

The 'parallel government': the case of Theodore Shackley

by Criton Zoakos

The recently released report of the Tower Commission, as *EIR* reported in its cover story last week, is most notable for what it did not say, but merely indicated in documentary fashion. Most notable, the Commission was compelled to quote Lt. Col. Oliver North saying his logistical network for Iranian arms sales and arms and money supplies to the Contras, was the network of "Project Democracy," the name of a private network funded by the State Department to "promote democracy" around the world.

Among the frequent references in the report is the name of Theodore Shackley, a former CIA Deputy Director of Plans, i.e., covert operations, apparently reassigned to this private network in 1979 by Director of Central Intelligence Stansfield Turner. It appears that Shackley's role was crucial in the overall schemes popularly associated with North.

The Shackley references are important in the following sense: None of the seven specific occasions of arms shipments to Iran would have occurred without the mediation of National Security Council "part-time consultant" Michael Ledeen. The Tower report strongly suggests that Theodore Shackley was, at the very least, the person who initially created the connection between Ledeen, certain Israelis, and certain Iranians.

Here, let us review and attempt to verify numerous other reports and assertions respecting Shackley and his friends and partners in "Project Democracy," a network of private organizations executing U.S. foreign policy, which Sen. David Boren (D-Okla.)

A cabal of covert operatives

According to the Tower Commission: "By November 1984, Iranians with connections to the Teheran government were indicating a connection between such weapons and the release of Americans kidnapped in Lebanon. Theodore Shackley, a former CIA officer, reported that, in a meeting in November 19-21, 1984, in Hamburg, West Germany, General Manucher Hashemi, former head of SAVAK's Department VIII (counterespionage), ucher Ghorbanifar. . . . In May, Shackley recalled discussing the hostage problem over lunch with Ledeen. Shackley

told him about his report on his November 1984 meeting with Ghorbanifar. Shackley remembered that Ledeen asked for a copy of the report. Ledeen said people in the government were interested in investigating the hostage question, and asked if Shackley could 'find out whatever that was as a channel, if it is still open.'"

Manucher Ghorbanifar became the middleman for Teheran in the weapons sales eventually arranged by Ledeen and the National Security Council.

There are other references to Shackley. The statements of various witnesses, including Shackley and Ledeen, to the committee were not under oath, and can be taken to be of uncertain veracity. But let us pull on the Shackley thread a little more, and see what unravels.

Theodore Shackley has been closely associated, for many years, with persons such as Richard Secord, Thomas Clines, and Albert Hakim, who supplied both the Iranians and the Nicaraguan Contras. For example, numerous corporations were used to finance the weapons transactions with Israel and Iran—all owned by persons long associated with Shackley, like Secord, Hakim, and Clines. Certain unconfirmed reports insist that, in the case of Southern Air Transport, Theodore Shackley is a covert owner-by-proxy. (In a letter to the editor of *EIR*, Shackley's attorney denied that his client is an owner, but remains silent on the question of ownership-by-proxy.)

In its March 9, 1987 issue, *Newsweek* characterized the group associated with Shackley variously as a "cabal of covert operators," its "own Central Intelligence Agency" with "globe-straddling logistics." In describing this network, *Newsweek* agrees with many other investigators, that the roots of this network, "can be traced back 25 years, to the CIA's plots against Fidel Castro and its secret war in Laos. . . ."

A Vesco-Shackley connection?

The case of "fugitive financier" Robert Vesco, is one of the big skeletons in the CIA's closet, with significant implications for possible wrongdoings by former CIA Deputy Director for Plans Theodore Shackley. First of all, the Swiss-based companies which laundered funds for Lieutenant Colo-

nel North, companies controlled or owned by Shackley's long-time associates, are managed by one Willard I. Zucker, the one-time attorney for Robert Vesco, and a man described as "an undercover agent who plays a discreet role in Middle Eastern arrangements."

During 1971, when Robert Vesco was serving time inside a Swiss prison, the CIA, according to court records, intervened on Vesco's behalf, to win his release and establish him, as a fugitive from U.S. justice, in Costa Rica. The establishment of fugitive Vesco, first in the Bahamas, and then Costa Rica, occurred immediately after Theodore Shackley was appointed the CIA's Chief of Western Hemispheric Operations. In short, Shackley, *ex officio*, must have been the man who provided the protection that Vesco needed.

The Vesco-Shackley relation appears to continue later, around affairs involving Libya in 1977. At this time, Shackley established his elaborate "Terpil-and-Wilson" team of logistical support for Muammar Qaddafi. Simultaneously, Vesco was arranging for President Jimmy Carter's brother Billy to visit Libya.

During the 1978-79 period, the orbits of Vesco and Shackley intertwine in a fascinating way, through a series of intrigues involving both Latin America and the Middle East. Ed Wilson, a co-owner, with Secord, Hakim, Clines, and Shackley of the Egyptian-American Transport and Services Corporation (EATSCO), was about to be indicted when CIA Director Stansfield Turner eased Shackley out of the CIA, and into a shadowy world of "private business," in which Shackley thrives to this day. Meanwhile, during that period, the whereabouts of Vesco, expelled from Costa Rica in April 1978, become mysterious and virtually impossible to trace. Whatever Vesco was up to, it had very much to do with the Sandinista revolution.

Shackley's partner and CIA employee Edwin Wilson, during 1978, visited dictator Anastasio Somoza in Nicaragua and offered his and Shackley's "special services" for a certain price. It turned out to have been too high for Somoza. Another Shackley partner, "Chi Chi Quintero," from July 1979 onward, becomes the key supplier of the original Contra operations of defeated Somocista forces operating in Honduras. Quintero used the Orca Supply Company, which had been set up by Wilson.

During this period of transition in Nicaragua, Robert Vesco, expelled from Costa Rica, wanders between the Bahamas, Antigua, and, illegally, Costa Rica, with frequent disappearances for long stretches. Eventually, in the spring of 1982, he is spotted by Nicaraguan Contra leader Alfonso Robelo, as a "guest of honor" of the Sandinista government. Robelo at the time insisted that Vesco was operating as financial adviser to the Sandinista government; he also said that Vesco was a close collaborator of Fidel Castro. Other reports, popular among disgruntled Contra circles, but also verified by U.S. intelligence sources, point out that Daniel Ortega's 1977 visit to the Carter White House, was an indication that the Sandinista regime was placed in power by some faction

of the U.S. intelligence community. This suspicion has merit.

If the Sandinista revolution was steered by some U.S. agency, it would have to be the covert component of "Project Democracy," or whatever it was that Shackley was reassigned to by Turner back in 1979. Robert Vesco, the man once rescued from a Swiss prison by Shackley, must have had a central role in the eventual victory of the Sandinistas. In August 1985, U.S. Justice Department sources disclosed to the press that Robert Vesco was in Havana, Cuba, a guest of Fidel Castro. Cuban dictator Fidel Castro subsequently confirmed this: "The first time he came here he had nowhere to go and was being chased like crazy," Castro said. "He came and asked for medical assistance. And so he was told, 'If you want to live here, live here. If you want medical treatment, you will have it.'"

There was more to it than that: Vesco, Theodore Shackley's protégé, was supplying Castro with imports of machinery to modernize the Cuban economy.

The Christic Institute lawsuit

A legal suit has currently been filed in the Southern District of Florida, in which Tony Avirgan and Martha Honey are the plaintiffs, and Shackley, Clines, Secord, Hakim, and Quintero are among 29 defendants accused of "racketeering activity carried out in connection with a drug and arms smuggling enterprise and other enterprises engaged in or affecting interstate and foreign commerce, in violation of state and federal law," and of "physically threatening, kidnapping, beating and murdering news sources," among other charges. This lawsuit was initiated during the summer of 1986, months before the Irangate scandal started.

On Dec. 12, 1986, the attorney for the plaintiffs, Daniel P. Sheehan of the Christic Institute, submitted an affidavit for the purpose of advancing the pre-trial investigation and of subpoenaing additional evidence. The picture there presented is that of a major combined business and political intelligence operation, beyond the control of any responsible governmental agency, and beyond any procedure of accountability. The style of activity of the defendants closely fits the various descriptions of what Project Democracy officials had at various times claimed their objectives were—a network of private organizations executing foreign policy.

Unfortunately, until recently, officials both from the Justice Department and FBI, including Justice's number-two, Stephen Trott, Assistant Attorney General Mark Richard, and FBI number-two Oliver "Buck" Revell, have interfered, attempting to derail or suppress due process, sometimes fraudulently arguing that "national security" interests were involved. All these officials were, in one way or another, associated with Lt. Col. Oliver North's "Restricted Inter-agency Group."

The case, hopefully, will be tried, and Shackley and his friends will either be exculpated or found guilty as charged. What is important, meanwhile, is that the case be litigated.