals." Bill Cooper spoke of meeting with "the bosses" in Miami. Other than these veiled references, however, crewmen say they never knew who really was behind their operation.

Nevertheless, the backgrounds of leaders of the operation, as well as telephone records of calls made from the crew members' Salvadoran safe houses, show that the network had powerful ties to the U.S. government stretching all the way up to the White House.

• Felix Rodriguez, one of three former CIA agents who assisted the crewmen in El Salvador, met with Vice President Bush or his staff 16 times since 1983. Bush's office has acknowledged. Bush, who met personally with Rodriguez three times, has denied knowing that Rodriguez was involved in assisting the contras.

• Several crewmen, including Steveson, were asked to sign secrecy agreements in

September stating they had been exposed to "classified information" that was "highly sensitive" and that they could be prosecuted by the U.S. government under espionage laws if they disclosed any aspects of their work.

"I understand that this agreement may be retained by the U.S. government for its future use in any manner within the scope of this project," the agreement stated.

The agreement referred to a company called "CAS Ltd.," an apparent reference to Corporate Air Services, an obscure air charter firm in Quarryville, Lancaster County. The firm, headed by Edward T. deGaray, employed many of the crewmen, including Hasenfus.

• Telephone logs show at least 11 telephone calls placed in mid-September from the crewmen's safe houses in El Salvador to North's White House office. In addition to his April visit, it has been reported that North flew to Central America immediately after the Oct. 5 plane crash.

The Senate Intelligence Committee reported that North, before he was fired from his White House post in November, was "working hard on support for the [contra] fighters." To keep the contras armed, he enlisted retired Air Force Maj. Gen. Richard V. Secord, the committee and the Tower commission reported.

Secord, who was also deeply involved in the U.S. arms sales to Iran, arranged for Gadd to organize the contra arms delivery operation, crewmen say. The two have had ties dating back to their days together in the Air Force.

Gadd recruited the crewmen, bought planes and equipment, established bases of operation in El Salvador and at a remote airstrip in Costa Rica and set up a radio link between Central America and his offices in northern Virginia. The costly radio system was based in a posh penthouse apartment in Alexandria — but it never worked properly, according to crewmen and radio operators.

To handle problems in the weapons-supply operation, Secord dispatched a business associate, retired Air Force Col. Robert C. Dutton, to take charge of the operation in late spring and again in September, crewmen said. When he arrived in the fall — with Congress on the verge of passing the \$100 million aid package — he ordered the crewmen to speed up their delivery schedule, the crewmen said.

Explained pilot Elmo Baker of Weatherford, Texas: "I think the thinking was, 'Let's deliver what we have to somebody because the cavalry is coming, the \$100 million authorized contra aid is around the corner.'"

Other crewmen said the supply network's organizers were vying for a federal contract to deliver the congressionally approved aid. "Everything hinged on the \$100 million," said a radio operator, who was in close contact with Cupp. "They wanted to be able to transport the stuff, and they were working on a contract with the government to do it."

Continued

At first, Baker said, Dutton tried to "force-feed" the contras by ordering the plane crews to airdrop arms regardless of whether they could see the rebels.

"Dutton said we're going to go down there and drop this where they [the contras] say they are and then tell them, 'We dropped it. Go find it . . .'" Baker said.

"Force-feeding" was tried only once, Baker said. The weapons landed seven miles away from the contras, he said, and it took the rebels nearly four days to find the equipment.

"After that there was no such thing as force-feeding," Baker said.

It was obvious to the crewmen that accuracy was a problem for the air drops. The contras had trouble pinpointing their positions in the remote jungle of southern Nicaragua, while the pilots were handicapped by often useless navigational equipment.

In mid-September, the pilots adopted a new strategy: daytime missions. And at first, the three-times-a-week flights went smoothly. "It was an intensive effort," said Baker. "We put a lot down there, probably more than they [the contras] could lug off."

Cooper was especially driven, said crewmen. Once the \$100 million aid began flowing, he told them, the operation could become a new Air America. "A lot of people were thinking about what happened in Vietnam," said one pilot. "They were fantasizing what a big, tremendous thing this was going to be down there."

According to Baker, Cooper dreamed of heading the new airline.

On Sunday, Oct. 5, Cooper took off for Nicaragua in a C-123K with co-pilot Wallace Sawyer, parachute rigger Eugene Hasenfus and a contra radio operator. Security apparently was not on their minds: They carried IDs, business cards and other documents connected with the operation, and Cooper chose to fly a particularly hazardous route — directly across the southern end of Lake Nicaragua, an easy target for Sandinista radar.

It would be the supply operation's last secret mission.

In the days that followed the crash, the remaining crewmen and the supply network's organizers scrambled to salvage what was left of their operation and shield it from the public.

On Tuesday, Oct. 7, Salvadoran Gen. Bustillo told the crewmen that the two Caribous parked at Ilopango were no longer welcome. "He was afraid that reporters would come on the base," said pilot David Johnson, 31, of McAllen, Texas. "He told us the airplanes must be off the base by 6 a.m. the next day."

Johnson and the other pilots flew the planes to the still-secret Honduran base at Aguacate.

Meanwhile, in Miami, Steveson worked through the night to complete repairs on the surviving C-123K. About 3 a.m., Piowaty and John McRainey, who had been on leave, flew the plane to Aguacate.

Three days later, the crewmen boarded commercial flights from El Salvador to the United States. The pilots were told they might be asked to recover the planes in Honduras; others were told they were no longer needed.

Only one pilot was called back. In November, long after Hasenfus' disclosures made headlines around the world, the pilot was instructed to return to Central America to determine if the operation could be resurrected.

The planes were still at Aguacate, he found. But there was nothing else left of the operation.

"It was totally dead," he said.