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Iran/Contra

Indictment

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The Grand Jury investigating the Iran/Contra matter today issued a 23-count Indictment charging former National Security Advisor John M. Poindexter, Marine Lieutenant Colonel Oliver L. North, retired Air Force Major General Richard V. Secord and Albert Hakim, a businessman, with conspiracy to defraud the United States; wire fraud, and theft of government property.

The Indictment stated the conspiracy began in late spring or early summer of 1985 and continued until at least December, 1986. The Indictment named Poindexter in seven counts; North in 16; Secord in six counts; and Hakim in five counts.

Lawrence E. Walsh, Independent Counsel, said today's action represents the combined efforts of the dedicated team of FBI, Internal Revenue Service and Customs agents who have worked with the lawyers and other professional staff members of the Office of Independent Counsel.

The central conspiracy count charges that Poindexter, North Secord and Hakim, "together with others known and unknown to the Grand Jury," conspired to defraud the United States by obstructing lawful government functions "by deceitfully and without legal authorization organizing, directing and concealing a program to continue funding of and logistical and other support for military and paramilitary operations in Nicaragua by the Contras, at a time when the prohibitions of the Boland Amendment and other legal restrictions on the execution of covert actions were in effect."

The Grand Jury charged that the conspiracy deprived the government "of the honest and faithful services of employees free from conflicts of interest, corruption and self-dealing" by using the positions of Poindexter and North to generate funds for Secord and Hakim. It was the understanding of the conspirators, the indictment said, that a portion of those funds would be put at the disposal of Poindexter and North for, among other things, "the support of military and paramilitary operations in Nicaragua by the Contras."

According to the indictment, the conspirators also defrauded the United States, "by deceitfully exploiting for their own purposes" the Iranian arms sales initiative "rather than pursuing solely the specified governmental objectives of the initiative, including the release of Americans being held hostage in Lebanon."

The theft of government property count charged that the defendants "unlawfully, willfully and knowingly did embezzle, steal and convert to their own use and the use of others" part of the proceeds generated by the sale of weapons to Iran. The four used the funds for "purposes unauthorized by law, including the provision of support for military and paramilitary operations in Nicaragua," notwithstanding a written finding by the President "which authorized the transfer of United States weapons to Iran only for the purpose of the Iran initiative. . .," according to the indictment. Although no exact figure was specified in the charge, elsewhere in the indictment it was reported that the Iran arms sales generated proceeds of approximately $30 million while the United States Government was paid only $12,237,000 for the weapons.

The wire fraud count charged the four with carrying out the diversion scheme by using wire communications in interstate and foreign commerce.

In addition to those three counts naming all four of the alleged conspirators, the indictment included the following charges against the four:

POINDEXTER, four additional counts. Two counts of obstructing Congress and two counts of false statements.

NORTH, 13 additional counts. Three counts of obstructing

Congress, four counts of false statements and single counts of the following: obstructing a Presidential Inquiry; obstruction of justice; concealing, removing, mutilating, obliterating, falsifying and destroying official documents; conspiracy to defraud the Internal Revenue Service; receipt of an illegal gratuity (a security system valued at approximately $13,800 provided by Secord), and conversion of approximately $4,300 in traveler's checks for personal purposes.

SECORD, three additional counts. Conspiracy to pay illegal gratuities to North, offer of an illegal gratuity to North (financial assistance for the education of North's children), and payment of an illegal gratuity to North (the security system).

HAKIM, two additional counts. Conspiracy to pay illegal gratuities to North and an offer of an illegal gratuity to North (financial assistance for the education of North's children).

Poindexter, 51, was an officer in the United States Navy detailed to the National Security Council Staff. He was deputy assistant to the President for the National Security Affairs from October 17, 1983, to December 4, 1985, when he was named National Security Advisor to succeed Robert C. McFarlane. Poindexter resigned that post and returned to the navy as vice admiral on November 25, 1986. He has since retired.

North, 44, is a Lieutenant Colonel in the United States Marine Corps. He was detailed to the NSC where he served as deputy director, political-military affairs, for the National Security Council Staff, until November 25, 1986, when he was discharged and returned to the marine corps for assignment. He is currently on active duty.

Secord, 55, retired from the United States Air Force as a major general on May 1, 1983. During the period relevant to the indictment he was president of Stanford Technology Trading Group International, with offices in Vienna, Va. Beginning in the fall of 1984, Secord undertook to provide supplies to the Contras, including lethal military equipment. Beginning in the fall of 1985, Secord also undertook to assist in the transfer of weapons to Iran on behalf of the United States Government.

Hakim, 51, was chairman of the board of Stanford Technology Trading Group International. Beginning in the fall of 1984, Hakim organized the corporate financial arrangements for efforts to provide military supplies to the Contras. In the late fall 1985 or early 1986, Hakim participated on behalf of the United States in an initiative involving the sale of arms to Iran and effort to obtain the release of American citizens held hostage in Lebanon.