

Hashemi documents classified 'Top Secret'

by Edward Spannaus

The U.S. Department of Justice has just upgraded to "Top Secret" the classification of documents subpoenaed by *EIR* concerning Iranian terrorism in the United States. The new classification level—the highest possible—was revealed in a memorandum submitted to U.S. District Court in Washington, D.C. on May 23 by Special Assistant U.S. Attorney Lee Strickland.

Last November, attorneys for *EIR* and related publications issued subpoenas to five U.S. government agencies for documents concerning the involvement of Cyrus Hashemi and Bahram Nahidian in Khomeini-sponsored terrorism in the United States during the Iranian hostage crisis. Hashemi is an Iranian banker and arms dealer who was widely reported to have conducted funds to Muslim Brotherhood terrorists in the United States in 1979-80. Nahidian is one of the principal on-the-ground controllers of Khomeiniac terrorism in the Washington area.

Three agencies, the Federal Bureau of Investigation, the National Security Agency, and the Central Intelligence Agency, have admitted to possessing "a substantial body of material" responsive to the subpoenas. Affidavits classified "Secret" from the FBI and the Attorney General were previously submitted to the court which described the "highly sensitive" nature of the FBI documents and claimed that the documents were protected from disclosure by a formal claim of "secrets of state." The NSA claimed statutory exemption from disclosure; the CIA has agreed to release portions of four cables if the court determines they are not subject to Privacy Act withholding.

At a hearing on April 25, District Judge Charles Richey directed the government to submit a detailed index of the documents for which the government is claiming privilege, and indicated that he would probably conduct an *in camera* inspection of at least some of the documents in order to determine if they should be released to *EIR*. In response to this request, the U.S. Attorney submitted additional affidavits to the court May 23.

The accompanying memorandum states: "Inasmuch as the full-text documents and affidavits are classified to the level of *Top Secret Codeword*, the respondents respectfully request that the United States Attorney continue to maintain the documents as required by security directives of the originating agencies. . . . Consistent with the classified, highly sensitive nature of this material, the respondents further request that only the Court itself have access to the material

and that necessary security personnel be permitted to deliver and await return of the classified materials."

EIR lead counsel Daniel Aharoni remarked that "the Justice Department's after-the-fact upgrading of classification to a level of grave and imminent danger to the national security seems to be nothing more than a transparent ploy to intimidate the court and prevent disclosure of the subpoenaed documents. . . . Based upon the evidence at hand, the only damage which is likely to result from disclosure is the embarrassment of high-level Carter administration officials who appear to have unwisely protected Khomeini agents during the hostage crisis."

EIR's legal briefs submitted in support of their Motion to Compel Disclosure pointed out the irony that the U.S. government is withholding evidence of foreign-sponsored terrorism being sought by U.S. citizens who are being sued by an acknowledged agent of the Khomeini regime. The government's withholding of vital evidence needed by the *EIR* and related defendants jeopardizes their ability to defend themselves in the \$60 million libel suit brought against them by Hashemi.

Meanwhile, Hashemi himself has been sued once again for fraudulent business activity. Merrill Lynch Futures Inc. (MLF) brought a \$6 million suit against Hashemi on April 11, charging that he had defrauded MLF of almost \$600,000. Using two companies he is alleged to control, York House Trading, Ltd. (incorporated in England) and Grosvenor Credit, S.A. (incorporated in Panama), Hashemi opened accounts with MLF in Geneva, Switzerland. After persistent failures to meet margin calls, MLF liquidated the York House and Grosvenor accounts, leaving a debit balance of \$580,762. The MLF complaint charges that "Hashemi's conduct as herein alleged was gross, wanton, and willfully fraudulent, and demonstrated such wanton dishonesty as to imply a criminal indifference to civil obligations."

The Merrill Lynch suit is viewed by some observers as an in-house fight within the intelligence community, since both Merrill Lynch and Hashemi are reported to have extensive ties to certain U.S. intelligence agencies.

Meanwhile, Hashemi is still facing a motion to dismiss his case brought by the *EIR* defendants in federal court in Atlanta, Georgia, where the main proceeding in *Hashemi v. Campaigner Publications, et al.* is pending. The motion was occasioned by Hashemi's repeated refusal to appear for deposition by *EIR*, despite court orders directing him to do so.