Malmö export-import trader, Schmitz, presented himself to Swedish business circles in 1982 claiming he had an agreement from the Iranian state oil company, NIOC, to sell Iranian oil. Businessmen reportedly regarded it as strange that such an unknown small businessman should be authorized to sell Iran’s oil. This was not the only strange aspect of Schmitz’s meteoric career over the past five years.

Largely because, to date, all major European “Irangate” investigations have been an outgrowth of the Swedish Customs Service raids on Bofors and Schmitz’s offices, revelations have portrayed Schmitz as the most important world “merchant of death” since perhaps Basil Zakharoff in the 1920s. While there is reason to suspect that Schmitz is presently being used as the “fall-guy” for far more important interests, the threads which have begun to unravel around his case are extremely revealing.

Following the September 1985 raid on his office, Schmitz was forbidden to travel outside of Sweden, managed to have the travel ban overturned two days later. According to reliable Swiss reports, as of October 1987, Schmitz was more active than ever, operating out of the haven of Switzerland, with its bank secrecy and laws under which exports to Iran are not forbidden, as they are in Sweden and several other European countries.

Schmitz ran the Iran side of his operations in concert with an Iranian national, Makhmoud Kaikhosrovi. They shared a front company, with an office in Fribourg, Switzerland, a well-known haven for “shell” companies. Richard Secord and Albert Hakim, of U.S. “Irangate” notoriety, maintained a number of such “briefcase” firms in Fribourg at the same time. Schmitz’s Fribourg firm, Scancom, listed Kaikhosrovi as a representative. Kaikhosrovi’s own Fribourg firm, INCOTRA, lists its head office in Isfahan, Iran. Schmitz frequently used this as his office when in Iran on business.

By his own admission, Karl-Erik Schmitz is also tied to Israeli Mossad interests, a significant controlling part of the arms and ammunition for the war against Iraq, undoubtedly has left a bloody trail of murders and suspicious deaths by “heart attack,” or the like. The efforts to cover up these murders are matched only by those to cover up the arms trade itself. The 10 cases listed below, while not necessarily complete, indicate the kind of “business” methods favored by Teheran.

- Engineer General René Audran, shot dead by terrorist killers on January 26, 1985. The attempt was claimed by the Direct Action terrorist group, known to execute murder contracts for Islamic fundamentalist causes. Audran was engineer of armaments and head of the international department at the French defense ministry. The just released “Barba Report” on the Luchaire-Iran arms deals asserts that Audran was knowledgeable about this arms traffic; some sources say he opposed it.

- Ambassador Herbert Amry, died of a “heart attack” in July 1985. Amry was Austria’s ambassador to Greece, and realized that cannons allegedly sold to Greece by Austria’s state arms industry, Voest-Alpina, never arrived in Greece. The cannons in fact were sold to Iran. After Amry exposed the fact in the spring of 1985, a commission of inquiry was set up in Vienna, but the ambassador never made it back to testify. He had no previous record of heart troubles, yet his body was quickly cremated, without an autopsy.

- Prime Minister Olof Palme, shot by a killer on Feb. 28, 1986. While the murder was covered up by a disinformation campaign, newspapers and other sources in several countries have pointed to Palme’s involvement in arms deals with Iran, including those of the Bofors company, as the only credible explanation. The official U.N. mediator in the Iran-Iraq war, Palme, although known
vast Iran weapons concession. Schmitz’s “Israeli connection” is run through the Brussels, Belgium firm, Distraco SA, listed as a “chemicals export-import” firm in the Belgian commercial directory. The two directors of Distraco are Alexandre Gourary and an Israeli national named Moshe Na­von.

Ollie North connection

Schmitz was also linked, apparently quite closely, with the entire illegal U.S. “Irangate” parallel government apparatus of Col. Oliver North. According to new revelations in the Swedish press of Nov. 8, Schmitz used airplanes hired from St. Lucia Airways, based in the West Indies, to smuggle illegal arms shipments to Iran. At least two instances of such shipments in 1985 via St. Lucia Airways on charter to Schmitz’s front company, Cekado AB, have come to light in Sweden. On July 24, 1985, Schmitz loaded one Boeing 707, at Lesquin Airport outside Lille in northern France, with gunpowder for Iran from Bofors/Nobel of Sweden. On Aug. 14, 1985, Schmitz again used a St. Lucia Airways charter, this time for gunpowder from PRB of Belgium. At least 33.1 tons of illegal war matériel were shipped by Schmitz from Lille via St. Lucia Airways in the two planes. Most came from PRB and the Dutch explosives company, Muiden Chemie.

St. Lucia Airways is formally owned by one Allison Lindo, a lawyer on the island of St. Lucia in the Caribbean. The managing director is a 40-year-old West German named Dietrich Reinhardt. According to the Tower Commission Report on “Irangate,” St. Lucia Airways is a CIA front company, and played an important role in facilitating the arms shipments of North, Secord, et al.

Other still unconfirmed reports are that Schmitz maintained a bank account someplace in the United States during this period. Kaikhosrovi reportedly fled to the U.S.A. following the Swedish revelations in 1985-86.