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Iran Panels Get Swiss Bank Data

Senators Describe Breakthrough in Probe of Arms-Sale Funds

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By Dan Morgan and Walter Pincus
Washington Post Staff Writers

The congressional committees investigating the Iran-contra affair obtained Swiss bank records in Paris on Monday that should enable them to trace where millions of dollars used in the operations came from and how most of the money was spent, sources on Capitol Hill said yesterday.

Senate select committee Chairman Daniel K. Inouye (D-Hawaii) and Vice Chairman Warren B. Rudman (R-N.H.) confirmed during a luncheon with reporters and editors at The Washington Post yesterday that there had been a breakthrough in solving the money puzzle. Until now, efforts to reconstruct the chain of financial transactions had been blocked by inability to gain access to the Swiss accounts.

"I think we have enough in documents to follow a clear paper trail," Inouye said.

"I don't know about [having] 100 percent," said Rudman, "but you will know where the money went and largely the amounts."

The two senators also said:

- The investigation has raised the prospect that U.S. government funds, appropriated for another purpose, may have been used to aid the contras militarily after a congressional ban on such assistance.

- Some money involved in the Iranian and contra operations may have been pocketed by individuals. "It is likely that before these hearings are over there will be evidence that not all of the money from both sources went for the purpose it was intended," Rudman said. He said he was referring to money aside from that which may represent reasonable commissions and profits.

- The investigation shows the administration was "inept," Rudman said. "It is a classic story of the gang that couldn't shoot straight . . . It is comical and pathetic, and there are no Republicans who can change that, and there are no Democrats who can make it worse than it is."

- The Tower review board's characterization of President Reagan as out of touch will prove to be "a little bit erroneous," based on excerpts of Reagan's diary that are being made available to the committees. The president, in his diary, comes across as being "very vigor-

ous, very dedicated to the cause of the hostages, . . . being very much involved in it [the Iran initiative]," Rudman said. The diary could "cause some embarrassment," Inouye added.

- Congressional investigators have managed to reconstruct much of the material shredded by Lt. Col. Oliver L. North, the former National Security Council aide, and his secretary Fawn Hall on the day before Attorney General Edwin Meese III began his inquiry last November.

Congressional sources last night said records show that money from the Iranian arms sales was diverted to the Nicaraguan contras. Rudman said earlier that "the exact amount [diverted] is one of the last things" the select committees expect to uncover.

Monday's breakthrough in solving the money puzzle occurred when Iranian-American businessman Albert A. Hakim provided Swiss bank records and other documents to two committee members and the legal staff at a meeting in Paris, according to a congressional source. Another Capitol Hill source described the material as "very extensive financial information."

Hakim, who was involved in both the contra and Iran activities, had been given limited immunity by the congressional committees. He surrendered bank accounts and other documents believed to show how money moved into various Swiss accounts and then was distributed.

Hakim's business partner, retired Air Force major general Richard V. Secord, managed the contra and Iran operations for the White House, but so far has refused to testify on grounds of possible self-incrimination. Yesterday, however, Inouye told a news conference on Capitol Hill that there was "a real possibility" Secord might reverse his position and voluntarily testify.

Inouye, who nearly 14 years ago served on the Senate Watergate Committee, said he believed the Iran-contra affair is "much more profound in its effect" on U.S. policies than Watergate.

"It will affect many nations. It may affect the health of [foreign] governments . . . It will have some effect on the people of the United States on the matter of trust."

Rudman said that nobody will be able to put a "spin" on the facts as they come out during the upcoming public hearings because they will be based on examination of 100,000 documents and questioning of 300 witnesses. "These facts are bad enough," he added. "They speak very poorly of this administration."

Inouye said the president's diary might improve Reagan's image by showing that he was "rather knowledgeable of what happened." But he also said "there are some passages in there that may cause some embarrassment and some injury to persons . . . For the president, it will be a mixed bag."

The embarrassment, the senator added, would be because "remarks are made about people and recollections of certain dealings with people . . . which they thought were off the record."

The committees are currently negotiating with the White House to determine how much of the president's diary can be made public, Inouye said.

Asked whether any evidence had yet been turned up to contradict Reagan's categorical statement that he knew nothing about a diversion of funds from U.S.-Iranian arms sales to the contras, Rudman responded, "We don't know. We will not know until after we interview [former national security adviser Rear Adm. John M.] Poindexter. As of now we have no reason to think that's not accurate." That initial, closed-door interview by the committee counsels is expected to take place next week.

Congressional investigators examining the role of the CIA have spent hours interviewing agency officials, but have been stymied in efforts to learn the full extent of former director William J. Casey's involvement. Asked whether the "paper trail" developed by the Sen-

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ate committee covers Casey's activities, Rudman replied: "Probably not."

Another issue the two senators touched on yesterday was conjecture about a possible administration cover-up after the public exposure of the Iran arms dealings.

"If there was an attempt at a cover-up at all—and I'm not sure . . . you'd call [it] a criminal cover-up, [but] at least a public relations cover-up—it would be in trying to alter the chronologies in a way to make their actions look better," said Rudman. He was referring to several White House chronologies produced last November, which the Tower board said were an attempt to limit public knowledge of Reagan's role.

Commenting on Meese's inquiry in late November, which turned up the first clue to a possible diversion of funds from the arms sales to the secret contra war, Rudman said:

"There were so many things that were done in my view in an inept way that if anybody were trying to do a cover-up, I think they would have done things a lot different."

Until now, public attention has focused on the diversion of Iranian arms money to the contras, as well as donations from individuals and foreign governments. However, Inouye said yesterday that "we are looking into the possibility of [U.S.] government funds other than those from the Iran sale having been used" to support the contras.

Aside from saying that some money may have gone to the Nicaraguan rebels but was "appropriated [by Congress] for a different purpose," Inouye declined to elaborate.

But no evidence has emerged that any of the money was diverted to U.S. political campaigns, as some have speculated, Rudman said.