

# CIA figures were central to the conspiracy against LaRouche—Part 2

This installment concludes *EIR*'s publication of a 27-page proffer submitted to the Federal District Court in Boston on Aug. 21, 1987 in compliance with the Classified Information Procedures Act (CIPA). The CIPA document provided an outline of material that may emerge during the course of the trial of the *U.S. v. The LaRouche Campaign* case.

On Sept. 14, Federal District Court Judge Robert Keeton unsealed documents in the case, that detail a dozen-year history of involvement by Lyndon H. LaRouche, Jr. and a number of his associates in high-level U.S. national security projects. This has given a green light, in effect, for presenting to the jury many previously non-public features of LaRouche's involvement in national security matters.

In the first part, *EIR* published evidence concerning LaRouche's involvement, beginning in 1977, in formulating a U.S. counterterrorism program in response to the pattern of Western European-centered international terrorism.

The numbered paragraphs are from the original document, titled "Proffer pursuant to the Classified Information Procedures Act, Section 5, Title 18, United States Code, Appendix III." *EIR* has added topical subheads.

## Shaping the SDI, 1982-83

29. On August 15, 1981, Frankhauser provided an official message from "E" regarding "METAL" project. First, "E" reported personal meeting with President Reagan to pass in LaRouche information on Brezhnev's desire to hold a summit discussion with President Reagan. In the midst of this process, Alexander Haig moved to shut down all "back channels" into Moscow that were not directly run by and controlled by his office. This meant that the official sanctioning of all NCLC-ICLC contacts with the East had been temporarily pulled. As the result, we were told by Frankhauser that all of our international communications links were being heavily monitored by NSA and FBI. These maneuvers by Haig were preparatory to a Haig-Gromyko meeting in Moscow during the first week in November 1981. Frankhauser messages during November reflect the intercepting of cable traffic from Haig in Moscow back to Washington. Overall favorable characterization of Haig's performance with the

Soviets as compared with the earlier Carter administration.

30. November 12, 1981, formal request from "E" via Frankhauser for LaRouche to direct preparation of a detailed intelligence assessment of the Sadat assassination for urgent circulation in CIA. Eleven formal questions are submitted and NCLC intelligence personnel prepare detailed memorandum in response.

31. On November 27, 1981, Frankhauser reports that the Vatican has placed its security on alert status regarding possible assassination attempt against John Paul II, based on intelligence provided by NCLC to CIA, then passed on to the Vatican.

32. In late December 1981, as the result of large-scale defections from NCLC in the Midwest due to an intelligence operation in part run through the office of James Baker III at the White House, Frankhauser makes an official proposal from "E." In return for LaRouche not exposing the domestic CIA operations that contributed to the defection, LaRouche and the NCLC will be given immunity from any federal prosecution for any events occurring prior to January 1982. According to Frankhauser, this immunity status is part of a regular secret procedure carried out personally between the Director of Central Intelligence and the Attorney General. The status is renewed again in January 1983 and in January 1984. When Edwin Meese replaces William French Smith as Attorney General, this status is lifted in December 1984 as a reflection of the overall deterioration of cooperation between CIA and the Attorney General, according to Frankhauser.

33. On January 28, 1982, LaRouche accepts "two-step assignment" proposed by "E" via Frankhauser. This involves "METAL" project and specifically the escalation of efforts to implement the Strategic Defense Initiative and facilitate and define an effective American strategy for a summit between the President and the Soviet premier [sic].

34. August 28, 1982, Frankhauser warns that recent slanders of LaRouche "cult" may be part of effort to have NCLC-ICLC placed on special CIA anti-cult unit target list. Unit was set up in the aftermath of the Jonestown massacre. In the same context, Frankhauser reports that a thorough check of the Secret Service computers shows no flag on Jeff Steinberg.

Therefore, recent incident of Jeffrey Steinberg being prevented access to White House for meeting with Richard Morris of NSC, was an operation run personally by someone on the White House staff. Subsequently, Steinberg learned that Roy Godson was, at that time, coming into the NSC as staff consultant, and running massive libel campaign of "LaRouche = KGB" all over the NSC.

35. June 11, 1983, LaRouche activates, with INTEL-MEMO to "E" via Frankhauser, a new feature of the "METAL" project that LaRouche code-names "OPERATION HOLY COW." This is part of an evaluation project vis Soviet response to Reagan's March 23, 1983 SDI speech. Essentially, LaRouche proposes serious flaws in U.S. intelligence units assigned to evaluate Soviet intentions based on failure to grasp "Third Rome" mission.

36. On July 3, 1983, the pattern of Soviet response to Reagan's SDI offer prompts LaRouche INTELMEMO on "U.S. Launch on Warning" doctrine to prevent a preemptive Soviet strike.

37. Other areas of activity via the Frankhauser-"E" channel that would reflect in classified files include the following:

a. Philippines situation: on or about Thanksgiving Day of 1985, when Paul Goldstein returned from fact-finding trip to Manila at which point he uncovered U.S. program to overthrow Marcos, Frankhauser set up a personal telephone conversation between Goldstein and director Casey. Phone conversation took place just moments before Casey was to attend a planning session on the Philippines situation at the National Defense University. At a later phase, detailed information was provided regarding Laxalt trip to Manila as personal emissary of President Reagan. This incident provoked severe tensions between NCLC and CIA over NCLC opposition to the overthrow of Marcos. Official investigation was conducted regarding the source of leaks to NCLC damaging to overall anti-Marcos program.

b. Summer 1984 kidnapping of ICLC member Patricia Londono in Bogota, Colombia. Official channels through the U.S. Embassy, DEA, CIA personnel were activated through Frankhauser to provide hour by hour status reports. Through other official channels, a rescue mission was carried out to secure her safe transit to the United States.

c. Frankhauser, immediately following the bombing of the U.S. Embassy in Beirut, passed official message regarding the role of David Belfield, aka Daoud Sallahudin, in planting the bombs that blew up the compound. Belfield had escaped from the United States after carrying out the July 1980 assassination of Ali Akbar Tabatabai, a leading anti-Khomeini figure in Washington, D.C. area. After spending brief

time in Teheran, he was sent to Bekaa Valley to work under Syrian Military Intelligence supervision. FBI, which was complicit in the Belfield escape from the U.S., had a special team on the ground in Beirut investigating the embassy bombing. Frankhauser reported that the official verification of the Belfield role would be covered up by the FBI.

d. "OPERATION CONCORD," during the Carter period. This was a program to contain the decommissioning of key U.S. military commitments globally and the dismantling of U.S. intelligence. Overall operation involved the surfacing of General John K. Singlaub as the initial spokesman for military networks. Originally as many as 170 other active duty officers were anticipated to join Singlaub in protesting Carter-Mondale policies in grave damage to national security.

e. During autumn 1982, Frankhauser and Fick traveled to Western Europe on behalf of the NCLC. The stated purpose of the trip was to open up certain channels of communication in Western Europe for the ICLC with individuals known by Frankhauser and Fick and through their CIA connections. Frankhauser stated at the outset of the trip that the CIA would be sharing the costs of the tour in return for Frankhauser carrying out certain side operations specified by the CIA. Subsequently, Frankhauser reported that these CIA assignments included a trip to East Germany, during which time he made contact with East German military officials. As the result of this visit, Frankhauser reported on the great interest among DDR military of the reunification of Germany.

A second feature of this European trip was the assistance in establishing adequate physical security for the October 1982 founding conference of the Club of Life in Rome, Italy. Frankhauser reported that he was in direct communication with "Nat," who was in Rome working with the CIA station chief to secure cooperation from Italian government security agencies, and to assess the threat level to LaRouche emanating from Red Brigade terrorists and other potential adversaries.

f. On January 31, 1984, Frankhauser informed NCLC that, in response to a series of INTELMEMO communications from LaRouche, CIA director Casey had established a special CIA unit to evaluate the "Third Rome" profile of the current Soviet leadership. This special unit was to do a reassessment of the history of Russian secret services from the Okhrana through to the current KGB-GRU. In this connection, Frankhauser referenced conversations with BETTY MURPHY, a staff official in the office of DCI Casey, and STANLEY MOSKOWICZ.

## LaRouche reveals his CIA, Soviet contacts

*At a press conference in Boston on Sept. 22, Lyndon LaRouche gave an opening statement, which we publish here in full. We also excerpt sections of the question and answer period which bear on issues of intelligence warfare—the sections generally blacked out in coverage of the press conference that subsequently appeared.*

**LaRouche:** I will not get into the inside of the court case, as it would be improper for a defendant in a court case to get into those matters. However, the good news is that the Central Intelligence Agency, according to my competent legal sources, has informed the court that I am now at liberty to say a number of things about my own activities, and other activities, in the intelligence community in the past. That doesn't tell the whole story, but, it does relate to things which bear on the case. And so, the good news is I can now talk about things, which under law I was not allowed to talk about before, by the graces of the director of the Central Intelligence Agency.

I would say, just as a matter of news, you may be interested in it, that I'm, naturally, quite enthusiastic about what happened yesterday in the Gulf [a U.S. helicopter's strike against an Iranian ship that was laying mines—ed.]; I've been waiting for that. That may be the beginning of the downfall of Khomeini, if this operation continues; and, I think I seem to be in full agreement with the President, and I am certainly in full agreement with Secretary Weinberger on that. I'm happy to announce that, because I'm in complete disagreement with the President's commitment—apparently, I'm not sure how personally committed he is, he seems to be committed—to proceeding with the INF agreement, which I would consider a replay of Neville Chamberlain's giving Czechoslovakia to Hitler back in 1938; and this would, potentially, have the same implications.

I also am very strongly in opposition to the President's statement that developing nations do not have a right to development. This is an issue of the trial, or, the background of the trial, in the sense that the great conflict which I've had with the government, and with sections of the intelligence community over the recent years, has been my commitment to the *right* of developing nations for economic development, and the moral obligation of the United States, not necessarily to fund their development,

but not to place obstacles in the way of their right to economic development. So, I'm in strong disagreement with the President on that matter, as he and I have been in disagreement on that since 1982, on the Mexico debt crisis case, where this difference between us came up.

I can say, and I think it's probably enough for me to say on this area, that from January of 1982 through the middle of April 1983, I was conducting a back-channel discussion with high-level representatives of the Soviet government on the question of the Soviets' willingness to accept a new strategic arrangement with the United States, which included what later became called the Strategic Defense Initiative. I proposed the Strategic Defense Initiative, and the included strategic package to the Reagan administration; forces inside the Reagan administration accepted my proposal at that time, and what the President said in the concluding part of his address on March 23, 1983, was exactly what I had proposed.

There are some people inside the government, who at that time and since, have been very strongly opposed to me on that issue, and other issues; and, when in April and May of 1983, I was approached by the government, and asked, would I support the Contra operation, I said, "By no means." I said, "What are you going to do, declare war on the Jesuit order? This is a crazy, insane operation." At that point, some people who had been not unfriendly to me inside the intelligence community started the process, with the aid of some of my long-standing social-democratic enemies, inside the intelligence community, which led to this trial.

I think that's enough for me to say in this public statement.

**Q:** The contacts—the back-channel contacts—did you initiate those, were you asked to initiate those?

**LaRouche:** No, we were approached. Some friends of mine were approached by Soviet representatives, and we reported that to our contacts in the intelligence community, in a routine manner. They proposed that I undertake a back-channel probe of the Soviets, to see what they were up to, and asked for suggestions on the conduct of the probe.

I did two things: I proposed the nature of the probe, and I selected the Soviet contacts, who I thought were the best for me to talk to.

**Q:** Were the contacts that you suggested KGB contacts?

**LaRouche:** Every Soviet official is either KGB or GRU, and some of them are both. But this, no, this involved Mr. Arbatov's area; this is the Soviet Academy, the U.S.A.-Canada Institute channel, but also other channels, other Soviet figures I talked to, in that course.

g. As part of the continuing METAL project, Frankhauser informed NCLC on February 5, 1984 that the Soviet embassy in Washington, D.C. had shipped several copies of the videotape of LaRouche's recent televised campaign broadcast back to Moscow for review. Frankhauser reported on CIA evaluation of Soviet view of LaRouche in the aftermath of the President's March 23, 1983 Strategic Defense Initiative speech: "LaRouche is Reagan's public conscience to the world."

h. On May 15, 1986, Frankhauser reports that he had a long early-morning meeting with officials of the CIA station in Philadelphia, during which he was asked to communicate a proposal to NCLC. The gist of the proposal was that the NCLC act as a channel of communication to the Mexican government in soliciting the extradition to the United States of 7-8 persons known to have been involved in the kidnapping-assassination of Enrico Camarena, a Mexican national in the employ of the U.S. Drug Enforcement Administration. The assassination occurred in February 1985 and in the subsequent fifteen-month period, it was felt by the CIA that the Mexican government had not adequately pursued and prosecuted the authors of the killing, believed to be high-level drug traffickers with corrupt ties to the Mexican government. Frankhauser reported that the list of names had been submitted to the Mexican government by Ambassador John Gavin; however, back channels were felt to be urgently needed to convince the Mexican government to cooperate with the United States.

### Upgrading CIA connection

38. Beginning in July 1982, in response to repeated requests, verbal and written, for upgrading of the Reading station, Frankhauser introduced Paul Goldstein and later Jeffrey Steinberg to a senior CIA official named "NAT" (later identified as "Nat Regnew," now known to be MONROE N. WENGER). Initial meeting occurred in a motel in Reading, Pa. in July 1982 with Goldstein and Frankhauser. Subsequent meetings involved Frankhauser, Wenger, Steinberg in Baltimore, New York City and other locations. At an ICLC conference in Riverdale, New York in late 1982, Wenger was briefly personally introduced to LaRouche. Wenger was involved in the CIA domestic division's handling of the MOVE incident in Philadelphia, and was later involved in the mining of Managua harbor that led to the passage of the Boland amendment. Many months prior to the Managua mining, Wenger had informed LaRouche that this effort was in the offing. Wenger was described by Frankhauser as a high-ranking CIA covert operations specialist, holding equivalent of GS-15 or GS-16 rank.

One later (approximately March 1984) feature of the

Wenger-directed "upgrading" was that F. Lee Fick, who had been earlier brought in as a full-time assistant to Frankhauser, was to assist in the reviewing of written material that was to now be regularly provided to the Reading team through Wenger and other CIA channels. This material was to be summarized and submitted to NCLC as background intelligence on a regular basis in the form of COMSTA-C.

Wenger was also involved in the CIA's ongoing program to penetrate agents into Libya for the purpose of gathering on-the-ground intelligence on Qaddafi. On February 14, 1984, Lee Fick informed Steinberg that "Nat" was preparing him to spend three months inside Libya as part of a CIA covert operations program. Fick stated that "Nat" was grooming him to be brought into the CIA as a full-time employee of the covert operations section and that he had been cultivating Libyan contacts for a long time in anticipation of this opportunity. Fick began providing Steinberg with handwritten reports on various aspects of the Libyan situation. These reports appeared to be drawn from documents provided by the Libyan government. Fick intimated on several occasions that he had developed contacts into the Libyan Peoples Bureau in London. This contact may have been established in autumn of 1982 when Fick and Frankhauser spent several months traveling in Western and Eastern Europe. Fick's anticipated summer 1984 Libya operation was, according to Fick, short-circuited when he developed a serious back problem that restricted his physical movements for weeks at a time.

During approximately summer 1984, Fick informed NCLC that "Dragonfire" newsletter was a CIA operation that he was publishing and distributing under the immediate supervision of "Nat." This newsletter circulated internationally.

39. Other CIA and/or national security classified operations involving LaRouche and NCLC-ICLC, did not necessarily directly involve Frankhauser and "E" channel directly. WILLIAM CASEY maintained other direct channels to LaRouche-NCLC which involved other specific national security projects. Among these that may be raised during the course of Boston litigation are:

a. Security screen against possible Jewish Defense League assassination attempt against LaRouche during December 1981 ICLC year-end conference at the Roosevelt Hotel, New York City. Extensive physical security screen was in place throughout this event and intersected cooperation from New York Police Department Intelligence Division with known ties to CIA.

b. GUATUSA I, a joint U.S.-Guatemalan anti-narcoterrorist pilot program conducted during October 1985. Jeffrey Steinberg active participant in this effort, which was officially debriefed by CIA, Department of Defense, Department of State, Drug Enforcement Administration, Joint Special Operations Command,

Fort Bragg, N.C. and an official of the Vice President's National Narcotics Border Interdiction Service (NNBIS) who introduced himself as "WALTER SORENSEN."

c. Unnamed project to facilitate Algerian cooperation for U.S.-French joint effort against Qaddafi and Libya. Paul Goldstein played a direct role in facilitating this channel, which may have been under the personal supervision of William Casey. This channel involved travels in Western Europe (Brussels, Paris) and Algiers during 1985.

d. In 1981, NCLC established contact with COL. FRANK SALCEDO, a high ranking official of the Federal Emergency Management Agency (FEMA), who was in charge of FEMA's counter-terrorism program. A series of meetings occurred, including a day-long intelligence briefing in approximately autumn 1981 at the New York City offices of *Executive Intelligence Review*. As well, Salcedo received from NCLC a series of proposals for the establishment, under FEMA, of a special governmental intelligence organization at the direct service of the President to cross check information and evaluations coming into the White House from the State Department, CIA, FBI and other channels.

e. Between 1981-1984, LaRouche-NCLC maintained a number of regular channels of policy and information input into the National Security Council. This information concerned, among other issues, the emerging Ibero-American debt crisis and a LaRouche proposal, "Operation Juarez," for solving that crisis without jeopardizing the American banking system; the Strategic Defense Initiative; ongoing U.S.-Soviet summit negotiations on a wide range of strategic issues; overall U.S. science and technology policy; and international terrorism. Among the NSC personnel who maintained these channels of contact were: RICHARD MORRIS, NORMAN BAILEY, RAYMOND POLLACK, MICHAEL DANIELS. At various points during 1982-1983, NSC director of security Richard Morris received written material from LaRouche and NCLC as part of the METAL project referenced above. Written reports and paraphrase transcripts of meetings with Soviet officials were provided to Morris as well as Frankhauser as per guidelines transmitted through Frankhauser from "E."

40. In late August 1986, DOMINICO LOMBINO, an Italian attorney residing in Brooklyn, New York, contacted Jeffrey Steinberg requesting the assistance of the Schiller Institute in securing the release of three of the American hostages in Beirut: Anderson, Jacobson and Sutherland. Lombino stated that through contacts in Switzerland, he had

been approached by a representative of the Iranian government and representatives of the Hezbollah, offering the release of the three Americans in return for non-lethal assistance in the form of food shipments to Lebanon and assistance getting the son of the Iranian official into the United States to attend a university. Lombino's source informed him that one motive for the approach was the fact that one of the hostages, Terry Anderson, was seriously ill and the Hezbollah did not wish to have him die while in their hands. Independent sources familiar with the hostage situation not only confirmed Anderson's illness, but emphasized strongly that only a very limited number of people were aware of that fact.

In the interest of pursuing this humanitarian initiative, Frankhauser was contacted and requested to pursue the opening through his CIA channels. According to subsequent reports, Frankhauser contacted a CIA official named ROGER WICK, who informed him that the entire hostage matter was being handled at the National Security Council. Frankhauser, using either his real name or the name "BILL CLAY," and Mark Bablin, using either his real name or the name "CHRIS WINTERS," initially contacted FAWN HALL, who referred them to COL. ROBERT EARLE, an active duty U.S. Army officer on loan to the NSC staff under LT. COL. OLIVER NORTH. In some capacity, a State Department official named CASEY was also brought into the inquiry. Through the NSC channel, Lombino's contact in Switzerland was interviewed in either France or Belgium by a Regional Security Officer from the U.S. Embassy in Paris. According to Lombino, his contact was treated rather harshly by the RSO and effectively told to get out of these negotiations because the hostage matter was being handled "through other channels." These remarks were made in the first week of September, more than two months before the Iran-Contra scandal broke publicly.

41. Upon information and belief of the defendants, the U.S. Attorney's office in Boston possesses, or has reviewed approximately 30 editions of COMSTA-C reports (averaging 20 pages each), authored by Frankhauser and F. Lee Fick. Several sentence-long excerpts from COMSTA-C reports of the December 1984 period have been introduced by the U.S. Attorney. Upon information and belief of defendants, the other sections and editions of COMSTA-C contain some classified information, and will be used by defendants in their defense.

**Appendix to Proffer pursuant to the Classified Information Procedures Act, Section 5, Title 18, United States Code, Appendix III**

Defendants have reason to believe that the individual whom Roy Frankhauser, Monroe N. Wenger and F. Lee Fick referred to as "THE SOURCE" and "E," is in fact E. HENRY KNOCHE, the former Deputy Director of the Central Intelligence Agency.