

The real story of Cyrus Hashemi

by Edward Spannaus, Law Editor

Inquire within the Iranian exile community as to the source of financing of student militants and terrorism, and one name comes up repeatedly. Ask about the means by which U.S. weapons are being run into Iran to the regime of the Ayatollah Khomeini, and the same name comes up. That name is Cyrus Hashemi.

The names of Hashemi and his bank, the First Gulf Bank & Trust Company, chartered in the West Indies, surfaced during 1979 in the context of investigations into the funding of Iranian terrorism in the United States, and particularly around the July 22, 1979 assassination of Ali Tabatabai, a courageous anti-Khomeini spokesman in Washington, D.C. Official Iranian involvement in the Tabatabai assassination was established in the subsequent indictments of four men for the killing. The

indictments charged that the assassination conspiracy had been planned in the Iran Interests Section of the Algerian Embassy in Washington, which was serving as the Iranian diplomatic center. The Iranian Embassy itself was shut down in 1979.

EIR was the first publication to print reports of Hashemi's involvement in financing Iranian terrorism. Subsequently, the *Washington Post* transmitted a report on its wire service, apparently based in part on earlier investigations by NSIPS, *EIR*'s parent news service, which identified Hashemi and First Gulf Bank & Trust as conduits for funds channeled to Iranian student militants and terrorists.

The *Washington Post* quickly heard from then-Assistant Attorney General J. Stanley Pottinger and was convinced by Pottinger or others to print a "clarification" of the story which deleted references to Hashemi and his bank. (According to one source, the Justice Department itself put pressure on the *Post* to retract the story; this is a credible story both because of Hashemi's acknowledged involvement in the hostage negotiations and also because of reports from local law enforcement sources that a "national-security" cover was placed on the investigation of the Tabatabai assassination.)

After negotiating an agreement with the *Washington Post*, Pottinger and Hashemi turned around and filed suit against NSIPS and four associated entities, and also against the *Washington Post*, the *Boston Globe*, the *Atlanta Journal*, and Cable Network News. Subsequently, the *Post*, the *Globe* and the *Journal* had the suit dismissed on the basis of the previously negotiated settlement. These defendants did not actually retract their statements about Hashemi—they merely deleted them—and an affidavit by a *Washington Post* reporter who wrote the story for the *Washington Post-Los Angeles Times* news service stated that "Mr. Pottinger had told us nothing to make us doubt the accuracy of any statements in the story. . . ."

Hashemi has subsequently amended his lawsuit to add as defendants Robert Dreyfuss and Thierry LeMarc, authors of the book *Hostage to Khomeini*, which is an account of how the Khomeini revolution was synthesized. Also named are *EIR* founder Lyndon H. LaRouche, Jr., who commissioned the writing of *Hostage to Khomeini*, and the book's publisher. At present, Hash-

A new fund

A legal defense fund has been established to defray legal fees and costs associated with Cyrus Hashemi's multi-million dollar lawsuit against the *Executive Intelligence Review*. The fund is registered under the title: The Final Defeat of Ayatollah Khomeini Fund.

The fund is named after a new book to be published soon, written by *EIR* founder and contributing editor Lyndon H. LaRouche, entitled *The Final Defeat of Ayatollah Khomeini: A Doctrine of Constitutional Law for the Iranian Renaissance from the Dark Age of Neo-Asharite Irrationalism*.

The fund is established both to defend *EIR* and its associated news service, and to begin a counter-offensive against Hashemi and his supporters. This process is expensive, but it is urgent. Contributions may be made payable to the "Final Defeat of Ayatollah Khomeini Fund," c/o *EIR*, or directly to Account No. 031-104-201, European-American Bank, 10 Columbus Circle, New York, New York 10019. Telephone inquiries may be addressed to *EIR* Middle East Editor Robert Dreyfuss at (212) 247-8820.

emi is demanding a total of \$180 million in damages against the various "EIR defendants."

'Integrity and honesty'

Hashemi's lawsuit vigorously denied all the charges published against him, including any association with the Iranian secret police, the Savama; with the Muslim Student Association; or with any other student militants. The suit further denied any Hashemi complicity in laundering dirty money. His complaint stated the following:

Cyrus Hashemi is a private, law-abiding person who has lived in the United States for many years and has the highest reputation for ethics, integrity, and honesty.

There are many within the Iranian exile community in the United States who dispute this assertion with well-informed passion. In filing his suit, Hashemi may have been counting on the fact that most such persons live in fear of their lives, anticipating that they might meet the fate of the murdered Ali Tabatabai should they testify in court against Khomeini's agent Hashemi.

Friends in high places

During the negotiations over the American hostages being held by the Khomeini regimes, Hashemi is reported to have met at various times with officials of the State Department and the National Security Council. On the day after the release of the hostages, Hashemi appeared on NBC-TV with his friend David Mizrahi. Hashemi was described as "a top adviser to the government in Teheran" who was involved in the hostage negotiations. Ask the State Department about Hashemi today, and you will still be told that the information is classified for national security reasons.

Who is this mysterious banker? He is a man who has been involved in numerous financial scandals, according to sources familiar with his dealings. Some sources specify that he had to leave Iran because of a scandal involving the Iranian Agricultural Bank.

Another case of fraud in which Hashemi was involved grew out of a \$576,000 loan obtained by Hashemi and his partner and lawyer Jackson Cook. (Cook is presently Hashemi's attorney of record in the libel suit against NSIPS and EIR.) Hashemi, Cook, and others set up a shell corporation in Delaware called First American Bancorporation. (They named the entity "Bancorporation" because they could not legally call it a bank.)

With no assets, the company issued nearly \$1 million worth of securities. Against a \$25,000 deposit, they issued a \$225,000 certificate of deposit and six checks, then borrowed \$576,000 from a Lebanese bank, using the CD and the checks as collateral. The bank charged

a conspiracy to defraud; the court in New York refused to dismiss the fraud claims. During a hearing on May 5, 1978, Judge Charles Brieant said to Hashemi's attorney:

I think, unbeknownst to you, you represent crooks. I think this is a fraud. I will say that to you right on the record. How it [the Bancorporation] can possibly have that certificate of deposit floating around here and only \$25,000 in money? It isn't logical.

At another point, the judge stated: "I haven't heard of a six-figure certificate of deposit being used against a rubber check." Finally, Hashemi and Cook settled the case out of court, with Hashemi promising to pay \$300,000 to the bank. Hashemi signed a confession of judgment for \$577,600, and Cook for \$225,000. In December 1980 the Banque du Liban et d'Outre-Mer sought a court judgment of \$466,975 against Hashemi and Cook on the grounds that they had repeatedly defaulted on their payments.

Apparently Judge Brieant was not the only one to entertain suspicions of Hashemi's integrity. In a set of Requests for Admissions filed in that case, Hashemi was asked to confirm the following allegations:

- That Hashemi was refused admission into France on Aug. 21, 1979, because he had stolen airline tickets in his possession;
- That Hashemi was carrying a document from the Knights of Malta [widely viewed as the combined culture and intelligence-organization of the European oligarchy—ed.] for use as a diplomatic passport;
- That on June 22, 1979, a judgment was entered by the 28th Chambre Correctionnel du Tribunal de Grande Instance de Paris convicting Cyrus Hashemi of the crime of issuing checks with insufficient funds in his account to cover them, and sentencing Hashemi to four months' imprisonment.

The New York 'Komiteh'

In another court case now pending in New York State Supreme Court, Hashemi is identified in Iranian government documents as the official representative of the Islamic Revolutionary Committee in New York. This was the New York version of the "Komiteh" which ran the Khomeini revolution in Iran. Hashemi and two other individuals were put in charge of a New York-based Iranian bank, Bank Sepah, by the Khomeini regime. In court papers, the previous manager of the bank charged that his life was threatened during the takeover. In an official document, Hashemi is identified as the "Representative of the Revolutionary Committee in New York." How many Americans even knew that such a "Komiteh" existed in the United States during the Khomeini takeover which resulted in the captivity of 58 U.S. citizens? Yet Hashemi, who denies any

connection with the Savama or student militants or terrorists, was the official representative of the "Komiteh" in New York.

Behind Hashemi

Behind Cyrus Hashemi is a powerful group delegated to perform the dirtiest side of Arab money dealing, including the financing of the Muslim Brotherhood activities worldwide. Among these are an Egyptian-Lebanese financier, Roger Tamraz, and the much-publicized investor and reputed gun-runner Ghaith Pharaon. In the United States, this group is part of the orbit of John Connally's Vinson & Elkins law firm in Houston, Texas.

Arab dirty-money networks are not really independent financial dealers, of course; they interface the banking level of the Propaganda-2 (P-2) Freemasonic networks identified by Italian authorities as among the controllers of terrorism and the narcotics traffic which finances it. Hashemi is linked to P-2 financial circles through at least three tracks:

- 1) the Tamraz-John Connally circles;
- 2) the Safra family-run Republic National Bank of New York, which took over the international banking operations of the Mafia-linked Franklin National Bank in New York;
- 3) the Pakistani-run Bank for Commerce and Credit International (BCCI), which ties directly into the P-2

Interalpha Group and the California-based Bank of America, which has a joint venture with Interalpha's Banco Ambrosiano. (Another fruitful "Billygate" lead with regard to Hashemi's Atlanta connections are Bert Lance's ties to BCCI.)

Hashemi's First Gulf Bank & Trust, Limited was originally incorporated in Anguilla as "First Arabian Bank & Trust," reported to be owned by Tamraz's First Arabian Corporation. Hashemi is linked to Tamraz and Syrian-American financier John Shaheen in numerous financial deals.

A John Connally protégé, Frank van Court, also ties Hashemi to Tamraz and Pharaon circles. Van Court was Ghaith Pharaon's representative on the board of Bert Lance's First National Bank of Georgia. He was also the head of Pharaon's Interdec corporation. Van Court, now a partner at Vinson & Elkins, is also an officer in Hashemi's International Intertrade, Limited, also known as Arabian Trading Company, run out of Hashemi's New York offices.

Hashemi is a man who travels in many circles, high and low. He runs the gamut from petty financial swindles to high finance, from being a revolutionary "Komiteh" official to negotiating with the highest levels of the U.S. government. He has operated with the help of powerful protectors, who may come to regret this association with Hashemi as his lawsuit against *EIR* proceeds.

James Bill continues revolutionary support

Professor James Bill of the University of Texas at Austin, a Council on Foreign Relations-sponsored Iran specialist who was one of the few American academics who helped to engineer the fall of the Shah and install the Khoemini regime, said in New York on Feb. 22 that most Iranians "are better off now than they were under the Shah."

Bill's assertion, which drew protests from some members of the audience at the prestigious Asia Society, was part of a presentation by Bill on the current status of the Iranian revolution. As an open apologist for Khomeini's revolution, Bill remains influential in the State Department and among other U.S. agencies, including the CIA. "We get a lot of our information from Bill," said one CIA official not too long ago. Perhaps he should have said "misinformation."

According to Bill, the Khomeini junta and the

ruling Islamic Republican Party will rule Iran for at least another 10 years. He claimed that the clergy had taken advantage of the "mystique of martyrdom" to rally the forces of the "dispossessed" and down-trodden masses; the mullahs therefore have a strong and unshakeable base, and so the "exiles are not going to go back."

Bill carefully noted that the IRP is an enemy of the Tudeh communist Party, a line often used to rally gullible American officials to support the clergy as an alternative to the left. "The IRP has described the Tudeh as 'the most dangerous and cunning force' in Iran, 'willing to use any tactic,'" said Bill, who did not add that the IRP and the Tudeh seems to have established a fine working relationship over the last three years.

As for the future, Bill said that the revolt in Iran had "captured the imagination" of millions of people in Egypt, Saudi Arabia, and the Gulf states, and that "the contagion of the Iranian revolution is spreading like wildfire, spreading and seeping throughout the Middle East." Or so he hopes.