

BCCI trail leads to 'October Surprise'

by Edward Spannaus

Any thorough investigation of the Bank of Credit and Commerce International (BCCI) will lead right through the U.S. intelligence community into the "October Surprise" scandal—the actions by the Reagan-Bush campaign to delay the release of U.S. hostages held by Iran until after the November 1980 elections. *EIR's* investigations have shown a heavy overlap between the BCCI gang and the financial backers of Cyrus Hashemi, the late Iranian gunrunner who played a pivotal role in the October Surprise arms deals and the Iran-Contra affair.

It is this feature of the BCCI affair which may be responsible for the fact that the U.S. Justice Department has obstructed the BCCI investigation, just as it has covered up the Hashemi case for many years.

The CIA and Defense Intelligence Agency used BCCI to maintain secret bank accounts and slush funds, according to *Time* magazine; these accounts were used to fund the Iran-Contra deals and other covert operations. *Time* also reported that BCCI maintained close ties with Israeli and Western intelligence agencies.

No surprises here. *EIR* exposed the ties between the BCCI crowd and British, Israeli, and U.S. intelligence agencies a decade ago. The Arab dirty money interests centered in BCCI worked closely with British intelligence in sponsoring the Muslim Brotherhood and other radical fundamentalists used to destabilize the Middle East at the time of the Iranian Revolution. BCCI's arms dealing and ties to Israeli and U.S. intelligence were well known.

The Hashemi connection

When the backers of the Reagan-Bush campaign in the U.S. intelligence community wanted to delay the release of the hostages, among those they turned to were Iranian gunrunner and banker Cyrus Hashemi, and his brother Jamshid, a close associate of CIA-backed Iranian Defense Minister Admiral Madani. The Hashemi brothers had already been used as conduits of CIA funds for Iran and to Madani's election campaign; in July and August they were used to establish a channel to the radical mullahs which by-passed the Carter-Bani Sadr negotiating channel.

As part of the Reagan-Bush October Surprise counteroperation, arms and military equipment were secretly shipped to Iran immediately following the mid-October 1980 Paris meetings, in which George Bush, the late CIA head William Casey, and Henry Kissinger are all reported to have partici-

pated. At least two routes are known to have been used for these arms shipments: the Israelis, and the Hashemi brothers.

The Hashemi arms shipments were planned in a series of meetings between the Hashemi brothers and a former top Nixon Justice Department official, J. Stanley Pottinger. The meetings were held at the offices of Hashemi's First Gulf Bank and Trust in New York, according to court documents. (First Gulf had already come to the attention of the FBI and CIA as a conduit for funding pro-Khomeini protests and terrorism in the U.S., according to Freedom of Information Act documents obtained by *EIR*.)

Hashemi's First Gulf Bank and Trust was a wholly owned subsidiary of the First Arabian Corp., which is based in Luxembourg, as is BCCI. The key investors in First Arabian were much the same as BCCI, including former Saudi intelligence chief Kamal Adham and Saudi financier Ghaith Pharaon. First Arabian's chairman is Lebanese financier Roger Tamraz, a longtime partner of Pharaon and also a reputed CIA asset.

Hashemi was also a longtime business associate of John Shaheen, a crony of William Casey from the days of the Office of Strategic Services (OSS). During 1985, Shaheen tried to broker another deal between Hashemi and Casey in which Hashemi offered to get the U.S. hostages in Lebanon released in exchange for having his indictment dropped. Hashemi had been belatedly indicted in 1984 for his 1980-81 shipments of military equipment to Iran.

Also figuring prominently in the indictment as a coconspirator, but never actually indicted, was Pottinger, who was identified as Hashemi's principal CIA controller by *EIR's* intelligence sources. He was a director of one of Hashemi's London-based corporations which was used for the illegal Iranian arms shipments.

The Pottinger angle is one that has not been pursued by any of the principal October Surprise investigators other than *EIR*. Pottinger was never indicted for violating the arms embargo; the reason given was that the FBI had "lost" three of the critical surveillance tapes on which Pottinger had been heard advising Hashemi how to circumvent the U.S. arms embargo to Iran.

To bring the Hashemi story back full circle: Some of the Pottinger-Hashemi arms shipments were shipped through a company owned by Jamshid Hashemi called RRC. According to London court documents, RRC's bank was BCCI.

BCCI has been dubbed the "Bank of Crooks and Criminals International." But it is clear from the evidence already in the public domain that among the biggest crooks and criminals operating through BCCI have been British intelligence, the U.S. CIA, and the "secret government" gang that brought us the drug-running Oliver North. This is a fertile field for any October Surprise investigators who have the courage and the honesty to dig into it.

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