

BCCI and October Surprise Task Force

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The House Banking Committee has subpoenaed the First American Bank for all of its records pertaining to CIA accounts as part of an investigation of the Bank of Credit and Commerce International (BCCI). CIA does not currently have any accounts at First American;

[REDACTED]

CIA has provided a general briefing to two cleared Banking Committee staffers about the First American accounts, as well

[REDACTED]

[REDACTED] We have also provided the Banking Committee with intelligence reports on BCCI activities, and have indicated a desire to cooperate with the Banking Committee's investigation so long as it would not require access to operational information. Despite that briefing, the Banking Committee has sent a letter to the ADCI asserting its right to review all [REDACTED] records and interview CIA officers in connection with its BCCI investigation, regardless of the sensitivity of the information. (Copy of letter attached.)

The Agency has tried to obtain the help of the HPSCI to act as a surrogate for the Banking Committee in reviewing sensitive operational information. The HPSCI Staff Director is continuing to discuss the issue with the Chairman. However, to date the Banking Committee has refused to accept any role for HPSCI in its investigation.

We have also received a request for information from the House Task Force formed to investigate allegations that officials from the Reagan campaign sought to delay release of the hostages in Iran until after the 1980 election. The Task Force requested information regarding official and unofficial arms sales to Iran of U.S. origin or U.S. content from November 1977 through August 1985. The requested information would include field reporting and operational strategies. After informing McCurdy and Shuster of the current situation with the Banking Committee and the October Surprise Task Force, we suggest that you make the following points:

- We recognize the Banking Committee has a legitimate interest in investigating the activities of BCCI, and the Agency is willing to cooperate with that investigation up to a point.

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-- We are prepared to provide the Banking Committee with finished intelligence on BCCI, and describe in a generic sense [redacted]

-- We are not prepared to provide financial records that would reveal names of our agents [redacted] Such information would be revealed [redacted]

This level of detailed information has not even been provided to the Intelligence Committees in connection with their review of CIA's relationship with BCCI.

-- Congressional review of sensitive CIA operational activities in the detail contemplated by the Banking Committee crosses the line from legitimate investigatory activity to detailed oversight of the Agency. We must avoid ending up in a situation where any committee investigating any subject that touches on foreign intelligence activities could review CIA operational information. That would change the existing system of oversight set up by the Congress in the Intelligence Oversight Act and seriously affect CIA's ability to conduct clandestine operations.

-- A similar concern could also arise with the October Surprise Task Force investigation. However, we will attempt to work out a compromise that would satisfy the Task Force's desire for information while protecting intelligence sources and methods.

-- We would appreciate whatever help the HPSCI can provide in persuading the Banking Committee that it is not necessary to obtain this sensitive type of operational information.

-- We are prepared to resist demands for access by the Banking Committee to sensitive operational information, and will, as a last resort, seek to protect this type of information from disclosure by requesting that the President invoke Executive Privilege. Similarly, we are prepared to ask the Department of Justice to seek a Temporary Restraining Order that would relieve First American Bank from having to comply with the Banking Committee subpoena.