

Is Clinton a Trojan Horse for Bush reelection effort?

by Jeffrey Steinberg

A longtime personal aide to Arkansas Gov. Bill Clinton stands accused in a 1991 federal court suit of breaking the law to cover up the involvement of Reagan-Bush administration, Central Intelligence Agency, and Mossad officials in illegal gun and narcotics trafficking. The accusations against Raymond "Buddy" Young, Clinton's personal security chief, are but one feature of a larger body of evidence linking the Democratic Party presidential front-runner and several of his relatives, leading aides, and backers to the most serious documented instances of drug trafficking by the Iran-Contra apparatus.

As vice president and as coordinator of all Reagan administration covert operations (under National Security Decision Directive 3 and various Executive Orders), George Bush sat at the top of the very chain of command in which Clinton has been implicated. This alleged convergence of Clinton and Bush involvement in the Iran-Contra fiasco raises serious questions for voters on the eve of the 1992 presidential elections.

It is imperative that these court-documented allegations be publicly answered by Clinton before the Democratic Party convenes in New York City July 16-20 to nominate its presidential candidate. If the Democratic Party blindly nominates a man accused along with George Bush of Contra-related gun and drug trafficking, then the American electorate will have essentially been disenfranchised from any real choice in November, and in all likelihood, George Bush will be returned to the White House, despite the fact that the majority of Americans have indicated they do not wish to suffer under

four more years of a Bush presidency.

For many people who have looked into the allegations about Clinton's involvement with Oliver North, Barry Seal, Felix Rodriguez, Amiram Nir, and the other Iran-Contra players, the question boils down to this: Is Bill Clinton a Bush "Trojan Horse" inside the Democratic Party?

Terry Reed's 1991 lawsuit

On July 5, 1991, Terry K. Reed and Janis Reed filed a federal civil suit in the United States District Court for the Eastern District of Arkansas, Western Division (LR-C-91-414) naming Raymond Young and Tommy L. Baker as co-conspirators in an effort to "violate the constitutional rights of the plaintiffs." At the time of the alleged acts, as well as when the suit was filed, Young, a captain in the Arkansas State Police, was the chief of Governor Clinton's personal nine-man security detail, working fulltime out of the governor's mansion. Baker, a former Arkansas state trooper turned private eye, was a close friend of Young's.

The lawsuit, which is scheduled to go to trial in Little Rock in September, charges that Young and Baker carried out three illegal break-ins, "manufactured, altered, tampered, removed, and planted evidence," and delivered perjured testimony in Pulaski County, Arkansas circuit court and before a federal grand jury in Wichita, Kansas.

As the result of the actions by Buddy Young, Terry and Janis Reed were indicted in June 1988 by a federal grand jury in Wichita (88-10049-01) and charged with four counts of mail fraud and insurance fraud. On Nov. 9, 1990, in a brief

non-jury trial before U.S. District Court Judge Frank G. Theis, Terry Reed was found not guilty (his wife had already been dismissed from the case). In ruling in favor of Reed, Judge Theis lamented that the case did not go to a full trial before a jury, because it "would have gone far beyond the confines of just a simple insurance fraud case."

Much of the evidence that would have been presented at such a trial is, fortunately, contained in court records from the Wichita case, in a Terry Reed deposition given in a civil suit in Florida, and in the *Reed v. Young* proceedings in Little Rock. *EIR* has obtained copies of many of those documents and has assembled the following summary of the Reed case based on those sworn statements.

Reed meets Contra operator 'John Cathey'

Terry Reed served from 1968-1975 in the U.S. Air Force. He did two tours of duty in Thailand as an intelligence gatherer, working in liaison with Air America and other CIA proprietaries during the Vietnam War. When he left the Air Force as an E-5 (staff sergeant), he went to work marketing computer-controlled heavy equipment and obtained a commercial pilot's license.

While working in 1980 for an Oklahoma City, Oklahoma company called Northwest Industries, Reed was recruited to work for the FBI and U.S. Customs Service "providing information on the international flows of computer technologies." Through FBI Special Agent Edwin Enright in Oklahoma City, Reed was introduced in 1982 to a man who presented official CIA credentials in the name John Cathey. Cathey asked Reed to carry out similar undercover work for the CIA. Reed later learned that the man he knew as John Cathey was actually Oliver North.

In March 1983, North, a.k.a. Cathey, approached Reed on behalf of a Contra support program that he called "Operation Donation." According to the papers in *Reed v. Young*: "The CIA had a program known as 'Project Donation' where people would permit their airplanes and other high-value items (such as boats) to 'disappear.' Then they could make an insurance claim for their 'stolen' property. These airplanes and other items were to be used in covert operations of the CIA in Nicaragua at a time when the Boland Amendment severely reduced funding for the Nicaraguan conflict. CIA agent John Cathey told Terry Reed that this project was for indirect funding for the Nicaraguan conflict. . . . In March 1983, plaintiff Terry Reed was approached by John Cathey about allowing his airplane to be 'donated' to the Nicaraguan indirect funding project, and plaintiff refused."

Nevertheless, Reed's Piper Turbo Arrow was stolen from a hangar at Joplin, Missouri Municipal Airport on March 23-24, 1983. Reed reported the theft to the Joplin police and to his insurance company and eventually collected \$30,000 for the loss.

In October 1983, Terry Reed and his family moved to

Little Rock, Arkansas. Shortly before the move, Reed was contacted by North/Cathey and told to expect a visit from another CIA "unpaid contract employee" upon his arrival in Arkansas. The person was identified by North as Barry Seal.

In December 1983, Seal did visit Reed at his Little Rock office and asked Reed to become involved as a subcontractor in a Contra training program that Seal was running on behalf of North and the CIA in the area of Mena in western Arkansas.

Barry Seal, a former commercial airline pilot, had been a narcotics trafficker from 1977-1982, after which he became an informant for the Drug Enforcement Administration. Through the DEA, Seal became an asset of the Reagan-Bush White House, working under North. Seal's most famous effort on behalf of the Reagan-Bush White House involved the clandestine filming of an alleged cocaine shipment being placed aboard an airplane at an airstrip in Nicaragua. An official of the Interior Ministry of the Sandinista government, Federico Vaughn, was filmed at the site of the cocaine shipment.

Seal was running a secret training program for Contra pilots and ground teams in an area 11 miles north of Mena near Nella, Arkansas. Reed agreed to assist Seal in that training effort and eventually trained about 25 "Latin Americans."

According to state and federal law enforcement officials, including Russell Welch of the Arkansas State Police and William Duncan of the Internal Revenue Service, Seal was simultaneously using the Mena Intermountain Airport facility as a depot for illegal narcotics being flown into the United States from South America. Rich Mountain Aviation, Southern Cross Airways, and other companies based out of Mena airport were also modifying airplanes with extra fuel tanks, special radar tracking devices, and other equipment specially required in the Contra resupply program and in long-distance drug runs between South America and the United States.

In November 1984, while working with Seal on the Mena training program, Reed was contacted by William J. Cooper, a former Air America pilot whom he had known in Thailand. Cooper was then employed by Southern Air Transport, a CIA proprietary. Cooper flew into Little Rock and met with Reed to discuss his possible involvement in other aspects of the Contra support effort. Reed rejected Cooper's initial proposal to move to Honduras and continue training the pilots and ground teams. In March 1985, Cooper again contacted Reed and asked him to conduct a feasibility study for moving his machinery sales operation to Mexico, where it would be used as a transshipment front for funneling supplies to the Contras in Central America.

In September 1985, Reed did go to Mexico to conduct the feasibility study. Upon his return to Little Rock, he was debriefed by Barry Seal, who told him that he would pass the report back to Cathey. Later Reed was contacted again

by Cooper. Through North, Reed was told that the Mexican project was being run by a man named Max Gomez. Reed met with Gomez in 1985, 1986, and 1987 concerning the Mexico project.

The move to Mexico

In July 1986, Reed moved to Guadalajara, Mexico in the state of Jalisco. He established a company called Machinery International SA and arranged to lease a hangar at Guadalajara airport. Another former Air America pilot named Mitchell Marr was Reed's local contact point for the Contra resupply effort in Guadalajara.

On Oct. 6, 1986, a C-123 Southern Air Transport plane was shot down over Nicaragua. The pilot, who was killed in the crash, was William J. Cooper. A member of the crew, Eugene Hasenfus, was captured by the Sandinistas. As the result of the crash and the investigation it triggered back in Washington, Reed's Guadalajara resupply project was put on hold from October through December 1986.

However, in December 1986, Reed was asked to go to Mexico City to meet with Max Gomez. At that meeting, which was called to reactivate the Guadalajara effort, Reed was introduced to a man named Pat Weber. Reed later learned that Weber's real name was Amiram Nir. He was the Israeli government's liaison to Oliver North.

By early 1987, Machinery International SA was operating out of Guadalajara airport. U.S. military and Southern Air Transport cargo planes delivered and picked up containers at the hangar. With the death of Cooper, Robert Johnson of the Miami headquarters of Southern Air Transport became a contact man for Reed. While the transshipment program was being run under Machinery International's corporate cover, Reed was also using the firm as a legitimate sales agency for computer-controlled machine tools and other heavy equipment.

Witness to drug running

On May 30, 1987, Reed arrived at the Machinery International SA facility to find a small cargo plane inside the hangar surrounded by four Mexican soldiers, a U.S. DEA agent and two DEA pilots who worked out of the U.S. consulate in Guadalajara. Reed saw a pallet of rectangular plastic packages filled with white powder. Reed presumed that the pallet was full of either cocaine or heroin.

In his Florida deposition, Reed described the incident:

One of the DEA agents "told me that what I'd seen, what I'd just witnessed, I shouldn't be upset about. That this was part of a government sting operation and that what I had observed I should pass on to no one. And I didn't feel like it was a very good explanation. . . . What concerned me the most was I had—the—through casual conversations with foreigners in Guadalajara, you're told—you're told with no firsthand evidence that I had, that the American DEA is very corrupt in Mexico. And you're told things that just are very,

very difficult to swallow as a foreigner or as an American. And you feel like you're finally witnessing your war on drugs firsthand in a foreign country.

"And, in fact, while I was there, while I lived in Mexico, the people that were flying the marijuana eradication programs out of Mexico City were all put under house arrest for spraying fertilizer instead of paraquat on the marijuana. And our tax dollars were paying for those sorties. So I felt like over the 18 months or so that I was there, I got a pretty good taste of what our war on drugs is really all about. And I didn't like what I saw."

On July 5, 1987, Reed arrived at the Guadalajara hangar and found two crates both marked "Machinery International SA." One of the two crates contained a piece of machinery that he had ordered for a client. To determine which of the two crates contained his piece, Reed and an employee named John Desko opened the seal on one of the containers. Inside, they found a large number of plastic packages containing white powder. "I believed it to be, if not cocaine, opium or some other valuable drug, valuable, illegal drug," Reed stated in the Florida deposition. The container marked "Machinery International SA" and loaded with what Reed believed to be illegal narcotics was resealed and loaded later that same day onto a cargo plane with a Southern Air Transport logo on the tail.

Reed went to Mitchell Marr, his local contact, and demanded a meeting with Max Gomez. By this time, the Iran-gate hearings were ongoing in Washington and Max Gomez's picture had appeared on the cover of *Time* magazine. Reed now knew that "Gomez" was actually Felix Rodriguez, a Bay of Pigs veteran and career CIA officer with longstanding ties to Vice President George Bush (the former CIA director) and Donald Gregg, Bush's adviser for national security and a former career CIA agent.

On Aug. 20, 1987, Reed met with Rodriguez, a.k.a. Gomez, in San Miguel del Allende, a town heavily populated by American retirees several hundred miles outside of Mexico City.

Reed described the encounter with Rodriguez in the Florida deposition:

"I presented my frustrations. I had not been sent down to Mexico, in my opinion, or I had not volunteered to go to Mexico, in my opinion, to be involved or associated in any way whatsoever in narcotics trafficking. And I felt like I had found myself in a very precarious position of probably being the fall guy if something happened."

At the end of the meeting, Reed and Rodriguez had agreed that Machinery International SA would be shut down and that Reed would return to the United States.

Reed spent the next six weeks shutting down the company and preparing to move his family back to the United States. They left to return to Little Rock in early October 1987.

According to the complaint filed by Terry and Janis Reed against Buddy Young and Tommy Baker, beginning on Oct.

1, 1987, Young, operating out of the governor's mansion in Little Rock, placed a series of pretext calls to the home of Reed's parents attempting to locate Reed.

Enter Buddy Young

On Oct. 7, Young filed a request with the FBI's National Crime Information Center (NCIC) to determine whether an airplane with the registration number N2982M was listed as stolen property. This was the N number of the airplane that had been stolen from Terry Reed in March 1983. On Oct. 7, according to Reed's complaint, Young also contacted the Joplin, Missouri police and the El Paso Intelligence Center (EPIC), a federal police intelligence unit responsible for monitoring smuggling activities along the United States-Mexico border. Both calls also dealt with the stolen plane. Young also alerted EPIC that a suspected drug smuggler—meaning Terry Reed—might be crossing the border from Mexico into Texas.

The following day, Oct. 8, 1987, Tommy L. Baker claims that he was walking past a hangar at North Little Rock Airport when the wind suddenly "blew open the door." Inside the hangar, which was subleased by Terry Reed, Baker "found" Reed's missing airplane. Reed had subleased the hangar to store ultralight aircraft that he would sell. However, he had not been inside the hangar since Aug. 1, 1986. "On July 31, 1986, N2982M was not in the hangar, and plaintiffs had no knowledge of its whereabouts," the complaint states.

According to testimony given by both Young and Baker in a hearing to obtain a search warrant on the North Little Rock Airport hangar, the NCIC queries by Young and the calls to EPIC, Joplin, and DEA officials in Arkansas had not taken place until after the alleged incident on Oct. 8 when Baker "discovered" the stolen plane. Federal and state records produced for the Wichita trial showed that both men were lying. This prompted Judge Theis to accuse Young and Baker of showing "reckless disregard for the truth."

The Reed complaint summarized the Young-Baker effort:

"Between, on, or about Oct. 7, 1987 and continuing to on or about Oct. 6, 1989, Young and Baker conspired to unlawfully enter plaintiff Terry Reed's rented hangar and to cause the plaintiffs to be charged and tried with a federal crime over collecting the insurance proceeds for the disappearance of the airplane without probable cause. Defendants manufactured, altered, tampered, removed, and planted evidence against the plaintiffs. They also knowingly testified falsely to material matters in Pulaski County Circuit Court (to obtain a search warrant for the airplane hangar), submitted a report to be read to a federal grand jury (to procure an indictment), and testified falsely before a federal judge (in pretrial hearings) in the United States District Court for the District of Kansas (*United States v. Terry Reed and Janis Reed*, D.Kan. No. 88-10049)."

Clinton's Contra connections

The factual chronology contained in the three court actions above strongly suggests that following Terry Reed's angry confrontation with Felix Rodriguez in San Miguel del Allende, the decision was made to silence Reed by having him framed up on federal charges relating to the disappearance of his airplane in 1983. The same chronology suggests that it was Buddy Young, the personal security chief for Gov. Bill Clinton, who was entrusted with the Reed frameup.

Is there any other evidence suggesting that Bill Clinton and his inner circle were part of the Iran-Contra secret team?

Terry Reed has told investigators that when he first arrived in Little Rock and was approached by Barry Seal to join in the Contrapilot training program at Mena, he attended planning meetings along with Roger Clinton, the governor's younger brother, and with a partner in the Little Rock brokerage house run by Dan R. Lasater, a longtime intimate and early campaign funder of Clinton's gubernatorial races.

Reed has also told investigators that shortly after Barry Seal's violent death on Feb. 19, 1986 (Seal was shot over 30 times allegedly by hit men for Colombia's Medellín cocaine cartel in Louisiana), he had discussed Seal's murder with Buddy Young and Gov. Bill Clinton. According to Reed's account (which does not appear in any of the court records obtained so far by *EIR*), both men were intimately familiar with the Mena program and with drug trafficker Seal's role in it.

On April 13, 1991, Larry Nichols, a former employee of the Arkansas Development Finance Authority (ADFA) told an interviewer for Geraldo Rivera's syndicated television magazine program "Now It Can Be Told" that he had been given a leave of absence from ADFA by Clinton in order to spend several months in Central America aiding the Contra effort.

To prove his point, Nichols produced a series of Arkansas Traveler honorary award certificates signed by Gov. Bill Clinton that had been given to Contra leaders Adolfo and Mario Calero and to Army Gen. John K. Singlaub (ret.), a well-known Contra secret team member.

So far, neither the national media nor any of Clinton's rivals for the Democratic presidential nomination have directly confronted the Arkansas governor on the Reed allegations about his or Buddy Young's role in the gun-for-drug program that ran between Mena, Guadalajara, and Central America. This despite the fact that incontrovertible evidence exists that a major Contra resupply operation was known to be ongoing in Arkansas for years. Cong. Bill Alexander (D-Ark.) made a public issue of this fact, and Governor Clinton was aware of these events.

Until Governor Clinton answers those charges fully, the spectre of a George Bush "Trojan Horse" stealing the Democratic Party presidential nomination will haunt the 1992 election.