
Documentation

The following three articles are key illustrations of EIR's decades' long investigation into the spy ring operating from inside the U.S. administrations. The articles are reprinted, respectively, from EIR June 4, 2004; Sept. 20, 2002; and June 3, 1988.

The Crimes of Iran-Contra Have Never Ended

by Jeffrey Steinberg

A funny thing happened, early in May, when President Bush met with Jordan's King Abdullah II in Washington. According to news accounts, the Jordanian ruler provided the President with a dossier, revealing that Ahmed Chalabi—the head of the Iraqi National Congress (INC) and the darling of the neo-cons in the Office of Vice President Dick Cheney, the civilian apparatus at the Pentagon, and such Beltway think tanks as the American Enterprise Institute and the Jewish Institute for National Security Affairs (JINSA)—was passing top secret U.S. government material to the most radical ayatollahs in Iran.

It is no secret that the Jordanian government has had deep misgivings about Chalabi's prominent role in the postwar Iraq occupation government. Chalabi has a 22-year jail sentence awaiting him in Jordan, as the result of massive fraud at his Petra Bank in the 1990s. The Jordanian Ambassador in Washington and King Abdullah II have both publicly accused Chalabi, and his INC, of being behind the bombing of the Jordanian embassy in Baghdad in August 2003.

The King's dossier bolstered intelligence already in the hands of the CIA and the National Security Agency, indicating, among other things, that Chalabi's so-called Free Iraqi Force was heavily penetrated by the Iranian Revolutionary Guard. National Security Agency (NSA) intercepts had revealed much deeper ties between Chalabi and radical factions within the Islamic Republic than had been known to American officials previously.

The dossier, provided by King Abdullah, checked out, and, as a result, the White House ordered Coalition Provisional Authority boss Paul Bremer to raid Chalabi's home, and the INC offices. That raid occurred on May 20, catching both Chalabi, and some of his neo-con allies in Washington, flatfooted.

On May 24, the *New York Times*, *Time*, and *Newsweek* all reported that U.S. Federal investigators are now conducting a high-priority criminal probe, to determine who in the Pentagon was passing classified documents on to Chalabi. Al-

though the news accounts did not name any names, they all reported that there is a narrow list of people with access to the secrets, who were also close collaborators and boosters of Chalabi.

Among the leading candidates to join convicted Israeli spy Jonathan Jay Pollard in the hoosegow, or at least, in the hall of shame, are: Assistant Secretary of Defense for Policy Douglas Feith; Near East South Asia/Office of Special Plans head William Luti; Feith deputies Harold Rhode, Abram Shulsky and Michael Rubin; Office of Special Plans staffer Col. Bill Brunner; and Deputy Secretary of Defense Paul Wolfowitz. All have been known to maintain intimate ties to Chalabi. Another Irangate “veteran” and Chalabi booster, Elliott Abrams, who was convicted of perjury (and later pardoned by President George H.W. Bush), was named the top NSC official on the Middle East in late 2002, a post he still holds.

The authoritative Republican Party insiders newsletter, *The Big Picture*, reported on May 24, that, following the raids, an angry Chalabi phoned the Pentagon, and demanded to speak to his longtime friend and patron Wolfowitz. Wolfowitz refused to take the call. Wolfowitz’s snub mirrored the actions of other neo-cons, who are desperately clinging to their positions in the corridors of power at the Defense Department and the Office of the Vice President—and are, therefore, anxious to cleanse themselves of links to the now thoroughly discredited Chalabi.

Even Mark Zell, the longtime law partner of Doug Feith, announced his break with Chalabi, accusing the INC chief of reneging on his vow to seize power in Baghdad, recognize the government of Israel, and reopen the oil pipeline between the Iraqi fields and the Israeli port of Haifa. Following the U.S. invasion and occupation of Iraq, Zell, a West Bank-based lawyer, had formed a Baghdad business partnership with Salem Chalabi, Ahmed’s nephew and business front man, which reportedly arranged contracts for Israeli security firms for postwar “reconstruction” and security missions in “liberated Iraq.”

Several well-placed U.S. and Israeli sources have claimed that the Chalabi-Zell firm arranged subcontracts, that allowed as many as 50 Israeli interrogators to work in Iraq. In January 2004, “Jack” London, the CEO of CACI—a northern Virginia-based company that provided interrogators at Abu Ghraib prison—traveled to Israel on a business junket, to drum up joint-venture business with Israeli security firms. According to a former top U.S. national security official, both CACI and Titan, the two American firms implicated in the Abu Ghraib torture scandal, have had longstanding business dealings with Israeli high-tech companies. The Feith and Zell international law firm recently established a Washington-based front, FIST, dedicated to pairing up Israeli and American high-tech companies for joint venture contracts on homeland security and Defense Department outsourcing.



The now-discredited Ahmed Chalabi was vigorously promoted by the same neo-con Pentagon officials during 2001-03, who also conducted extensive talks with Manucher Ghorbanifar, the “Iranian connection” of the 1980s Iran-Contra scandal.

Other neo-cons outside of government, including Michael Ledeen, Richard Perle, Kenneth Timmerman and Laurie Mylroie, are equally hysterical, defending Chalabi, and even touting his work with the Iranians as being in the interests of the United States.

One particularly bizarre item surfaced, as this particular neo-con group scrambled to defend their longtime Iraqi asset. Following the raid on Chalabi’s home and offices, two attorneys, John Markham and Colette Goodman, fired off an angry letter of protest to the Bush Administration. Goodman, with the international law firm of Shea and Gardner, is the official registered lobbyist for the INC, according to papers on file with the Department of Justice. A leading attorney at Shea and Gardner is R. James Woolsey, the Clinton era CIA Director, who, as a member of the Bush Administration’s Defense Policy Board, has been one of the biggest promoters of the urban legend that Saddam Hussein was behind the Sept. 11, 2001 attacks on Washington and New York.

Lawyer John Markham, a longtime leading member of the overtly Satanic cult known as the Process Church, was later a Justice Department attorney, responsible for railroad prosecutions of Lyndon LaRouche. Markham, at the Boston U.S. Attorney’s office, was a leading protégé of William Weld, the Boston Brahmin who ran the “Get LaRouche” drive, and was later defeated by John Kerry in a bid to enter the U.S. Senate.

It Didn’t Stop With Iran-Contra

Beyond the latest falling out among neo-con thieves and the bizarre resurfacing of John Markham, lies a much deeper scandal: The Iran-Contra crimes of the 1980s never ended. The usual suspects—in Washington, in Israel and in Iran—just merely went underground, for much of the Clinton era,

only to resurface, with a vengeance, under the Cheney-Bush regime.

Indeed, the very same American, Israeli and Iranian neo-con liars and shady arms dealers who brought you the Ollie North Irangate saga, have been caught, engaged in the same dirty dealings, all over again.

Chief among the Iran-Contra veterans, who are up to their eyeballs in the present Irangate II caper, is Michael Ledeen, the self-professed “universal fascist,” who is also, according to several U.S. intelligence community sources, a prime suspect in the scheme to forge Niger government documents, purporting that Iraq was seeking uranium precursor to build nuclear bombs. A U.S. Federal grand jury is probing the forgery scheme.

In December 2001, Ledeen first moved to revive the Reagan-Bush era Iran connection, setting up a meeting between two Pentagon civilian neo-cons and Manucher Ghorbanifar, an Iranian arms dealer, whom the CIA denounced as a criminal and a liar. Three days of meetings took place in Rome, involving Harold Rhode, Larry Franklin, Ghorbanifar, and two still-unidentified officials of the Iranian regime. According to an Aug. 9, 2003 *Washington Post* account, the Iranians were offering to help the United States in the war on terror. Citing an official Pentagon statement the previous day, the *Post* reported, “The first contact, in late 2001, had been formally sanctioned by the U.S. government in response to an Iranian government offer to provide information relevant to the war on terrorism.”

Rhode and Ledeen go back 20 years, according to Ledeen’s own acknowledgements, in a recent book. Both are protégés of leading British intelligence operative Bernard Lewis. And both are also prime boosters of Chalabi. Following the U.S. invasion of Iraq in March 2003, Rhode was dispatched from Washington to Baghdad, to be the contact point between the Office of Special Plans and the INC chief.

Franklin, a Defense Intelligence Agency officer, was assigned to the Near East/South Asia shop at the Pentagon, where he served as the Iran desk officer, reporting to Bill Luti.

While official Pentagon statements claimed that there was no followup to the Rome talks, Ghorbanifar, in a Dec. 22, 2003 interview with *Newsweek*’s Mark Hosenball, reported that he maintained contact with Rhode and Franklin “five or six times a week” up through June 2003, when he had a second meeting with Rhode in Paris. Pentagon officials later admitted that there were also meetings in Rome during 2002.

Word of those meetings with Ghorbanifar got back to Secretary of State Colin Powell, who reportedly hit the ceiling, and went to Defense Secretary Rumsfeld and National Security Advisor Condi Rice to demand that all contacts with the discredited Ghorbanifar be severed.

Ghorbanifar had been used by Reagan-Bush National Security Council staffer Oliver North, as the intermediary between the Iranian government and Israel. Ledeen, then a consultant to the NSC, had promoted Ghorbanifar as a

trustworthy asset. As part of an elaborate scheme to win the release of American hostages in Lebanon, Ghorbanifar had brokered the secret sale of 508 TOW missiles to Iran. Proceeds from the missile sales were illegally funneled to the Contra rebels, waging a U.S. and Israeli-backed insurgency against the Sandinista regime in Nicaragua. In October 1986, a plane carrying arms to the Contras was shot down over Nicaragua, and an American crew member was captured, along with documents and other evidence of the American covert backing for the rebels. This began what became the “Iran-Contra scandal.”

When word of the Ledeen-Ghorbanifar-Pentagon machinations in 2001-2003 surfaced, Powell also accused Feith of running an illegal channel to the Iranian regime, undercutting his own sanctioned, but secret diplomacy with Iranian officials in Geneva, Switzerland.

But as late as August 2003, Ledeen and Ghorbanifar were at it again, pressing their allies in Feith’s office to open up contacts with the U.S. occupation forces in Iraq. This time, Ghorbanifar claimed he had Iraqi Shi’ite contacts who could lead U.S. weapons inspectors to Iraqi weapons grade nuclear material, which had been smuggled into Iran. He claimed that his sources had “saved American lives” by providing details of Iranian terror plots against American GIs in Afghanistan.

When the so-called source insisted on a \$250,000 payoff before he would reveal where the nuclear material was hidden, the deal fell through. Ledeen still insists that Ghorbanifar’s information was solid.

By the time the 2003 schemes came to light, Ghorbanifar was also peddling a different tale about his dealings with Pentagon officials Rhode and Franklin. No longer was he a broker of “war on terrorism” collaboration between Tehran and Washington. According to *Newsweek* reporter Mark Hosenball, who interviewed Ghorbanifar in Paris in November 2003, “Ghorbanifar, a former Iranian spy who helped launch the Iran-Contra affair, says one of the things he discussed with Defense officials Harold Rhode and Larry Franklin, at meetings in Rome in December 2001 (and in Paris last June with only Rhode), was regime change in Iran. Ghorbanifar says there are Iranians capable of organizing a peaceful revolution against the ruling theocracy. He says his contacts know where Saddam Hussein hid \$340 million in cash. With American help, he says, this money could be retrieved and half of it could be used to overthrow the ayatollahs. (The other half would be turned over to the United States.) Ghorbanifar says he told his U.S. interlocutors that ousting the mullahs would be a breakthrough in the war on terror because top al-Qaeda leaders, including Osama bin Laden, are in Iran.”

One senior U.S. intelligence source told *EIR* that, were it not for Colin Powell pitching a fit, the Irangate II schemes would have gone a lot further. The extent to which this descent into Hell actually gripped the Bush-Cheney Administration is now a question for Federal investigators to ferret out.