

U.S. complicity in Iranian terror revealed in gun-runner's arrest

by Edward Spannaus

The arrest in New York on May 17 of Iranian arms dealer Reza Hashemi and an associate for violations of the U.S. arms embargo to Iran may be only the beginning of the breaking up of the illegal arms trafficking which has kept Khomeini's regime supplied with U.S. arms since 1980. According to informed sources, more revelations are expected soon, which could result in the unraveling of a coverup which runs to the highest levels of both the Carter and Reagan administrations. There are also indications that these two arrests were pulled off *against* the wishes of the Federal Bureau of Investigation, the Justice Department, and certain allied sections of the Central Intelligence Agency, who have been covering up these activities.

Reza Hashemi, brother of Iranian banker Cyrus Hashemi, was arrested by Customs agents in New York after being lured from Spain by an elaborate "sting"-type operation. According to a report in the *New York Post*, the CIA "had sought to throw a cloak of 'national security' over the case," and had forced Customs to delay the arrest because Hashemi had once assisted the agency on "matters of national security."

In a still-sealed complaint sworn out by Customs agents, Reza Hashemi was charged with exporting sophisticated weapons to Iran, making false statements to the Commerce Department, and violating the U.S. arms ban. Also arrested was Long Island exporter Arthur "Skip" Luke, charged with violating the arms embargo and the Munitions Control Act during 1980 and early 1981. According to the *New York Post*, one of the companies used for the illegal arms shipments was the ITC company in New York.

ITC was named by *EIR* in 1980 as one of the business fronts for Cyrus and Reza Hashemi. *EIR* identified Cyrus Hashemi as the bankroller of Iranian terrorism in the United States, who was using his First Gulf Bank and Trust Company to funnel money to Khomeini-backed terrorists operating in the United States.

Hashemi subsequently sued *EIR* and other associated publications for libel, along with the *Washington Post*, the *Boston Globe*, Cable News Network, and others. Reportedly under pressure from the Department of Justice, exerted by former Assistant Attorney General Stanley Pottinger who was representing Hashemi, the *Washington Post* printed a

"clarification" of the story, effectively withdrawing Hashemi's and First Gulf Bank's names. *EIR* and associated defendants pressed ahead on pre-trial discovery in the suit, until Hashemi's suit was thrown out of court last year after Hashemi refused to appear for deposition and otherwise comply with discovery orders of the court. He is now appealing the dismissal.

Behind the Tabatabai assassination

Among the recipients of this illegal money was Bahram Nahidian, the Iranian secret service (Savama) station chief in Washington, D.C. who reportedly ordered the July 1980 assassination of anti-Khomeini spokesman Ali Akbar Tabatabai.

EIR charged at the time that a "national security" cover had been thrown over the investigation of the Tabatabai assassination by the FBI and the Carter Justice Department. This meant that the Carter administration gave Khomeini's agents a free hand to operate in the United States. The cover story was that this was in exchange for a hoped-for release of the American hostages; the deeper point is that the Carter administration was riddled with sympathizers and supporters of Khomeini's brand of Islamic fundamentalism. Eventually, four indictments were brought for the Tabatabai assassination—all against American Black Muslims. Although it was clear, even in the trial record, that the hit was planned and directed out of the Iranian Interests Section of the Algerian Embassy, no Iranian was ever indicted or prosecuted for the murder.

In a deposition of Nahidian, taken by attorneys for *EIR* during 1983, Nahidian testified that he had been approached by high officials of the Carter administration during the hostage crisis and even invited to the White House for lunch.

Why now?

The Hashemi gun-running network has been known to the FBI and relevant U.S. agencies since the time of the Iranian revolution. CIA documents released to *EIR* in the course of pre-trial discovery in the Hashemi libel suit confirm that the CIA and FBI were aware that the Hashemi brothers were illegally conduiting money into the United States through

the Gulf Bank for anti-U.S. propaganda and agitation during 1980.

One reliable source told *EIR* in 1980 that Hashemi had been the subject of investigations by seven different law-enforcement agencies, including the FBI and CIA. During 1982, a federal grand jury in New York was investigating Cyrus and Reza Hashemi and their myriad of business fronts, including the ITC company, for illegal arms dealing. In the spring of 1982, rumors circulated in high circles that Cyrus Hashemi was about to be indicted. The same rumors re-surfaced after an exposé of the Hashemi network in *Time* magazine of July 25, 1983.

Last summer's exposés of Hashemi's arms dealings began in the French magazine *Vendredi Samedi Dimanche* and the French television station Antenne 2. This exposure was based on documents peddled by one **Carlos De Mello**, a Brazilian arms dealer who was in business with Cyrus Hashemi and his brother **Balanian Hashemi**. De Mello reportedly supplied documents stolen from Hashemi businesses to the French publications, and then also to *Time* magazine.

The "Antenne 2" investigator, following the trail from a January 1983 murder in Paris, was said to have uncovered a massive arms trade in U.S. weapons and parts to Iran, involving, among others, companies operated by the Hashemi brothers. The story said that investigations of this operation in the United States had been ongoing since September 1980.

The French weekly *Le Carnard Enchaîné* provided further details of this operation in an article in its July 27, 1983 issue entitled, "Khomeini always does his shopping in Jerusalem." The article described in detail how, for the past three years, American-made arms and spare parts had made their way to Iran via Israel. A number of the companies named in this article were also companies under investigation by the federal grand jury in New York which was investigating the Hashemi brothers, including the Katherine Transportation Association (KTA) and JSC International (also known as Jetcraft Supply Corporation), run by an Israeli couple, André and Jamie Freydel, who operate out of Anguilla where De Mello and Hashemi have their banking operations.

The *Time* magazine article provided some insight into the current Hashemi bust. Besides revealing that the Carter administration had authorized the covert supplying of arms to Iran during the hostage crisis, Carter National Security Adviser Zbigniew Brzezinski was quoted as complaining that when the United States offered to covertly supply spare parts to Iran in exchange for the hostages' freedom, it found that the Israelis had been shipping U.S. spare parts into Iran all along.

Given that Israel-Iran link, it is not surprising that sources are now reporting that the Israeli Mossad played a role in the timing of the Hashemi-Luke arrests, and that the arrests involved a falling-out among Mossad-controlled arms networks of which the Hashemis were a component. It may not be coincidental that Israeli Prime Minister Yitzhak Shamir has

recently called for an arms boycott against Khomeini's Iran, while at the same time the Israeli press has been featuring exposés of the role of former Defense Minister Ariel Sharon in arms deals with Khomeini.

The Hashemi ties into dirty Israeli networks are all the more interesting because Cyrus's principal financial backer is the First Arabian Corporation, the "respectable" side of the Muslim Brotherhood operation, which is headed by Lebanese-Syrian financier Roger Tamraz and includes Saudi financier Ghaith Pharaon. Tamraz's First Arabian Corporation owns the Bank of the Commonwealth in Detroit, for example. First Arabian and this Saudi operation also have extensive connections into the Texas crowd around John Connally and the major Houston law firms from which James Baker III hails.

Hashemi's First Gulf Bank & Trust Company, the principal conduit for illegal funding of pro-Khomeini terrorism, was in fact created in February 1979 as "First Arabian Bank & Trust Company"—just at the point when Khomeini returned to Iran from exile. Its name was changed to "First Gulf" a few months later, apparently to hide the connection to First Arabian Corporation and thus to Khomeini and the Muslim Brotherhood.

In addition to the Carter administration cover-up of Iranian terrorism, two other prominent motives for covering up the dirty Hashemi network are:

- **Stanley Pottinger**, an Assistant Attorney General in the Justice Department from 1973-77, was a business partner of the Hashemis during 1980, when the illegal arms-dealing and funding of terrorists was taking place. Pottinger was a director of the London-based York Trading Company, along with Cyrus and Reza and an Iranian named Siavash Sultanpour, believed to be Iranian-military-connected and who maintained offices in Teheran during 1980. York Trading Company was one of the companies under investigation by the 1982 New York grand jury.

- While the Carter administration was trying desperately to get the American hostages released before the November 1980 elections, *Henry Kissinger was working equally hard in coordination with the Soviets and British to prevent the release*. Kissinger's immediate objective was to insinuate himself as the new Middle East negotiator for the incoming Reagan administration; in the longer term, Kissinger, the British, and the Soviets were trying to prolong the hostage crisis in order to destroy U.S. influence in the region. Today, they are all in agreement on dragging out the bloody Iran-Iraq war.

Whatever Cyrus Hashemi's role during the hostage negotiations, well-informed sources have reported that he is now much closer to the Kissinger and Texas crowd in the Reagan administration and that this is the source of his protection. With reports that there is more to come in the Iran gun-running investigations, the elaborate five-year cover-up may be about to be blown apart.