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WASHINGTON POST MAY 20 1987

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CIA Tied to Contra Aid After Ban

Owen, North's Latin Contact, Says Agency Gave Military Assistance

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By Dan Morgan and Walter Pincus
Washington Post Staff Writers

Robert W. Owen, who served as then-National Security Council aide Oliver L. North Jr.'s main contact with the Nicaraguan rebels, yesterday provided the first detailed testimony that CIA personnel in Central American and Washington assisted the contras militarily after Congress had banned such aid.

On his second and final day before the House and Senate select committees investigating the Iran-contra affair, Owen described how the Central Intelligence Agency had

provided military maps, helped locate a site for a clandestine air base in Costa Rica, and attempted to help transfer munitions from one contra faction to another.

He also said that Tomas Castillo, an alias for the CIA station chief in Costa Rica, had helped get weapons and food for contras inside Nicaragua. Castillo also was regularly in touch with North and U.S. Ambassador to Costa Rica Lewis Tambs as they attempted to put together a viable fighting force along the border with Nicaragua, known as the "southern front," Owen testified.

Sen. David L. Boren (D-Okla.),

chairman of the Senate Select Committee on Intelligence, noted that Owen's testimony contradicted what the CIA's Central American task force chief had told his panel last December.

Since the Iran-contra operations were first disclosed last November and North was fired from the NSC staff, CIA officials have maintained that they withdrew their assistance to the contras as required by law after October 1984 and thereafter scrupulously kept a distance from private efforts to support the rebels.

When acting CIA Director Robert M. Gates appeared before the

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Senate confirms William Webster as new CIA director. 94-1. Page A3

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Senate intelligence committee for confirmation hearings last Feb. 17, he said, "It was out of caution to avoid crossing the bounds of the permissible that CIA officers at all levels were urged to avoid involvement with matters concerning private efforts to support the contras."

Gates said that this approach had been spelled out in a cable to the field soon after Congress passed the Boland Amendment, which ended direct and indirect assistance by the CIA and other agencies involved in intelligence.

Echoing testimony given last week by former national security adviser Robert C. McFarlane, Owen described a close relationship between the late CIA Director William J. Casey and North. North appeared to be "under the wing" of Casey, Owen said. Pressed for examples, Owen said that on several occasions he was present when North talked to Casey on the telephone or received a visit from him.

A CIA spokesman last night said the agency is cooperating with the congressional investigation but would have no comment on individual testimony.

Owen, who described himself as the "eyes and ears" of North, first worked for contra leader Adolfo Calero. Later, through a nonprofit company he set up, Owen was paid by the State Department under its program of "humanitarian" aid to the contras.

From early 1984 until the middle of 1986, Owen said he provided intelligence on the contras to North, carried money to rebel leaders and generally acted as a liaison between the NSC and the contra fighters in the jungles.

As the first witness who was engaged with the contras on the ground in Central America over an extended period, Owen repeatedly voiced his emotional attachment to the rebel soldiers. He also voiced his suspicion and occasional contempt for their political leaders. In March 1986, he wrote a report to "BG," the initials for North's pseudonym, "Blood and Guts," after a trip to Central America:

"I care and believe in the boys and girls, men and women, who are fighting, bleeding and dying. But the reality (as I see it) is there are few of the so-called leaders of the movement who really care about the boys in the field. THIS WAR HAS BECOME A BUSINESS TO MANY OF THEM: THERE IS STILL A BELIEF THE MARINES ARE GOING TO HAVE TO INVADE, SO LET'S GET SET SO WE WILL AUTOMATICALLY BE THE ONES PUT INTO POWER."

Owen added, referring to the expected resumption of U.S. aid to the contras, "If the \$100 million is approved and things go on as they have these last five years, it will be like pouring money down a sink-hole."

Yesterday Owen stood by that assessment, but said he hoped a recent reshuffling of the contra leadership would change things for the better.

He also added new details to testimony he gave Thursday about his handling of cash on behalf of North and others.

Yesterday, Owen said that he had made three trips to New York City beginning in the fall of 1984 to pick up money and return it to either North or retired Air Force major general Richard V. Secord.

On the first trip in the fall of 1985, Owen said, he was told to go to a corner Chinese market on the lower West Side of Manhattan and say he had been sent by someone

named "Mooney." A person waited behind the counter, "rolled up his pant leg and pulled out a wad of hundred dollar bills" totaling \$9,500.

He then returned to Washington and gave the money, foiled up in a newspaper, to Secord, who was at the Sheraton-Carlton Hotel.

Asked what the reason for the money transfer was, Owen said, "Obviously they were short of cash and must have needed it. It was a bank holiday."

He later said he did not know what the source of the money was. At the time, Secord and North were in the process of establishing a private, U.S.-run airlift to carry munitions, weapons and other supplies to the contras.

Last Thursday, Owen described how North had given him thousands of dollars in blank traveler's checks from his safe in the Old Executive Office Building and told him to convert them to cash and give the money to various contra leaders. Owen said he believed some of the travelers checks originally came from contra leader Calero. Beginning in mid-1984, Calero controlled a bank account that received millions of dollars from Saudi Arabia to support the contra effort.

Under questioning from Neil Eggleston, House deputy majority counsel, Owen disclosed that North had kept a ledger of all transactions involving traveler's checks, but said he had no knowledge of what hap-

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pened to the ledger in which this was done. Eggleston said the ledger had not been located in North's office.

Owen said repeatedly that he did not believe North had ever used the travelers checks for his own benefit. But Sen. Orrin G. Hatch (R-Utah) questioned Owen about several such checks that North had cashed in food stores and gas stations in the Washington area, and one for \$100 cashed "at a tire store here in this area . . . for two snow tires."

Owen did say that North had given him \$1,000 in traveler's checks at the time of his wedding.

Owen frequently expressed his personal admiration for North and said that he had been unfairly made into a "villain," but would yet end up as a "hero."

He was particularly critical of the White House for releasing information about an incident in North's past requiring hospitalization for psychological observation and for calling him a "cowboy."

Asked by Sen. William S. Cohen (R-Maine) about reports that North shredded documents pertinent to the Iran-contra operation, Owen said, "I believe that if he shredded documents he would have done it to protect the president because he felt obligated." On half a dozen occasions, Owen said, North told him he would be the "fall guy" if the operation were disclosed and repeated that again on Nov. 25, the day North was fired from the NSC staff.

He quoted North as saying, "Bill Casey knows it, and others know it, and I'm ready to take that responsibility."

Owen is the first witness to testify under a grant of limited immunity from the congressional select committees, having initially invoked the Fifth Amendment against self-incrimination. A clue as to why he sought immunity was given yesterday when the committees questioned him about a provision of his company's consulting contract with the State Department.

The provision specifically says that during the term of the contract, Owen may not perform any services relating to the handling of arms and ammunition. Yesterday Owen testified at length about at least once instance in which he supervised, at North's direction, an attempted shipment of lethal materials from Honduras to El Salvador.

North, he said, told him to say he was doing it on his own time if questioned—a position Owen took yesterday with the committees.

The CIA role in the support of the contras is expected to become a key concern of the committees over the next few weeks as more facts emerge about the agency's role. Castillo, the former CIA Costa Rican station chief, is expected to testify in the next two weeks. According to congressional sources, he has told investigators that he acted at the direction of his immediate superiors in the chain of command.

Yesterday, Sen. Boren noted that the CIA's Central American task force chief, who has been identified as Alan Fiers, told the Senate intelligence committee last December that he turned down requests from North in 1985 to prepare intelligence for delivery to the contras. Fiers, sources said, has denied knowledge of Castillo's activities with the contras.

From October 1984 until December 1985, Congress stopped all funding for intelligence activities in support of the contras. This specifically covered the CIA, which had been the agency in charge of developing the contra program since 1981.

Owen said, "I know that one of the sets of maps [of military sites inside Nicaragua] was provided by a CIA courier." He added that he was present during one telephone conversation between North and the task force chief.

Investigators also introduced into the record a Feb. 27, 1986, Owen report to North in which Owen said that the agency was giving orders concerning the handling of "lethal supplies."

Owen also reported involvement by the CIA operation in Honduras. He told of asking a local CIA official to request the release of munitions from one contra faction so they could be transported to the southern front.

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THE IRAN-CONTRA HEARINGS

The Testimony of Robert W. Owen

"The group that provided that plane had been referred to NHAO [Nicaragua Humanitarian Aid Office] by the CIA and, in my mind, it was stupidity to use a plane that at one time had been used—or at least targeted as having been used to carry drugs, and also it was stupidity to use people who had a criminal record."

Excerpts from testimony by former State Department consultant Robert W. Owen in response to House select committee deputy chief counsel W. Neil Eggleston:

... In the fall, September and October of 1985, did you have occasion to take trips up to New York at the instructions of [Lt.] Col. Oliver [L.] North?

The first time I went, it was not at the instruction of Col. North, but, yes, I took three trips to New York.

And the first time, did there come a time when you went up on a bank holiday?

Yes, on Sept. 16. I believe it was Rosh Hashanah and the banks were closed, and I was asked to go up there then.

And you were asked to go by Col. North?

No, Col. North gave me a phone number to call and a person to ask for. And that person was Mr. "Kopp," who obviously was Mr. [retired Air Force major general Richard V.] Secord.

Did you know at the time he was Mr. Secord?

I had a very good idea, yes.

And ... you, I take it, then had a conversation with Secord?

Yes, sir, I did. He gave me instructions, the address and in essence a code to use when I went and approached the person.

Where did you go?

I flew up to New York and I took a cab down to the Lower West Side, and I was instructed to go to a corner Chinese market.

... Did you give a code name?

I asked for the person, I don't remember his name, and then I said that—I used the code name saying this person sent me, and I'm afraid I don't remember, I think it was something like "moey" or something along those lines.

Did that person then, give you anything?

Yes, he did. He walked behind the counter, I believe he rolled up his pant leg and pulled out a wad of hundred dollar bills.

Did he give a part of this wad to you?

He gave the whole wad to me, and he asked me if I wanted to count it. I didn't know how much I was supposed to be getting, but I decided I better count it anyways.

And how many hundred dollar bills did he give you?

There were 95; it was \$9,500. [Owen further testified that he returned to Washington and gave Secord the \$9,500, then traveled twice to New York to obtain additional cash for North and Secord.]

How did you get the money on these occasions?

I went to a bank which was I think in the mid-40s in Manhattan, and I went up to the sixth floor—unfortunately, I don't remember the name of the bank—[and I] asked for a person whose name I had been given and told him that I was expected to pick up an envelope, and they provided me with an envelope each time.

... You were simply handed the envelope filled with cash or whatever was in it?

Yes, and I can't necessarily testify that it was cash because I didn't know, but it certainly felt the same shape and size.

And, on those two occasions after getting the envelopes from the bank, the person at the bank, what did you do with the envelopes?

I returned to Washington and on these two occasions, I believe, I took the envelopes to Col. North in his office.

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The following is in response to Sen. David L. Boren (D-Okla.):

... Did you ever tell Mr. [Robert] Duemling [head of the State Department's Nicaragua Humanitarian Aid Office] that you were asked by Col. North to be his eyes and ears [as a consultant to NHAO] ... ? Did you ever tell him that you were involved ... on the side, as you put it ... in arranging shipments of arms, drawing up wish lists of arms, of munitions ... ?

... No, I did not.

... What about carrying intelligence information to the contras ... during a period of time in which, obviously, it was against the law for the government to supply intelligence information ... How do you feel about being a courier to take information that could not be legally provided? Is that an appropriate means?

I once asked Col. North about that, and he said the material had been declassified. I guess you'd have to check on that.

... Your testimony raises some questions about whether CIA personnel assisted the contras in ways prohibited by the law. When you delivered maps and photos from Col. North to various contra leaders in November 1984 and February and April of 1985, did you have any indication that CIA personnel knew that Col. North was going to use CIA-prepared materials for that purpose?

I was in his office on several occasions ... when he made phone calls to what I believed was the CIA.

Did you ever meet or talk directly to the CIA task force chief about such materials?

No, I did not.

... The task force chief testified before the Senate Intelligence committee in December 1986 that he turned down requests from North during this period to prepare intelligence for delivery to the contras. Would you ... be in a position to contradict that?

I can't contradict it. I can only tell you what I carried.

... And there was at least one telephone conversation with the task force chief and Col. North while you were in his office?

I believe so. Yes, sir.

What about the delivery of a secure communications device, known as the KL43, by you to a senior CIA official in Costa Rica? Did you know what use he made of that device?

I know he was going to use it to keep in secure communications with Col. North and with the others.

... Did CIA personnel ever assist you in getting military supplies moved from a warehouse in Palmarola [air base] to Aquacate in Honduras?

They did not assist me ...

... Have you had any conversations with Col. North over the last two or three months?

... I've had several ... We both studiously stayed away from [discussing pending issues] ...

... I believe you talked about a plane being used that had been used to run drugs ... You talked about some of the crew being a pretty rough-looking bunch ... What was the nature of your concern about involvement of people that might have had ties to drug-running?

... The group that provided that plane had been referred to NHAO by the CIA and, in my mind, it was stupidity to use a plane that at one time had been used, or at least targeted as having been used to carry drugs, and also it was stupidity to use people who had a criminal record.

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HIGHLIGHTS OF OWEN'S TESTIMONY



BY HARRY MALTOBYAN—THE WASHINGTON POST

Robert W. Owen: "We were in a politically charged atmosphere."

Robert W. Owen, a former consultant to the State Department, made these points during his testimony yesterday:

ON THE CIA

■ Owen described how the Central Intelligence Agency provided military maps and helped locate a site for a clandestine air field in Costa Rica. He also said that the CIA station chief in Costa Rica helped get weapons and food for rebels inside Nicaragua and was in regular contact with then-White House aide Oliver L. North and the U.S. ambassador to Costa Rica.

Investigators introduced a 1986 letter by Owen that referred to North as "BG," for Blood and Guts. In it, Owens said the CIA was giving orders about the handling of "lethal supplies."

ON MONEY

■ Owen described several trips to New York City to pick up cash, including one in 1985 in which he received \$9,500 in \$100 bills from a man at a Chinese market who took the money out of his sock. Owen said he turned the cash over in a folded newspaper to retired Air Force major general Richard V. Secord in downtown Washington.

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ON THE CONTRAS

■ While expressing an emotional attachment to the rebel soldiers, Owen also was sharply critical of their political leaders. In March 1986, Owen wrote North, "There are few of the so-called leaders of the movement who really care about the boys in the field. THIS WAR HAS BECOME A BUSINESS TO MANY OF THEM If the \$100 million [in U.S. aid] is approved and things go on as they have these last five years, it will be like pouring money down a sinkhole."

ON NORTH

■ North told Owen last November that he expected to become "the fall guy" if the secret network to aid the contras was exposed, Owen said. He quoted North as saying "[then-CIA director] Bill Casey knows it, and others know it, and I'm ready to take that responsibility."

ON THE 'RED TIDE'

■ Owen ended his testimony with a poem praising North and "our gallant fighters." The poem noted, "We have a burning desire to strike back at those whose intent is to enslave us, to try and stem the red tide that threatens to overwhelm us."

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