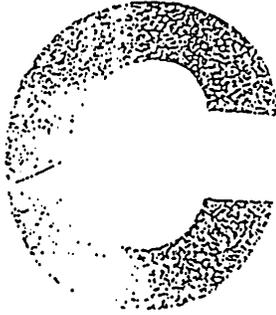


18 DECEMBER 1966

Deny Cover Sheet in toto citing FOIA exemptions (b)(3).

187.

Approved for Release
Date JUN 1999



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Summary of Initiatives Known to the DCI Hostage Location Task Force
Which Have Been Taken to Secure the Release of
US Hostages in Lebanon

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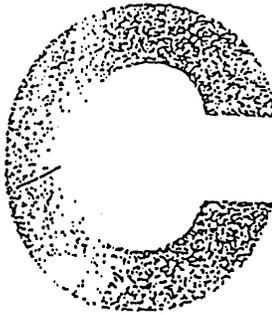
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The Chirac government has threatened to sue the independent leftist daily, Liberation, for its report that France paid \$2.3 million to Moslem extremists in Lebanon in exchange for the two Antenne-2 television crew members released in June. The newspaper claims contact with the hostage-holders was made through two Lebanese Shi'ites in the Ivory Coast.

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[REDACTED] Initiatives

The [REDACTED] Government, concerned over the lack of US-Iranian relations and the impediment posed by the holding of American hostages in Lebanon by Iranian-backed groups, has long tried to influence the situation. In June 1985, a [REDACTED] emissary traveled to Syria and Iran and offered substantial economic credits to these countries in return for resolution of the hostage crisis.

The [REDACTED] Government has made repeated entreaties to Iran to use its considerable influence with the Lebanese captors to win the release of the US hostages. In a senior-level meeting in late June 1986, the

[REDACTED] underscored US earnestness in pursuing the release of the hostages and asked Majlis Speaker Rafsanjani, his host, what sign of sincerity Iran required from the United States. Rafsanjani in reply went on at length to complain about US Middle East policy but, in very general terms, held open the door to future discussions with the United States if Washington adopted "a new attitude." This meeting was also noteworthy in that Rafsanjani acknowledged that Tehran had influence with the captors. (S- [REDACTED] (b) (3))

The [REDACTED] recently have admitted that Prime Minister [REDACTED] earlier had written two letters to Rafsanjani asking Iran to pursue the US hostages' release. L

[REDACTED] Initiatives

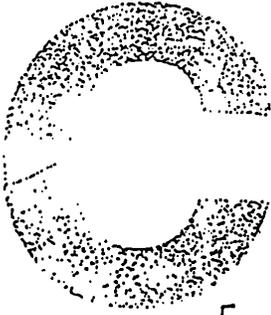
France relies on [REDACTED] as a channel to the Lebanese Hizballah, as well as an intermediary with Arab States, and believes that the [REDACTED] if asked, would put their good offices to work to pursue the release of US hostages. As recently as 18 November a French Interior Ministry official recommended to the American Embassy in Paris that Ambassador [REDACTED] in [REDACTED] should discuss the hostage issue with a senior adviser to [REDACTED] who, according to the Frenchman,

[REDACTED] b-3 [REDACTED] b-3 [REDACTED]

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is looking for signs of high-level interest in [redacted] involvement.

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Cypriot Initiatives

Two Cypriot students kidnaped in April 1986 near the campus of the American University in Beirut by Hizballah elements were freed on Saturday, 21 June, apparently in a deal brokered by PLO Chairman Yasir Arafat.

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Greek Initiatives

The Government of Greece has attempted to work through [redacted] to secure the release of Western hostages. Margaret Papandreou met with Peggy Say, sister of US hostage Terry Anderson, in Athens on 15 and 16 July to discuss efforts to secure the release of the American hostages being held in Lebanon. The meeting came in the wake of Mrs. Papandreou's discussions with Syrian President Asad in Damascus. The Greek Minister's wife offered to "go anywhere and do anything to assist in the release of the hostages" and claimed Syrian President Asad was committed to work with the Greek Government for their release.

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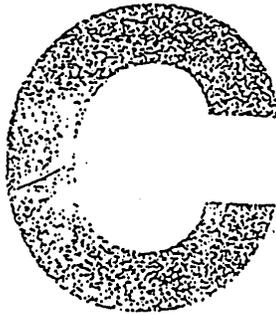
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THROUGH



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Pakistan Efforts

President Zia of Pakistan raised the issue of the American hostages with Iranian President Khomeini in Islamabad in January 1986. No results were evident. (S M)

Efforts of the Italian Government [REDACTED]

[REDACTED] has conducted secret and unofficial efforts to release the Western hostages in Lebanon. [REDACTED] attempted two routes to opening a line of communications with the kidnapers. One was through the Lebanese lawyer who represented the seven Shi'ite terrorists who were arrested in 1984 for plotting to blow up the American Embassy in Rome. The other is an Iranian. Last year two Iranians had been arrested in Italy for possession of explosives. They had been tried, convicted, and jailed. After their arrest, an extremist Iranian faction had threatened Italy with terrorist attacks if the two were not released. The Iranian Government sent a representative who asked for assistance in arranging for medical care and legal representation for the two. [REDACTED] worked with this Iranian and personally intervened to help the two prisoners. [REDACTED] stated he would contact the Iranian through the Italian lawyer who represents the two Iranians. (S M)

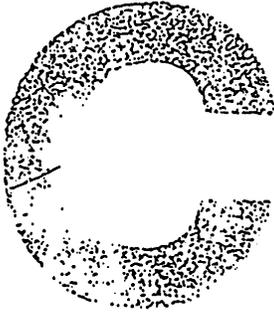
Vatican Efforts on the Hostages

The Vatican has exerted intermittent efforts to secure release of the Western hostages. The Vatican's Foreign Minister, Archbishop Silvestrini, stated on 9 July that the Holy See had no "specific plan of action" for securing the release of the American and French hostages, but that the Vatican or any religious order of the Catholic Church had been charged with dealing with the militants on raising funds to obtain the hostages' release. The Archbishop expressed frustration over the hostages' situation and reiterated that the Holy See has done everything within its power--including Silvestrini's visit to Lebanon and Syria in April 1986, support for Terry Waite's mission, Cardinal O'Connor's recent visit to Lebanon, and discussions with the Iranian and Syrian ambassadors to the Holy See--to secure the hostages' release. (S)

The Catholic Relief Service Initiative

The US Catholic Relief Service (CRS) has taken actions to secure the release of US hostages. An official letter from the CRS containing a clear offer of substantial humanitarian assistance to Lebanese Shi'a was in late May dispatched to Terry Waite, Special Envoy of the Archbishop of Canterbury, for Waite's use during a trip to Lebanon. Although the CRS letter contained no direct reference to the hostages, Waite was

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(authorized by CRS to state explicitly that CRS funds would flow to the Shi'a for social welfare purposes if Father Jenco and other American hostages were released. We understand that CRS is still prepared to provide ~~_____~~ in humanitarian assistance to the Lebanese Shi'a. (S NF)

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Cardinal John O'Conner

Cardinal John O'Conner, the Roman Catholic Archbishop of New York, visited Beirut in June 1986 in an attempt to meet with leaders of the hostage holders. Cardinal O'Conner later admitted his visit was essentially a failure, that he had not met with Shaykh Fadlallah, contrary to press reports, and that he was extremely disappointed with his visit. (S NF NC OC [] b-3

O'Conner had seen senior officials of the Greek Orthodox wing of the Church, and met with Lebanese President Gemayel, and had crossed the Green Line into West Beirut where he had met with some Sunni leaders. Despite efforts to meet with Fadlallah, no meeting had occurred; nor were there any new demands relayed to Cardinal O'Conner by the captors again contrary to press reports. (S NF NC OC []

O'Conner also had wanted to go to Damascus to see President Asad but was unable to obtain a personal invitation. (S NF NC OC []

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Congressman Dornan's Visit to Damascus

Congressman Dornan met with President Asad and Foreign Minister Sha'ra in Damascus on 30 June 1986. Dornan presented the Syrians with a letter signed by 151 members of Congress asking for Syria's help in releasing the US hostages on humanitarian grounds. Asad tried to convince Dornan of Syria's good intentions and said Syria would do all it could, as usual, made no concrete promises. Foreign Minister Sha'ra was less encouraging, and cited US support for Israel as complicating the situation in Lebanon and contributing to the "kidnaping problem." Referring to last year's TWA hijacking, Sha'ra claimed that US commitment to President Asad had not been honored and that the US raid on Libya had a negative effect. Nothing material ever developed from this initiative. (S NF NC OC [] b-3

Peggy Say's Private Initiatives

Hostage Terry Anderson's sister, Peggy Say, has undertaken various initiatives to free her brother. She has attempted to arrange a meeting with chiefs of Shi'ite militias in Lebanon, including Hizballah. She has tried to see President Asad "to reinforce" his commitment to do what he can to resolve the hostage issue. She has also contacted representatives of the PLO, the governments of Greece, Tunis, Algeria, and others.

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Foreign government responses to Mrs. Say have been polite but not forthcoming. ~~(S) (NF) (NC) (OC)~~

American-Arab Anti-Discrimination Committee Petition

The American-Arab Anti-Discrimination Committee of the United States gathered signatures from Arab communities across the country, with the objective of petitioning the captors to release the US hostages. The effort reportedly garnered thousands of signatures. Many Arab-Americans sympathize with the Arab political positions, but the kidnaping and recent acts of terrorist violence in the Middle East are abhorrent to them. The organization sent the petition to Lebanon. No results were evident. ~~(S) (NF) (NC) (OC)~~] b3

US Muslims Visit Beirut In Effort To Free Hostages

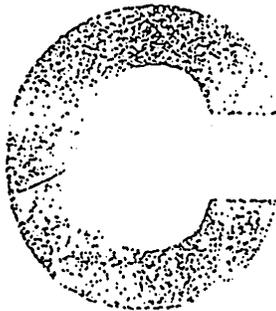
The Vice President of the National Council on Islamic Affairs, Dale Shaheen, and Mohammed Mehdi, Secretary General of that organization, visited Beirut recently to try to secure the release of foreign hostages held in Lebanon. Mehdi initially said his organization, which he claims has the support of eight million US Muslims, had begun contacts with groups holding the hostages and that he would continue these efforts in Beirut. Mehdi and Shaheen told the press they thought they had about a "70 percent" chance of success. ~~(U)~~

Nevertheless Mehdi, and Shaheen returned to the United States on 13 December from Beirut, their private initiative apparently having produced no results. Mehdi told the press that they had succeeded in contacting the kidnapers, but "were not able to establish a basis upon which to continue working with them." He said that, while in Damascus last week, he and Shaheen spoke for an hour with one of the kidnapers, and on December they also spoke by phone for half an hour with another kidnaper in Beirut. According to Mehdi, the kidnapers reportedly were dismayed that the US Government abstained in the UN Security Council vote condemning Israeli behavior on the West Bank, which he claimed demonstrated American failure to condemn terrorism. Mehdi reportedly pleaded in the name of Islam for the kidnapers to meet with him and Shaheen, offering to go blindfolded, if necessary, to any site the kidnapers wished for discussions. He acknowledged that the hostage mediation effort was proving to be more difficult than anticipated and chances for success had dropped from "70 to 50 percent" in his estimation.

Mehdi said in a Cable News Network interview that he and Shaheen would return to Beirut in approximately two months. ~~(U)~~

Hariri Initiative

b-3 [~~TOP SECRET~~]



[REDACTED] b-3

[REDACTED] a wealthy Lebanese businessman close to [REDACTED] in early December offered his services to the United States to secure the release of US hostages in Lebanon. He alleged that his representative in Beirut learned from Hizballah leader Muhammad Husayn Fadlallah that the kidnapers may have dropped the demand for the return of the Shi'a prisoners in Kuwait in exchange for the Americans. He added that if it turns out that the Hizballah group believed to hold the US citizens would accept ransom money only, "that would be no problem." The Ambassador assumed this means Karim would provide the funds himself if necessary. [REDACTED] had instructed his intermediary to seek clarification of the captors' demands and expected to have had word back within a week to 10 days. Nothing more has been heard on this initiative since early December. (S) (NODIS)

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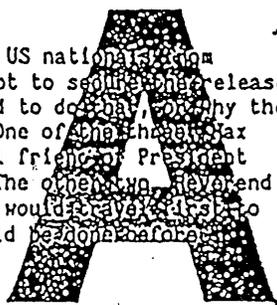
[REDACTED] Indicates Willingness to Help on US Hostages

On 21 September, [REDACTED] told Ambassador Kelly that Progressive Socialist Party (PSP) forces had helped the United States in the past and would do so again if anything positive turned up on the hostages. PSP forces located in West Beirut and in the Shuf mountains are, in fact, in a position to assist under certain circumstances. [REDACTED] offer of assistance doubtless has limits. He would be unlikely to alienate other Lebanese political elements to assist the United States, unless there were significant incentives to do so. Nevertheless, Ambassador Kelly's meeting with [REDACTED] apparently did produce conciliatory results. On 22 September, the PSP radio, "Voice of the Mountain", broadcast a statement urging the release of hostages in Lebanon. (S)

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Binswanger Initiative

US Embassy Rome attempted to discourage three US nationals from travelling to Beirut where they intended to attempt to secure the release of American hostages in Lebanon. How they planned to do so, or why they thought they might be successful was not clear. One of the three, Max Binswanger, who is reported to be a close personal friend of President Reagan, decided to return to the United States. The other two, Reverend Michael Macintosh and Ed Mitchell, indicated they would travel first to Kuwait, Israel, Cyprus, and Syria to see what could be done before undertaking a "risky trip" to Beirut. (S)



(B-3)

[REDACTED] Proposal

A New York City private detective, [REDACTED] called the Hostage Location Task Force on 31 October to report that he and [REDACTED]—previously reported to be a drug trafficker—were attempting to recover the remains of US hostage William Buckley. [REDACTED] claimed that he was scheduled to meet with Shaykh Fadlallah, President Gemayel, and

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members of the Kharouz (phonetic) family, which allegedly has possession of Buckley's remains. If the effort succeeded, [REDACTED] said he would contact the US Embassy in Nicosia for further instructions. The Hostage Location Task Force emphatically counseled [REDACTED] to abandon the plan, pointed out that, as a Jew, [REDACTED] would himself stand an excellent chance of becoming a hostage. (S-NF-NC-OC)

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Steven John Donahue Proposal

Steven John Donahue on 25 July 1986 contacted a member of the DCI

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[Hostage Location Task Force to offer assistance in recovering the American hostages in Lebanon. Donahue himself had been held hostage by drug traffickers in Lebanon earlier this year, and was released on 1 July after his family allegedly paid ransom of \$400,000. Donahue is an admitted drug trafficker and is under federal indictment on drug-related charges. Donahue's offer was politely refused although he was asked to provide whatever information that might be useful.

Initiative

[redacted] a British national who resides in New York and is writing a book on drug trafficking conveyed an offer from drug merchants in Lebanon to sell a videotape of the hostages for \$500,000. [redacted] was advised that the United States would be interested in discussing this matter if it were part of broader discussions on the outright release of the hostages, and if he could obtain appropriate bona fides establishing that these drug merchants are, in fact, in direct contact with the captors of the American hostages. Nothing developed from this initiative.

Conwell Initiative

Former TWA 847 hostage Allyn Conwell attempted to secure release of the US hostages in Lebanon. In June 1986 Conwell went to the Syrian Embassy in Athens to seek help in contacting AMAL leaders who might assist in obtaining release of the hostages. Syrian officials granted Conwell a visa to visit Damascus and indicated he would receive assistance at the "highest levels." (S)

When Conwell arrived in Damascus, however, the only official who contacted him identified himself as a representative of the Syrian "secret police." He talked to Conwell in his hotel room for only one hour and never contacted him again. Conwell remained in Damascus for several days before returning home. (S)

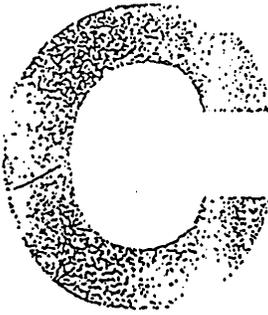
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The Carnaby Deal to Ransom an American Hostage

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[In early July a Lebanese-American, [redacted] reported being approached by a Lebanese Christian offering to ransom one American hostage. Subsequently, [redacted] the Lebanese Christian making the offer, advised the Regional Security Officer at the US Embassy in Beirut that [redacted] contacts with the hostage captors have backed out of the deal

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Missing Syrian-Born American Businessman Subject of Private Rescue Initiative

Faik Wareh, A Syrian-born American businessman, who in early August was reported as having disappeared on a 29 June trip from Beirut to Damascus, is now said to have been kidnaped by a Hizballah group. Wareh's daughter, Denise Markum, who lives in the United States, recently called the Department of State to report that a friend of Wareh's in Damascus by the name of George Kazoukian had retained the services of an individual to visit Beirut and gather information. That individual reported back that Wareh had been stopped at a checkpoint just outside of Beirut, searched, identified as an American, and then kidnaped. He also reported that the group responsible is Hizballah. Markum did not know the kidnapers' terms for release, but reported that Kazoukian had employed an "Arab army official" (country unknown) to "satisfy" the captors' demands and secure Wareh's release. According to Markum, Wareh was expected here as early as 22 September. (S-REF)

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Alleged Deal to Exchange US Hostages for 10,000 TOW Missiles

The US Embassy in Paris was approached on 6 February by [redacted] with a written prospectus alleging ongoing negotiations between the Iranian Government and US middlemen, to exchange 10,000 TOW missiles for the release of "six" US hostages in Lebanon.

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According to [redacted] two senior Iranian officials who were in Europe wished to meet "immediately" with a US official to discuss the arrangement. In his discussion with Embassy officials, [redacted] acknowledged that he had been working as a middleman between Iran and Israel during the past year to procure arms for the Iranian Ministry of Defense. These efforts, according to [redacted], had not produced results and the Iranians thus switched their attention to France and the United States, using the American hostages as bargaining chips. (S NF NC CC)

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According to information obtained by the FBI, [redacted] had been in touch with a senior French customs official who is a protege of French Foreign Minister Dumas, on this arms deal. The customs official apparently was assisting Beiber on the sale in exchange for a share of the profits. He claimed, erroneously, that UN Ambassador Walters was involved in the transaction and also provided the names of officials of Hughes Aircraft, which manufactures the TOW. According to the French official, the TOWs were to be shipped to Iran via Pakistan. (S NF NC CC)

FBI

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Reporter

[redacted] reported based in Tunisia, reported that he met with a number of Hizballah members on 15 April in the Biqa' Valley. He indicated that they would provide him with a "recent videotape" of the three American hostages. (S NF)

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Nothing ever developed from this contact. (S NF)

UNRWA Involvement

[redacted] of the United Nations Relief and Works Agency for Palestine Refugees (UNRWA), met with [redacted] on 15 February 1986 in Vienna. The focus of [redacted] interest was Alec Collett, an UNRWA employee, who was kidnaped on 25 March 1985 in Beirut by a group calling itself the Revolutionary Organization of Socialist Moslems. Collett is a British national, but there has been concern that his captors may consider him American, based on the fact that he has lived in the United States for the past 20 years, is a permanent resident, and his wife and son are US citizens. Collett was subsequently murdered by his captors. (S NF)

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