

AFFIDAVIT OF DANIEL P. SHEEHAN

"...these Defendants, some of whom have been tagged by the press as "contrapreneurs," represent the very epitome of organized crime, but on an international stage. They deal wholesale in narcotic drugs, illegal weapons and violence. Rather than take over local businesses or undermine local government, they seek to take over whole nations. They do not hesitate to murder and destroy anyone or anything that gets in their way. By any definition, these Defendants, alleged merchants of heroin and terrorism, are organized criminals on a scale larger-than-life."

Filed on December 12, 1986
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Acknowledgement

If information contained in this Affidavit is reprinted, rebroadcast, or used in any way, we ask that you credit the Christic Institute, an interfaith, public interest law firm and public policy center.

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is the cornerstone of an effort to prove the existence of the illegal, private Contra support network involved in gunrunning, drug smuggling, murder, political terrorism and other crimes and to bring its members to justice. Leaders of this same network helped the Reagan Administration secretly smuggle weapons to the government of Iran.

Created without use of federal subpoena power, the Affidavit demonstrates the wealth of evidence available to those willing to look for it. The sources have been kept, for the most part, anonymous. Some seek immunity from criminal prosecution; others will testify only if subpoenaed and forced to answer under oath; and many need to be assured of their personal safety.

They include law enforcement officers, current and former high ranking officials of the Central Intelligence Agency and the Drug Enforcement Agency, American mercenaries, individual contras, drug smugglers and the pilots who have flown from the U.S. carrying guns and returned with cocaine.

Because it summarizes an on-going investigation, minor revisions have been made as new information becomes available. If information contained in this Affidavit is reprinted, rebroadcast, or used in any way, we ask that you credit the Christic Institute, an interfaith, public interest law firm and public policy center.

Sheehan's investigation grew out of his work on the first Sanctuary Movement defense case. In early 1984, he learned of Reagan Administration contingency plans in the event of large scale U.S. military action in Central America. The Federal Emergency Management Agency (FEMA) had proposed imprisoning some 400,000 Central American refugees already in the U.S. and the "deputization" and arming of "State Defense Forces" -- civilians and military personnel intended for domestic law enforcement.

According to sources within FEMA, a clandestine scheme to provide weapons to the Contras had been proposed under the cover of a FEMA training exercise. Weapons were to be dispersed to these local State Defense Forces and then transferred to the Contras. Private networks of American contra supporters were to handle the transfer of weapons. Additional information on these private networks came to Sheehan through a U.S. reporter with close contacts to American mercenaries. With his help, Sheehan learned of the Reagan Administration's efforts, directed by Lt. Col. Oliver North, to defy Congressional restrictions and the eventual Congressional ban on aid to the contras by using private war-makers.

Meanwhile, the plaintiffs, journalists Tony Avirgan and Martha Honey, had been conducting their own investigation of the contras and their U.S. supporters. Avirgan, while an ABC News cameraman, was severely injured at the 1984 bombing of a press conference in La Penca, Nicaragua. Supported by the Committee to Protect Journalists and the Newspaper Guild, they discovered an "International Brigade" of

Introduction

The document which you are about to read is derived from the most comprehensive investigation, public or private, of the private individuals involved in the Iran-Contra affair. Months before the Reagan Administration's admission that arms were sent to Iran, a lawsuit based on this investigation named the principal figures and described their methods.

This federal lawsuit is the result of three years of investigative work by the Christic Institute's professional private investigators; by the plaintiffs, U.S. journalists Tony Avirgan and Martha Honey; and by other investigative journalists. Its goal is to expose and bring to justice the "Secret Team" of people which worked with the Reagan Administration, through Lt. Col. Oliver North, to smuggle weapons to Iran and to the Contras. This private operation has long been funded by the sale of illegal narcotics in the United States.

The lawsuit is the only investigation outside of the federal government empowered to use federal subpoena power to develop a legal "record of truth" regarding this constitutional crisis. The legal team is already sharing information with the United States Congress. Investigative journalists now acknowledge that "this is bigger than Watergate" and the Christic Institute is their primary private source on the history and activities of the Secret Team.

The Christic Institute is a public interest, interfaith law and public policy center. It has a reputation for thorough, professional private investigations that result in significant legal victories. It is best-known for launching and directing the successful Karen Silkwood case. In 1985, the Institute won a civil judgement against the Ku Klux Klan, the American Nazi Party, and the Greensboro Police Department after state and federal prosecutions failed to obtain convictions for the murder of peaceful anti-Klan demonstrators.

The Affidavit

This affidavit is an unusual filing in a federal civil lawsuit. To advance to pre-trial investigation, Attorney Daniel Sheehan, the Plaintiffs' Chief Counsel and General Counsel of the Christic Institute has submitted this sworn statement describing the results of three years of private investigations. In it, he lays out a detailed, specific narrative of the defendants' criminal activities and the Christic Institute's investigation of them.

In the face of indifference and interference by the Reagan Justice Department, Christic Institute attorneys are acting as prosecutors using the RICO (Racketeer, Influence and Corrupt Organization Act) statute which was passed in 1970 to fight organized crime. Here RICO

gunrunners and terrorists fighting on behalf of the contras and based in Costa Rica.

Avirgan and Honey identified this Brigade's main base to be American John Hull's Costa Rican land holdings. Airstrips on Hull's ranch helped transport both weapons and cocaine. The two reporters discovered that this same group of men carried out the press conference bombing and had planned to assassinate the U.S. Ambassador to Costa Rica.

In 1985, Avirgan and Honey began sharing their information with Sheehan. Sheehan's sources within the American intelligence community soon led him to uncover, long before the public exposure of the Iran Arms deal, a "secret team" of former high ranking Central Intelligence Agency and U.S. military officials.

The Affidavit outlines this Secret Team's history of political assassination and arms trafficking funded by drug smuggling which began in the early 1960's. Sheehan's sources recount the team members' work with anti-Castro Cuban terrorists and their leadership of "unconventional warfare" programs in Southeast Asia. Sheehan's sources told him of the development of a partnership there between opium traffickers and the Secret Team, a continuing partnership which provides the funding for independent, "black" operations after the Vietnam War.

Later, while helping the Shah of Iran eliminate his opponents, the Team made the connections which would be later used by the Reagan Administration in the arms for hostages deal. When Nicaraguan Dictator Anastasio Somoza was cut off from U.S. aid by the Carter Administration, the Team stepped in with weapons and ammunition. They were the Contras' primary early suppliers and later worked with the Reagan Administration both before and after the Boland Amendment banned any "direct or indirect" government aid to the contras.

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AFFIDAVIT OF DANIEL P. SHEEHAN

Below, the Plaintiffs' attorney, Daniel P. Sheehan, sets forth for the Court in the following Affidavit, the explanation of the evidence presently in his possession -- which evidence does, in fact, rise to the level of "probable cause" to believe that the Defendants named in this federal civil lawsuit are guilty of the commission of the federal criminal violations set forth in the Amended Complaint of October 4, 1986. The Plaintiffs move that this Affidavit of Counsel be deemed a Supplemental Filing to their October 4, 1986, Amended Complaint if the Court deems this to be legally required and that it be deemed by the Court to set forth the evidentiary basis upon which a reasonable person -- drawing all logical inferences from the facts adduced in the direction of the Plaintiffs -- would conclude that it is more probable than not that each of the Defendants named in this civil suit is guilty of violating the Federal RICO Statute and that each is civilly liable to the Plaintiffs Tony Avirgan and Martha Honey for having fortuitously contributed to the civil wrongs committed against them as charged in this Amended Complaint -- as Supplemented by the Affidavit of Counsel.

ATTORNEY DANIEL P. SHEEHAN

Now comes Attorney Daniel P. Sheehan, and having been duly sworn hereby swears and affirms that the following facts are true:

1. I am a duly licensed attorney at law, admitted to practice before the State and Federal Courts of the State of New York in both the Northern and Southern Districts of New York.
2. I am duly licensed and have been admitted to practice before the Courts of the District of Columbia, both local and Federal and I am in good standing before both the Bar of New York and the Bar of the District of Columbia.
3. I have practiced law before the courts of New York and numerous other states in our nation since 1970, having served as counsel in some 60 separate pieces of litigation in the states of New York, Pennsylvania, North Carolina, Virginia, the District of Columbia, Georgia, Florida, Oklahoma, Ohio, Colorado, Idaho, Nebraska, South Dakota, Wyoming and Mississippi;
4. I graduated from Harvard College in 1967 as an Honors Graduate in American Government, writing my Honors Thesis in the field of Constitutional Law, and was the Harvard University nominee for the Rhodes Scholarship from New York in 1967. I graduated from Harvard School of Law in 1970, having served as an Editor of the Harvard Civil Rights-Civil Liberties Law Review and as the Research Associate of Professor Jerome Cohen, the Chair of the International Law Department of Harvard.
5. While at Harvard School of Law, I served as a summer associate at the State Street law firm of Goodwin, Proctor and Hoar under the supervision of Senior Partner, Donald J. Hurley, the President of the Boston Chamber of Commerce and Massachusetts Senatorial Campaign Chairman for John F. Kennedy.

At this firm I participated in the case of BAIRD v EISENSTAT, under Roger Stockey, General Counsel for the Massachusetts Planned Parenthood League (establishing the unconstitutionality of the Massachusetts anti-birth control law) and in the Nevada case, under Charles Goodhue, III (establishing the constitutional right to bail in criminal extradition cases, including capital cases).

While at Harvard School of Law, I authored "The Pedestrian Sources of Civil Liberties" in the Harvard Civil Rights-Civil Liberties Law Review and I served under Professor Milton Katz, the President of the International Law Association, as the Chairman of the Nigerian Biafran Relief Commission responsible for successfully negotiating the admission of mercy flights of food into Biafra in 1968.

6. While serving as a Legal Associate at the Wall Street law firm of Cahill, Gordon, Sonnett, Reindel and Ohlo under partner Floyd Abrams and in association with Yale Law School Professor of Constitutional Law Alexander Bickel, I participated in the litigation of such cases as the UNITED STATES v THE NEW YORK TIMES (establishing the constitutional right of The New York Times to publish the Pentagon Papers); UNITED STATES v BRANZBERG (litigating the First Amendment right of professional journalists to protect the identity of confidential news sources) and THE NEW YORK TIMES v THE JEWISH DEFENSE LEAGUE (establishing the right of newspapers to refuse to publish proffered paid political advertisements of their choosing).

While a Legal Associate of the Cahill, Gordon law firm, I was appointed by New York City Mayor John Lindsay to be Legal Counsel to the Inmate Association of the Manhattan House of Correction and was admitted to practice, pro hoc vice before the United States District Court for the Western District of New York with Professor Herman Schwartz in the case of IN RE ATTICA PRISON INMATES v MANCUSO (which caused the reversal of the official New York State Coroner's Autopsy falsely certifying that all 41 hostages held by the inmates at Attica prison had been killed by having their throats cut by the inmates -- whereas, in fact, all 41 hostages had been killed by the gunfire from New York State Police into Attica Prison's exercise yard from the parapets surrounding the prison.) During this period, I also served as public interest counsel in the case of CORTIGHT v. RESOR, (establishing the First Amendment Right to Freedom of Expression of US Servicemen); in the case of IN RE LINDA JENESSE (establishing the right of appearance on the ballots of New York of all candidates who obtained the legally required numbers of signatures on their petitions.) and in McGOVERN FOR PRESIDENT, INC. v MAYOR JOHN LINDSEY (establishing the First Amendment right of candidates for public office to the use of public park facilities).

7. In 1972, I served as the New York States Assistant Campaign Director in Charge of Voter Registration for George McGovern for President and the New York State Democratic Party; and as Special Counsel to the Scott Commission associated with the Knapp Commission investigation of New York City police corruption.

8. I then practiced as Litigation Associate to F. Lee Bailey in the Boston Law firm of Bailey and Alch during the period when Gerald Alch was representing James McCord, the electronic eavesdropping specialist in the Watergate Burglary Case -- the man who wrote the letter to Judge John Sirica

revealing the direct involvement of then President Richard M. Nixon and high-ranking White House personnel in the unconstitutional Huston Plan and the unlawful cover-up activities in the Watergate Burglary Case.

9. I also served as Chief of Litigation for the national American Civil Liberties Union office in the Rocky Mountain States where I served as Chief Trial Counsel in some one dozen trials -- including the First Amendment criminal defense of the United Artist film "LAST TANGO IN PARIS"; the successful Federal Civil Rights Act civil prosecution of the members of the Idaho State Board of Education in *LYMAN v SWARTLEY*, et al. for the unlawful termination of American Federation of Teachers union organizer Rufus Lyman from the Idaho State University; *UNITED STATES v STARR* (dismissing Rap Brown Act charges against students arrested in Nebraska for endeavouring to attend funeral ceremonies in South Dakota for a member of the American Indian Movement killed at Wounded Knee.) In this and many other cases, I served as Co-counsel to the National Native American Rights Committee for the National Office of the American Civil Liberties Union and as one of the Counsel in the United States Supreme Court case of *MANCARI v MORTON* (establishing the constitutionality of the preferential hiring of Native Americans by the National Bureau of Indian Affairs).

10. After attending Harvard Divinity School, I served as General Counsel to the United States Jesuit Headquarters' Office of Social Ministry in Washington, D.C., in which capacity I served as National Chairman of the Washington Inter-religious Staff Council's Task Force on Civil Rights and also as the National Chairman of the Washington Inter-religious Staff Council's Task Force on Criminal Justice. In this latter capacity, I served as the primary Washington, D.C., lobbyist for the national religious community in opposing the passage of Senate Bill One, the draconian Nixon-Mitchell Federal Criminal Code.

In this capacity I also chaired the Civil Liberties and Religious Community Briefing for United States Attorney General Griffin Bell in 1977.

11. Between 1976 and 1986, I served as Chief Counsel in the major environmental and civil rights case of *KAREN G. SILKWOOD v THE KERR McGEE NUCLEAR CORPORATION*.

12. Since 1980, I have served as General Counsel and Chief of Litigation for the Christic Institute, a 501 (c)(3) public interest law firm and interfaith public policy center in Washington, D.C., serving as Chief Counsel in such cases as *THE PEOPLE OF THREE MILE ISLAND v THE GENERAL PUBLIC UTILITIES CORPORATION*, (successfully enjoining the General Public Utility Corporation from venting radioactive materials from the damaged Three Mile Island nuclear plant into the surrounding environment and compelling the corporation to undertake court-approved clean-up methods); the successful first degree murder defense of Mayor Eddie Carthan, the first elected black mayor in the Mississippi Delta since the Civil War; and the winning of the dismissal of all criminal charges against the staff of Catholic Bishop John Fitzpatrick of Brownsville, Texas, who had engaged in aiding Salvadoran refugees in their effort to obtain political asylum in the United States in the case of *UNITED STATES v STACEY MERKT*.

The Investigation Begins

13. During the course of investigating the case of UNITED STATES v STACEY MERKT, I was contacted, in March of 1984, in Brownsville, Texas, by a Protestant minister, Source #1, and was informed by this Protestant minister, that he had been contacted by an FBI field agent in the Brownsville area, Source #2, and had been informed by this FBI agent that this agent had been instructed by a superior in the United States Department of Justice, Source #3, that undocumented Central American refugees being transported into the United States by members of the Catholic Church participating in the Sanctuary Movement included "known communist terrorists" who constituted "a potential threat to the national security of the United States", in that such persons were potential participants in "military cadres" to be launched against United States military installations, domestic communications centers and domestic water resource systems -- "in the event that President Reagan had to initiate a direct military action by US forces into Central America, either into El Salvador or into Nicaragua." This Protestant minister, who was reported to me by the professional religious personnel of Catholic Bishop John Fitzpatrick to be an honest and trustworthy source of information based upon their direct experience with him, informed me that he had been warned by this FBI field agent -- whom the Protestant minister, in turn, knew to be an honest and trustworthy source of information -- to avoid any contact with such undocumented Central American refugees being aided by the Catholic Church participants in the Sanctuary Movement, if the minister wanted to avoid being caught up in trouble, in the event that President Reagan was forced to undertake military action in Central America.

14. Being troubled by this report from an honest and trustworthy source, after I completed the Preliminary Hearing for Stacey Merkt before the Federal Magistrate in Brownsville, Texas, I returned to my office in Washington, D.C., and began a Preliminary Investigation to ascertain the source of this unfounded accusation against my church and against the members of the community of undocumented Central American aliens as I had come to know them.

15. In undertaking this Preliminary Investigation, I reached out to several experienced and trustworthy professional investigators and professional investigative journalists whom I was certain had trustworthy sources who could locate the origin of this accusation. Among these investigators were:

SOURCE #4, a licensed, professional private investigator who is the President of his State Association of Private Investigators, a member of his Governor's Private Security Advisory Group in his state, a former federal agent with a decade of experience working with members of the military intelligence community, the FBI, the Central Intelligence Agency, the US Customs Department, the DEA and various State Bureaus of Criminal Investigation;

SOURCE #5, a professional research specialist for major national television networks, newspapers, and law firms, and former Professional Staff Member for a Committee of the United States House of Representatives involved in investigations relating to Intelligence Community and FBI abuses of citizens' rights;

SOURCE #6, a professional investigative journalist previously employed

as a staff investigator for syndicated columnist Jack Anderson, a staff member of the Washington, D.C.-based investigative journalist organization The Center For Investigative Journalism and a staff investigative journalist for CBS Evening News; and SOURCE #7, a former reporter with one of our nation's largest newspapers, a reporter for a national wire service and a staff investigative reporter for one of the national television networks.

16. At the end of March of 1984, I communicated to Sources #4, #5, #6, and #7 the information communicated to me earlier in March by Protestant Minister Source #1 and I asked them to ascertain for me the source of this accusation that the Catholic Church participants in the Sanctuary Movement were somehow involved in smuggling into the United States "known communist terrorists" who planned to form themselves, once inside the United States, into "military cadres" to undertake the launching of military assaults against U.S. military installations, domestic communication centers and domestic water resource systems -- in the event that President Reagan deemed it necessary to initiate direct military action by U.S. forces in Central America, either in El Salvador or in Nicaragua.

17. During the second week of April of 1984, I was informed by Source #4 that President Ronald Reagan had, on April 6, 1984, issued National Security Decision Directive #52 authorizing then Federal Emergency Management Agency Director Louis O. Giuffrida and his Deputy Frank Salcedo to undertake a secret, nation-wide, "readiness exercise" code-named "REX 84". This exercise was to test the "readiness" of the Federal Emergency Management Agency to exercise civilian supervisory authority over defense department personnel, the personnel of all 50 State National Guard units and numerous, state-based "State Defense Force" units (which were to be established, at the behest of FEMA, by state legislative enactments) -- in the event that President Reagan chose to declare a "State of Domestic National Emergency" concurrent with the launching of a direct United States military operation into Central America. This military operation was to be code-named "Operation Night-Train."

According to Source #4, the "mission" of the FEMA operation to be tested pursuant to this REX 84 readiness exercise was two-fold. First, the Federal Emergency Management Agency (after "deputizing" all DOD personnel and State National Guard personnel -- ostensibly so as to make such personnel "civilians," and to, thereby, avoid violating the Congressionally enacted Posse Comitatus Act¹) would undertake to test its ability to seek out, and to take into custody, some 400,000 undocumented Central American aliens throughout the United States and, then, to intern said Central American aliens in ten military detention centers, to be established during this REX 84

¹ This Act of Congress forbids the use of any military personnel, such as DOD or National Guard personnel for domestic law enforcement purposes.

readiness exercise at ten U.S. military bases throughout the United States.² These undocumented Central American aliens were to be held at these detention centers during any real such Presidentially deemed State of Domestic National Emergency, without the right of Habeas Corpus, until President Reagan declared the State of National Emergency to be at an end.

The second "mission" of the FEMA operation to be tested pursuant to this REX 84 readiness exercise was the distribution -- by FEMA, from U.S. military bases under the supervision of the United States Department of Defense, through the State National Guard Units, down into the hands of the civilian, state-legislature-created State Defense Forces -- of hundreds of tons of small arms and ammunition, ostensibly to be used by their civilian domestic law enforcement "deputies" to enforce domestic laws, during the pending of the Presidentially declared State of National Emergency.

18. The interest of the Christie Institute focused primarily on the first of the two "missions" assigned to FEMA by this April 6, 1984 Presidential National Security Decision Directive. This first mission was of direct immediate interest to our law office in attempting to evaluate the "state of mind" and attitude of the Justice Department personnel who were to be "fielded" against us in the prosecution of the Sanctuary Movement personnel we were retained by the Catholic Church to defend in Texas.

19. Upon learning of the existence of this REX 84 readiness exercise, I reached out, through Sources #4, #5, #6, and #7 to find an "inside source" at FEMA to either confirm or deny the intelligence information conveyed to me by Source #4 regarding the planned readiness exercises named REX 84.

20. During the third week of April of 1984, Source #7 obtained for me an introduction to Source #8 -- a member of the Legal Division of the Federal Emergency Management Agency, the office headed up by FEMA General Counsel George Delt.

21. Source #8, who was known by Source #7 to be an honest and trustworthy source of information based upon Source #7's direct experience with him, was shocked that I had such accurate information concerning the content of Presidential National Security Decision Directive #32, but he expressly confirmed the accuracy of the intelligence report given to me by Source #4 concerning the two-fold mission of REX 84.

Source #8 expressed directly to me a high degree of fear and anxiety

² These ten detention camps were to be located at: (1) Fort Drum, New York; (2) Indiantown Gap Military Reservation, Annville, Pennsylvania; (3) Fort A.P. Hill outside of the District of Columbia in Virginia; (4) Fort Benning, Georgia; (5) Eglin Air Force Base in Florida; (6) Camp Krome, Florida (this base to serve as the jointly FEMA-INS Administration Interrogation Center) (7) Ft. Chaffee, Arkansas; (8) Fort Huachuca, Arizona - which was also to serve as the U.S. based ground communication center for Operation Night-train; (9) Vandenberg Air Force Base in California and one outside of Oskdale, California.

about the legality of what was being planned by FEMA General Counsel George Jett, FEMA Director Louis O. Giuffrida and FEMA Deputy Director Frank Salcedo. Source #8 reported to me that he had never before seen inside FEMA such an intense level of security concerning any program. Source #8 reported to me that FEMA General Counsel George Jett had ordered the installation of a special metal security door into the hallway on the fifth floor of the FEMA building in Washington, D.C. -- behind which door all of the planning for REX 84 was being conducted. Indeed, Source #8 reported to me that even long-standing employees of the civil defense division of the Federal Executive Department possessing the highest possible security clearances were not being allowed through the newly-installed metal security door on the fifth floor of the FEMA building to have access to the planning of REX 84. Source #8 reported that only FEMA Director Louis O. Giuffrida, his Deputy Director Frank Salcedo, FEMA General Counsel George Jett -- and a few other men whom Source #8 noticed all wore a small red Christian cross, or crucifix pin, on the lapel of their suits -- were even allowed through the metal security doors on the fifth floor of the FEMA building to have access to REX 84 information.

Through a Source #9, I was able to obtain a series of Federal documents from inside FEMA which tend to confirm the above-reported description of the FEMA activities reported to me during April of 1984.

22. In early May of 1984, I was supplied by Source #4 with a number of documents describing, in some detail, a project supervised by then Special Assistant California State Attorney General Edwin Meese code-named "Project Cable Splicer". This project, undertaken by Edwin Meese, under the direction of then California Governor Ronald Reagan, took, then California Organized Crime Training Institute Commandant, Louis O. Giuffrida from his post in San Luis Obispo and made him the Commanding General of the California State National Guard. At the California Organized Crime Training Institute, Commandant Louis Giuffrida had been the Instructor in Civil Disorder Control. As Commanding General of the California State National Guard, Louis Giuffrida coordinated Project Cable Splicer for Special Assistant Attorney General Edwin Meese and Governor Ronald Reagan.

Project Cable-Splicer was a special "war-games" readiness exercise pursuant to which Governor Reagan, Special Assistant Attorney General Edwin Meese and California State National Guard Commander Giuffrida could, together, establish an effective state of state-wide martial law "in the event that forces of radical black nationalism joined forces, inside the State of California, with the anti-Vietnam forces to challenge the established authority of the State." Project Cable Splicer was part of a larger program, code-named "Project Garden Plot" -- which was a nation-wide war-games scenario prepared by then President Richard M. Nixon and his Attorney General John Mitchell designed to establish a nation-wide state of martial law if Richard Nixon's "political enemies" required him to declare a State of National Emergency.

"State Defense Forces" and a "Guns for Contras" Scam

23. In mid-May of 1984, I was informed by Source #10, who was a professional journalist in New Orleans, Louisiana, that he had learned that the State Legislatures of Louisiana, Alabama and Texas had sometime around April 1984 or May 1984 each passed legislation establishing units known as "State Defense Forces". Source #10 informed me that he was extremely concerned about this because the only people in Louisiana, Alabama or Texas who seemed to have heard of the passage of these statutes -- and who were, therefore, signing up to join these State Defense Forces -- were ultra right-wing para-military "survivalist-types", or "soldiers-of-fortune-types", who were being advised to sign up for these State Defense Force units at weekend Survivalist Training Centers or ultra-right "war-game" schools.

Source #10 informed me that this concern on his part had caused him to undertake an investigation to ascertain what was going on regarding the State Defense Force units in Alabama, Louisiana and Texas. Source #10 informed me that he had discovered that a group of men in Texas who had all signed up for the Texas units had been expelled by the Texas National Guard for being too radically right wing. This investigation led him to a Louisiana State National Guard Colonel, Source #11. Source #10 informed me that this Louisiana State National Guard Colonel had informed Source #10 that the State Defense Force unit in Louisiana was -- in the near future -- (this being in May of 1984) going to be receiving a large quantity of small arms and ammunition "in some kind of war game activity" supervised by the Federal government -- but that the State Defense Force in Louisiana "was only going to have to give back half of the arms and ammunition received in the war-games. The half which were left with them were going to be smuggled out of the country to the Contras in Central America." This was to be achieved, according to the Colonel, by re-valuing the weapons, while in the field, from "manufacturer's" value to "replacement value", and then collecting the same dollar value, as was originally distributed at the outset of the war-game.

Source #10 informed me that this Colonel had been proven, repeatedly, to be a reliable source of accurate information, and that the arms and ammunition which were to be left in the hands of the Louisiana State Defense Force Units were to be secretly transported to a Louisiana warehouse owned or supervised by a Louisiana state legislator (who had been active in obtaining the passage of the State Defense Force statute). This legislator's name was "Woody" Jenkins. The Colonel reported that from that point, the arms and ammunition would be airlifted (mixed in with "humanitarian" aid for the Contras in Central America) to Central America and given to the Contras -- "because the liberals in Congress had cut off the Freedom Fighters when the CIA got caught mining the harbors in Nicaragua".

24. My own investigations revealed the existence of one "Woody" Jenkins in Louisiana, a man who was a Louisiana State Legislator of ultra right-wing political persuasion, who was running an allegedly "humanitarian aid" airlift to the Contras known as "Friends of the Americas."

25. I informed Sources #4, #5, #6, and #7 of the information communicated to me by Source #10 and asked them to undertake inquiries to ascertain if any similar activity was under way in either Texas or Alabama.

26. I was immediately informed by Source #7 that he was aware of a similar type of operation functioning in the state of Alabama. Source #7 told me the following information:

American Mercenaries and the Contras

26.1. That immediately prior to the Christmas holiday of 1983, Source #7 had been contacted by a fellow professional journalist, Source #12, who had just returned home from a trip to Miami, Florida, where she had learned of the location of a Contra military training camp in the vicinity of Miami. She had learned that, in this camp, men were being trained on United States soil to undertake direct military attacks upon the citizenry and economic infrastructure of Nicaragua. Source #12 informed Source #7 of the location of this Contra training base near Miami and suggested that Source #7 undertake a trip to this Miami area Contra training camp to interview the men training persons there and the men being trained.

26.2. Source #7 traveled to the location described to him by Source #12 in the vicinity of Miami, Florida over the Christmas holiday of 1983 and found the Contra military training camp there, exactly as described to him by Source #12.

26.3. Source #7, being fluent in both English and Spanish, interviewed men doing the military training of Contras at this Miami vicinity base and the men receiving the Contra training over the 1983 Christmas holiday period.

A Honduran Meeting

26.4. During these interviews, Source #7 learned that there was a contingent of former U.S. military personnel and active members of various U.S. State National Guard units who were planning to organize an unlawful, American-based, para-military organization to train, equip, and finance -- from U.S. soil -- and actively to participate in military field operations with the Contra forces in Central America against the U.S.-recognized Government of Nicaragua. During these interviews, held at the Miami area Contra military training base by Source #7 during the 1983 Christmas holidays, Source #7 learned that the U.S. citizens who were organizing this unlawful American-based para-military organization to be established to aid the Contras from U.S. soil, were planning to hold a meeting at a particular hotel located in Tegucigalpa, Honduras in January of 1984 to finalize specific plans for obtaining U.S. military equipment for and providing other federally prohibited aid to the Contra Forces.

26.5. Having failed to obtain permission from his United States based newspaper to attend and to report on, this planned January 1984 meeting of U.S. citizens at the Tegucigalpa hotel, Source #7 took a temporary leave of absence from his newspaper and financed his own trip to

Tegucigalpa in January of 1984.

26.6. In January of 1984, Source #7 travelled to Tegucigalpa, Honduras, and registered at the hotel described to him in interviews held at the Miami Contra training base during the Christmas holidays of 1983. While sitting in this hotel lobby, Source #7 observed numerous white adult male U.S. citizens speaking English and dressed in various forms of camouflage and war surplus U.S. military garb.

26.7. During his prolonged period of observation in this hotel lobby in Tegucigalpa, Honduras, during January of 1984, Source #7 struck up a conversation with a white adult male United States citizen who was a participant in the para-military group meeting transpiring at the hotel. Source #7 informed this person that Source #7 was an American writer interested in understanding and publicly reporting on what was transpiring at this Honduran hotel.

26.8. The white adult U.S. male with whom Source #7 had struck up this relationship was Thomas Posey - the Defendant in the present Federal civil lawsuit.

26.9. During these January, 1984 conversations at the Tegucigalpa Hotel with Source #7, Defendant Thomas Posey described, in some detail, the entirely illegal plan of action being developed by the U.S. participants in the January 1984 meetings in Honduras. Defendant Posey described how he and his associates were organizing an American-based group -- which was named the Civilian Military Assistance organization -- the mission of which was to recruit, train, finance, supply and to launch, from United States soil, a foreign military expeditionary force, consisting of U.S. citizens who were former members of the United States armed forces and present members of various state National Guard units and anti-communist Cubans, Nicaraguans and other Central Americans who wished to undertake direct military action to overthrow the socialist government in Nicaragua.

During these January, 1984 conversations with Source #7, Defendant Posey expressed his opposition to the public policy and laws of the United States Congress regarding Nicaragua, stating that Defendant Posey and his Civilian Military Assistance organization were going to organize and prosecute the war against the government of Nicaragua which the United States Congress did not have the political conviction to allow the official United States military to prosecute.

26.10. Between January of 1984 and mid-May of 1984, Defendant Posey had several conversations with Source #7 during which conversations Defendant Posey openly admitted his unlawful activities supplying military equipment and explosives to Contra military and terrorist units in both Honduras and Costa Rica -- with the express understanding and intention that this military equipment would be used against the unarmed civilian population inside Nicaragua to terrorize the people and to destabilize the government of Nicaragua. Indeed Defendant Posey openly solicited Source #7 to prepare and to publish, within the United States, reports of Defendant Posey's convictions and activities -- so as to assist Defendant

Posey in his recruitment of U.S.- based contra supporters and in his raising of money.

26.11. Source #7 personally attended Executive Committee sessions of the leadership of the Civilian Military Assistance organization and personally observed and heard planning sessions in which overtly criminal operations were planned and agreed to by Defendant Posey, between January and May of 1984. These activities Source #7 reported to me in May of 1984, requesting my analysis of the unlawful nature of the activities of Defendant Posey and his associates in the Civilian Military Assistance organization. I provided this legal analysis, pointing out that their activities constituted a direct criminal violation of numerous federal criminal statutes, including the Federal Neutrality Act, the Federal Arms Export Control Act, various Federal Firearms and Explosives Statutes and other Federal and State laws.

An American Mercenary's Diary

27. Through Source #7, I was introduced to Source #13, a direct participant in the high-level planning and execution of the criminal conspiracy of Defendant Posey and his associates in the Civilian Military Assistance organization.

28. Source #13, prior to the filing of the Civil Complaint in this case, described for me, in detail, the Federal Criminal activities of Defendant Thomas Posey regarding the obtaining of allegedly "surplus" U.S. military equipment from the 20th Special Forces Unit of the United States Army in Alabama and the obtaining of access to an allegedly "surplus" U.S. Armed Forces airplane in New Jersey in which to transport this material from U.S. territory, via Ilopango Air Base in El Salvador to Costa Rica, Honduras, and Nicaragua. Source #13 described personally seeing crates of U.S. military equipment (clearly marked as such) stacked in the private garage of Defendant Thomas Posey awaiting transfer to the state of Florida, where the military material was to be secretly flown to Ilopango Air Force Base for transshipment to contra forces in Costa Rica and Nicaragua.

29. Indeed, Source #13 personally informed me of the existence of his hand-written daily diary -- into which he had made regular contemporaneous daily entries from a period in 1983 all the way to 1986. He described certain events memorialized in this diary -- and I have personally reviewed a xerox copy of this diary. Details taken from Source #13's statements to me and from his diary are set forth below in this Affidavit.

30. During my conversations with Source #13, he informed me that he was aware of the identity of several men who had personally participated in the transporting, loading, and flight of forbidden military equipment from the State of Florida, to Ilopango Air Force Base in El Salvador, and from there, onto the Costa Rican ranch of an American by the name of John Hull. This is the same John Hull who is named as a Defendant in the present Federal Civil lawsuit.

The men named by Source #13 are Source #14, one Jesus Garcia; Source #15,

one Steven Carr; Source #16, one Peter Glibbery; Source #17, one Jose Cotino; Source #18, one Alan Saum; and Source #19, another individual with direct personal knowledge of these illegal weapons and explosives transactions.

31. Either I, or one of my investigators or associates, have personally interviewed each of Sources #13, #14, #15, #16, #17, #18, and #19 -- or they have been directly interviewed by Source #20, Attorney John Mattea, the Assistant Federal Public Defender in the United States District for Southern Florida or his professional investigator, Source #21. The content of these interviews have been communicated to me. These interviews set forth the first direct, first-hand, knowledge of Sources #13, #14, #15, #16, #17, #18, and #19 of the participation of Defendants Thomas Posey, John Hull and Bruce Jones in the Federal Criminal Conspiracy to violate the Federal Neutrality Act and the Federal Arms Export Control Act described in the Plaintiffs' Amended Complaint. These facts, and the specific sources of the these facts will be set forth below.

32. In June of 1984, I left Washington, D.C., to travel to the United States District for Southern Texas, Brownsville Division, where I served as Chief Trial Counsel in the case of United States v. Stacey Lynn Merkt, et al.

A White House Connection: North, Posey and Owen

33. Upon returning to Washington, D.C., in late June of 1984, I was contacted by Source #7 and was asked to meet with him. In this meeting, Source #7 informed me that, during the month of June of 1984, Source #7 had been contacted by Defendant Thomas Posey, who had arrived in Washington, D.C. Source #7 stated that he had met with Thomas Posey, in Washington, D.C., in June of 1984, and that Defendant Thomas Posey had physically introduced Source #7 to one Robert Owen -- the same Robert Owen who is named as a Defendant in the present Federal Civil Lawsuit.

34. Source #7 stated to me, in June of 1984, that Source #7 had met with Defendant Robert Owen and Defendant Thomas Posey in a public park in Washington, D.C., in June of 1984 and that Defendant Robert Owen, at that time, stated to Source #7 that Robert Owen was a purely private citizen who was acting solely in his purely private capacity to meet with the military and political leadership of the Contras to communicate to them political advice as well as to advise them in regard to what military equipment they might need to carry out their military operation against the Nicaraguan Government. During this June, 1984 public park meeting with Source #7, Defendant Robert Owen also stated that Defendant Owen was "taking orders" for weapons, military equipment and explosives from the Contra military commanders in Central America and seeing to it that their orders were filled and that the material was, in fact, supplied to the Contras in Central America.

35. Then, during this same public park meeting with Source #7 in June of 1984, Defendant Robert Owen expressly stated to Source #7 that Defendant Robert Owen was "the personal representative to the Contras of Marine Corps. Lt. Colonel Oliver North, the Deputy Director of the United States National Security Council for Political-Military Liaison" and that Defendant Owen was

acting privately to meet with the Contra Field Commanders as the "go-between" for Lt. Colonel North -- because Lt. Colonel North could not meet directly with the Contra leaders, in light of the United States Congressional ban against direct or indirect support being provided to the Contras by the Executive Branch of the United State government.

At this meeting with Source #7 in June of 1984, Defendant Robert Owen told Source #7 that Lt. Colonel North wanted Source #7 to travel to Costa Rica and there to attend, and then to file a published report concerning, a secret meeting which was to be held in Costa Rica among disparate Contra factional leaders seeking to form a group to be called UNO -- the United Nicaraguan Opposition. This was to be a coalition group of heretofore contesting Contra military leaders whom Colonel North wanted to unify, in order to increase the chances of the Administration to win Congressional approval to re-commence direct CIA funding and sponsorship of the anti-communist Contra forces.

36. Source #7 was surprised by the revelation made to him by Defendant Robert Owen -- so he sought me out immediately upon my return from Texas to discuss the legal implications of what he had learned.

37. After my late June 1984 discussion with Source #7, I prepared a legal opinion for Source #7. This legal opinion was provided to Source #7, a professional journalist, with a view towards establishing a full scale investigation to inquire into -- and to expose -- what was going on out of the White House office of Lt. Colonel Oliver North and in the states of Florida, Alabama, and Texas among these private para-military organizations and State National Guard forces.

38. During July of 1984, I traveled to the United States Middle District of North Carolina to conduct the depositions of members of the Ku Klux Klan, the American Nazi Party, the Federal Bureau of Alcohol, Tobacco and Firearms of the United States Department of the Treasury and the Greensboro City Police Department who had participated in the planning and execution of the armed assault upon the Workers Viewpoint Organization Anti-Klan March in which marchers were murdered in 1979. I was, therefore, absent from Washington until the end of 1984.

39. Indeed, throughout the first half of 1985, I was engaged full-time as Chief Counsel in the prosecution of the federal civil case of Waller v. Butkavitch, et al. in North Carolina.

Official, Covert U.S. Government Aid to Contras

40. Upon my return to Washington, D.C., in the second half of 1985, I met with my sources involved in the Posey-Hull investigation -- and I was informed that an American ABC television cameraman had been very seriously injured in a May, 1984 terrorist bombing attack of the public press conference called by former Sandinista military commander Eden Pastora to denounce Adolfo Calero, Calero's FDN Contra organization, and the American Central Intelligence Agency for trying to destroy Pastora's independent and nationalist Nicaraguan anti-Sandinista force based in Costa Rica. I was informed by my sources that this American ABC television cameraman had discovered that he had been injured in

an attack planned by Defendant John Hull and a Costa Rican-based anti-Sandinista terrorist group supplied with C-4 explosives by Defendants Thomas Posey, John Hull and Bruce Jones.

41. I expressed interest, on behalf of the Christie Institute, in hearing from this ABC television cameraman named Tony Avirgan, and I was, soon thereafter, contacted by Mr. Avirgan.

42. In my 1985 conversations with Tony Avirgan, with his fellow journalist wife Martha Honey -- and with sources who were in direct contact with them -- I learned the following facts -- the particular sources for which will be described later in this Affidavit.

42.1. That on July 17, 1979, Nicaraguan Dictator Anastasio Somoza fled Nicaragua in the face of virtual universal condemnation of his dictatorial and unjust regime, his unjust conduct having resulted, in early 1979, in the total cut-off of all military assistance to his regime by United States President Jimmy Carter under the dictates of the Congressional Harkin Amendment (prohibiting any U.S. military aid to any regime found to have systematically violated the human rights of its own citizens).

42.2. Somehow, after the U.S. cut-off of military aid, Dictator Somoza had found another source of U.S. military equipment which enabled him to remain in office until July 17, 1979.

42.3. After his flight from Nicaragua, in July of 1979, former Dictator Somoza set up several of his dreaded National Guard Generals in Honduras, the neighboring country of Nicaragua, and proceeded to supervise them in the mounting of a "Contra" military operation against the 1979-officially-U.S.-recognized government of Nicaragua. No one seemed to know from whence these "Contra" forces (as they came to be called) were receiving their financing or their military supplies.

42.4. This "Contra" operation functioned under the direction of former Dictator Somoza himself until he was assassinated in September of 1980 in Paraguay. The operation was, then, taken over and run by his former generals from 1980 to 1981.

Still, no one knew who was funding or supplying this Contra force with military equipment.

42.5. When Ronald Reagan took office as President of the United States in January of 1981, a series of White House meetings took place -- attended by White House Counsel to the President Edwin Meese; White House National Security Advisor Richard Allen; United States CIA Director William Casey; United States Vice President (and Chairman of the National Security Council Task Force on Terrorism) George Bush -- and President Ronald Reagan himself. In these meetings, it was discussed, and later agreed, that the United States CIA, under the direction of CIA Director William Casey, would "take over" the secret funding and military supply of the Honduran-based, "Contra" forces.

Reagan Orders the CIA to Back the Contras

42.6. In June of 1981, President Ronald Reagan signed a classified National Security Decision Directive expressly authorizing and directing United States Central Intelligence Agency Director William Casey to undertake the direct financing, training and military supply of the Honduran-based Contra forces -- but directing CIA Director William Casey to inform the contending Contra leadership that such CIA funding and supply of military equipment to the Contras was to be conditioned upon the Contra military commanders organizing themselves into a coherent and co-operative unified coalition through which a centralized system of financing and supply could be conducted by the Central Intelligence Agency.

42.7. In June of 1981, United States Central Intelligence Agency Director William Casey assigned to CIA agent Vincent M. Cannistraro the task of supervising the CIA supply of funds and military equipment to the Central American Contras. This operation began in June of 1981.

42.8. This operation proceeded, apace, throughout 1981 and into 1982 -- with United States President Ronald Reagan repeatedly publicly denying to the American people any CIA or White House involvement in supplying, training or funding the so-called Contra forces in Central America.

42.9. When press investigations and U.S. Congressional inquiries publicly exposed the fact that the White House was secretly funding and supplying the Contras, President Reagan admitted the existence of "minor" assistance to the Contras by the CIA -- which assistance, President Reagan asserted, was limited solely to aiding the Contra in "interdicting the supply of weapons and military equipment flowing from the Sandinista government of Nicaragua to the anti-government forces in El Salvador."

42.10. When U.S. press and Congressional members pressed the Executive Department for proof of any such White House alleged gun shipments, the Central Intelligence Agency assigned CIA agent David McMichaels to prepare a CIA Report establishing such traffic. When CIA agent David McMichaels reported that there was no evidence to support the conclusion that any such weapons trafficking existed from the Nicaraguan government to the anti-government rebels in El Salvador, the CIA fired agent McMichaels.

President Reagan then altered his public position on the Contras again. This time, he asserted that the CIA was being authorized by the White House to support the Contras only to the degree necessary "to place military pressure on the government of Nicaragua 'to reform itself' to live up to the promise of the pluralistic society, economy and form of government 'promised' to the people of Nicaragua by the Sandinistas when they led the revolution against Somoza."

42.11. In 1983, the United States Central Intelligence Agency was caught, and publicly exposed, for having placed explosive mines in the civilian harbors of Managua -- and for passing out "manuals" to the Contras openly advocating the physical assassination of civilian

government authorities inside Nicaragua to bring about the overthrow of that government. Both of these acts were violations of international law. President Reagan, therefore, finally publicly acknowledged that it was his objective to violently overthrow the officially-recognized government of Nicaragua, "to prevent the establishment in Latin America of a Soviet military base."

A Congressional ban on "Direct or Indirect" Aid

42.12. After a national and international uproar over the conduct of the American CIA, Congress began to draft a piece of legislation to order the cut-off of all military assistance -- both direct and indirect -- by the United States Executive Department to the Central American Contras.

The "Privatization" of the Contra War

42.13. Upon learning of this plan of Congress, White House Chief of Staff Edwin Meese, Vice President Bush, Central Intelligence Agency Director William Casey, National Security Advisor Robert McFarlane and NSC staff member Lt. Colonel Oliver North met and devised a method for intentionally circumventing this Congressional ban.

42.14. In these meetings, this group decided to have Lt. Colonel Oliver North establish contact with the secret group of private individuals who had financed and supplied the military equipment to the Contras prior to June of 1981 -- and to notify them that the White House and the CIA would no longer be allowed to fund and supply the arms and military equipment to the Contras after March of 1984.

In these meetings, this group also decided to have Lt. Colonel Oliver North establish contact with Gray & Company (a Washington, D.C.-based public relations and advertising organization) and to have Rob Owen of that organization set up a private citizen-operated Contra support group to publicly solicit funds and assistance for the Contras after the up-coming prohibition of White House aid to the Contras. This operation would give a feasible explanation for the source of the funding and supply of the Contras -- so that Congress and the press would not conclude that the CIA was still supplying the Contras.

This public organization was set up by Rob Owen by contacting General John K. Singlaub -- who, in turn, set up the United States Council on World Freedom and began publicly raising funds for the Contras.³

³ In fact, General Singlaub raised money inside the United States which was directed, by him, to be deposited by contributors in a Grand Cayman bank for use in the purchasing of weapons and explosives for the Contras. Singlaub also travelled to Central America with Robert K. Brown and personally facilitated providing one John Henry "I.W." Harper to the Contras, who trained Contras in the construction of C-4 anti-

The Hall Terror-Drug Operation: A Defector's Story

43. From my late 1985 conversations with Tony Avirgan, Martha Honey and their sources, as well as from my direct personal conversations with one Carlos Rojas Chinchilla, Source #25, I next learned the following facts⁴:

personnel bombs exactly like the one which was used to bomb the La Penca press conference. In fact, Plaintiffs' Counsel has been informed by Source #24 that Defendant Singlaub and Robert K. Brown directly provided Harper to Defendant Amac Galil who helped Defendant Galil construct the very C-4 bomb which Galil used to blow up the May 1984 Eden Pastora press conference. Source #24 is a person with knowledge of the activities of Defendant Singlaub, Robert K. Brown and John Harper with the Contras.

4. Prior to the La Penca bombing, Avirgan and Honey, in their capacity as professional journalists, had developed well placed sources within Eden Pastora's movement as well as Costa Rican government officials who had provided them with detailed information about the conflicts within ARDE and about CIA maneuvers to force Pastora to join with the Honduran-based contra movement, the Nicaraguan Democratic Alliance (FDN). They had written articles for the New York Times and London Times and worked on news reports for ABC television and radio detailing the CIA pressures. They were aware beforehand that Pastora was calling the La Penca press conference to denounce the CIA maneuvers against him and to declare his refusal to join with the FDN. Honey did not attend the La Penca press conference because she was writing a story, which appeared on the front page of the New York Times the day after the bombing, stating that the CIA had given Pastora a 30 day ultimatum to join with the FDN and that if he refused he would face unspecified consequences.

Immediately after the bombing, while Avirgan was still recuperating, Honey was commissioned by the Committee to Protect Journalists and the Newspaper Guild to undertake a thorough investigation of who was responsible for the bombing. Avirgan joined the investigation in August, as did several other journalists based in Costa Rica. Over the next year, this team carried out several hundred interviews and learned the following information which was put into a report submitted to these two committees.

Almost immediately they learned from ARDE officials and contacts in Miami about a group of right-wing Cubans working with the Costa Rican-based contras and involved in several attempts to split contra commanders away from Eden Pastora. They were told one of the group's leaders, Felipe Vidal, had discussed the need to eliminate Pastora with a bomb and that Cubans in Miami had discussed before La Penca eliminating Pastora and afterwards had boasted to associates about carrying out the plot. Avirgan and

43.1. That in March of 1985, Carlos Rojas Chinchilla, a gainfully-employed professional carpenter residing in the city of San Jose, Costa Rica, was present at a public restaurant and bar named the Rendezvous Bar located a few blocks from the United States Embassy in Costa Rica.

43.2. While present in this bar, after finishing work, Carlos Rojas Chinchilla personally witnessed three men come into the Rendezvous Bar. He saw them stop in the doorway for a short conversation and then Carlos saw two of the men leave the bar. The third man was left standing in the doorway. After a few moments of standing in the doorway, watching the two other men depart down the street in the direction of the U.S. Embassy, the man who had remained behind in the doorway of the bar turned and began surveying the persons present in the bar.

43.3. This man's survey finally came to rest upon Carlos, and the man briskly walked from his watch at the doorway and moved into the bar to the table where Carlos sat.

43.4. The man told Carlos that his name was David, Source #26, and that he had gotten himself involved in a situation from which he needed someone's assistance to escape.

David explained to Carlos that David and his brother were Nicaraguans who had joined the Contra forces in Costa Rica to fight against the Sandinista government in Nicaragua. David explained that David had, somehow, come to be part of a Special Unit of the Contra forces in Costa Rica which made up a sort of "International Brigade" physically based on the ranch of an American rancher by the name of John Hull. David told Carlos that this American rancher was the supervisor of this Special Unit or International Brigade and that the group operated from John Hull's main ranch and other properties, some of which were located on the northern-most boundary of Costa Rica abutting the river which constitutes the southern border of Nicaragua.

Honey developed, over a number of months, a close relationship with Felipe Vidal and from him and several of his associates, learned that these Cuban were involved in forming an "International Brigade" to provide military trainers and military supplies to the contras, that a number of the leaders were tied to the CIA, and that a number of the members had been involved in terrorist and drug trafficking activities. They also learned that John Hull, Bruce Jones and Rene Corbo were leaders of the Brigade and there were strong indications that Vidal, Hull, Jones and Corbo had been involved in La Penca.

Avirgan and Honey and their colleagues also gathered information indicating that members of the FDN and ARDE as well as some Costa Rican governments officials had been involved in the planning, carrying out and covering up of the bombing.

Avirgan and Honey also were told by security officials in several countries, contras, and people in Miami that the FDN was behind and had authorized and financed the bombing.

Cocaine and a Plan to Assassinate a U.S. Ambassador

43.5. David told Carlos, in this early 1985 meeting, that this International Brigade supervised by John Hull had been directly responsible for the May 30, 1984 bombing of the Eden Pastora press conference -- and that the same group was, at that very moment, actively engaged in going forward with a plan to carry out a terrorist bombing of the United States Embassy in San Jose, Costa Rica and a plan to assassinate the new United States Ambassador to Costa Rica, Lewis Tambs. David stated to Carlos that the two men with whom David had arrived at the bar were, at that moment, "casing" the U.S. Embassy down the street in preparation for the future bombing of the installation.

David explained to Carlos that the International Brigade supervised by John Hull and housed on his ranch to the north of San Jose was directly involved in the trans-shipment of large quantities of Colombian cocaine from the airstrips on John Hull's farm (airstrips which had recently been lengthened and improved to accommodate aircraft arriving at John Hull's ranches with loads of military equipment, weapons, ammunition and explosives). Other sources informed the Plaintiffs that this cocaine came from one Jorge Ochoa and one Pablo Escobar, the two largest cocaine producers and exporters in Colombia -- and that the cocaine was being moved from John Hull's ranch into the United States where it was sold, a portion of the profits going to John Hull and his International Brigade to help finance the guns, ammunition and explosives being used in their military effort against the government of Nicaragua.

David told Carlos that in addition to bombing the Embassy, the International Brigade intended to kill a U.S. diplomat who he later identified as Ambassador Lewis Tambs. David told Carlos that the bombing and the assassination of Tambs would be made to look like the work of the Sandinista government of Nicaragua in an effort to instigate direct military action by the United States against Nicaragua.

Other sources later told the Plaintiffs that the International Brigade was also aware that Pablo Escobar had put a \$1,000,000 dollar "bounty" on the head of Ambassador Lewis Tambs. Escobar was reportedly infuriated at the efforts made by Tambs, when Tambs was U.S. Ambassador to Colombia, to obtain an extradition treaty between Colombia and the U.S. which would allow the extradition of Escobar and other cocaine traffickers to the U.S. for prosecution for drug smuggling. The International Brigade hoped to additionally collect the \$1 million bounty to aid them in their purchase of military equipment for use in their military effort against Nicaragua.

43.6. David told Carlos in this conversation that David did not want to participate in this International Brigade any longer -- that he did not support the activities of the group directed against the U.S. Embassy and Ambassador Tambs and he did not support the activity of the group involved in drug smuggling to finance their operations.

But David told Carlos that David needed help in escaping from the group -- that everyone in the group was watched by everyone else, as a precaution against dissent and revelation of their activities. David needed an "outside" person, someone who could help David and his brother

(who was fighting elsewhere with the Contras), escape without observation by members of the International Brigade. David asked for Carlos' help.

43.7. Carlos refused, pointing out to David that Carlos was a married man, with a wife and three children -- and that Carlos lived in a small row house with his wife's beauty shop on the ground floor, a place where any stranger, such as David or his brother would surely be noticed if they tried to hide there.

43.8. David pleaded for Carlos to help and told Carlos to look for him around the Embassy or at a town in northern Costa Rica, if Carlos decided to help him.

Then David was gone, as the two men with whom he had arrived returned.

43.9. Carlos went out of the bar after the men left and saw them enter a large, gray car, without any license plates, and depart.

Carlos went to the home of his mother and informed her as to what had occurred and sought her advice. She directed him to stay out of it and to do nothing.

In a move to enforce Costa Rica's official policy of neutrality towards Nicaragua, Costa Rican Rural National Guardsmen raided, in late April 1985, a contra camp located on property near the Nicaragua border managed by John Hull. They arrested nine Nicaraguan contras, five foreign mercenaries including two Americans, and seized significant amounts of guns, cannons, ammunition and explosives. This equipment included guns and military equipment smuggled from Florida's Ft. Lauderdale Hollywood Airport on March 6, 1985, by Sources #14, #15, #16 and #17, and Defendants John Hull, Bruce Jones and Thomas Posey. Indeed, specific weapons expressly purchased and registered in the United States by Defendant Thomas Posey were seized by the Costa Rican Rural Guard on John Hull's ranch in early 1985, and are presently available as evidence.

When Carlos Rojas Chinchilla learned of this Rural Guard action, he realized that the description of the ranch, the name of the owner of the ranch and the description of the man arrested and the equipment seized all matched, exactly, the description of the International Brigade described by David to Carlos in their early 1985 meeting at the Rendezvous Bar.

This caused Carlos grave concern, since this ability of David to describe so exactly the characteristics, equipment and locale of the International Brigade arrested by the Costa Rican Rural Guard convinced him that David had communicated to him equally accurate information about the plans of the group to bomb the U.S. Embassy and to assassinate U.S. Ambassador Lewis Tambs.

44. Following the arrest of the mercenaries on Hull's property, Carlos Rojas Chinchilla realized that David's story had some basis in fact. He sought the counsel of the only North American he knew, a woman neighbor married into a Latin American family friendly with his family. Carlos communicated the information to the members of this North American family.

Sources #29, #30, and #31, which had been told to him by David.

45. As it turned out, the daughter of this North American family, Source #31, knew the Plaintiffs Tony Avirgan and Martha Honey and, following her receipt of this information from Carlos, Source #31 contacted Tony Avirgan and Martha Honey and informed them of the content of the meeting between Carlos and David.

46. Tony Avirgan and Martha Honey, through Source #31, contacted Carlos Rojas Chinchilla in 1985 and persuaded Carlos to attempt to reestablish contact with David.

47. In 1985, Carlos did reestablish contact with David -- and, at the request of Tony Avirgan and Martha Honey, Carlos met with David and asked David to explain, in detail, the information David possessed about the La Penca bombing, about the activities of the so-called "International Brigade" of Contra supporters operating from John Hull's Costa Rican ranch -- and about what David knew about the future plans of this Brigade.

48. In a series of meetings between David and Carlos held over the ensuing weeks, David shared with Carlos the information which follows -- some of which was tape recorded by Carlos and some of which Carlos orally repeated to Tony Avirgan, Martha Honey and Source #31 immediately after his interviews with David.⁵

49. Both Tony Avirgan and Martha Honey spoke, by telephone, with David, confirming his existence, his name and his possession of the general information set forth below. But David would not meet directly with the journalists. However, Plaintiff Avirgan did physically see David at a distance, meeting with Carlos, on one occasion -- from which meeting Carlos returned and shared more information with the Plaintiffs which came from David.

50. In his direct interviews with David, Carlos was given the following information -- which fact Plaintiffs' Counsel has personally confirmed from direct interviews with Carlos.

50.1. David told Carlos that David and his brother, who were Nicaraguan citizens, had grown disillusioned with the Sandinistas government in Nicaragua, and left Nicaragua and had joined the Contra forces based inside Costa Rica.

50.2. David's brother was no longer with David, but was, rather, off fighting somewhere else with the Contras against the Nicaraguan government.

50.3. David had somehow come to be assigned to a group of men made up

⁵ Plaintiffs' Counsel is in possession of said tape recording and notes from these interviews with David.

of Nicaraguan Contras, expatriate Cubans from Miami, foreign mercenaries, and soldier of fortune types who were based upon the cattle ranch and citrus farms owned or managed, directly on the Costa Rican side of the Costa Rican-Nicaraguan border, by a millionaire American rancher by the name of John Hull, the same John Hull named as a Defendant in this suit.

50.4. Working with John Hull was another American rancher who owned a ranch near that of John Hull. This man's name was Bruce Jones, and is the same Bruce Jones named by Plaintiffs as a Defendant in this suit.

50.5. Both Hull and Jones had earlier been directly associated with agents of the American Central Intelligence Agency and had given over their ranches as "staging areas" for the landing and off-loading of American CIA-supplied weapons and ammunition which were being supplied by John Hull to the Contra forces based in Costa Rica and just across the border inside Nicaragua. This information came from sources other than David, prior to contact with David.

50.6. David was a part of this "International Brigade" of Contras and mercenary Contra-supporters and shared the Contra desire to overthrow the Nicaraguan Sandinista government by military force.

50.7. However, in 1983, one of the Costa Rican-based military commanders of the Contras, who was being supplied with military equipment by the American CIA through John Hull, one Eden Pastora, began to have difficulty with Hull and the CIA's man who was repeatedly on John Hull's ranch. This CIA man was one Duane "Dewey" Claridge. As a result, the CIA kept starting, and then stopping, the supply of arms to Eden Pastora. Hull and Dewey Claridge were angry with renegade Contra commander Pastora, because Pastora would neither accept supervision from American CIA personnel sent in to Costa Rica to provide "advice" to Pastora, nor would Pastora agree to integrate his Costa Rican-based Contra forces into a unified Contra command under the leadership of the Honduran-based FDN led by one Adolfo Calero and former Nicaragua dictator Anastasio Somoza's former National Guard generals. (This information came from sources other than David -- prior to David's contact with Carlos -- as did the information in 50.8 to 50.10 below.)

50.8. In mid-1983, a number of Cuban-Americans from Miami arrived at John Hull's ranch and asked John Hull to arrange a meeting between these Cuban-Americans and representatives of Contra commander Eden Pastora -- with a view toward Pastora's agreeing to allow these Cuban-Americans to bring down to Costa Rica a number of their Miami-based Cuban-American associates to fight against the Sandinistas as part of Eden Pastora's ARDE forces.

Contra Cocaine to the U.S.

50.9. When this request of the Cuban-Americans was rejected by Pastora

in May or June of 1983, two of these Cuban-Americans, one Felipe Vidal and one Rene Corbo began setting up a cocaine trans-shipment operation on John Hull's ranch.

50.10. Felipe Vidal and Rene Corbo coordinated the landing of small plane-loads of cocaine flying onto John Hull's ranch --and onto the numerous other ranches "managed" by John Hull which were adjacent to Hull's ranch along the Costa Rican border with Nicaragua. The cocaine on these planes came from one Jorge Ochoa and one Pablo Escobar -- the two biggest cocaine producers and traffickers in Colombia. On John Hull's ranches, this Ochoa-Escobar cocaine was off-loaded and then trans-shipped up into the United States, going to Miami, New Orleans, and Memphis.

50.11. David told Carlos that David was totally opposed to this cocaine smuggling. But he said that a portion of the income earned by John Hull, Felipe Vidal, Rene Corbo and their fellow Contra-supporters by their participation in this drug smuggling network was being used to help finance the purchase of military equipment, ammunition and explosives needed by the Contras to wage their private war against the Sandinista government.

50.12. This drug smuggling dimension of the John Hull-International Brigade caused David to seriously consider fleeing from the operation. But he did not.

The La Penca Press Conference Bombing

50.12.1. Carlos asked David to explain the role which members of this International Brigade of Contras had played in the May 30, 1984 terrorist bombing attack on the Eden Pastora press conference at La Penca, Nicaragua.

50.12.2. David went into great detail explaining this role -- informing Carlos that David had been personally informed of his information by Alvaro Cruz and Frederico Saez, the two men on John Hull's ranch under whose direct supervision David operated in his activities as part of the Contra International Brigade.

50.12.3. Cruz and Saez had informed David that the preliminary decision to assassinate Eden Pastora had been made by John Hull, Felipe Vidal, Rene Corbo and Adolfo Calero in a series of meetings in or around January of 1984 -- when it became clear to these men that Pastora was neither going to allow non-indigenous Nicaraguans, such as the Cuban-Americans, to participate in his Costa Rican-based ARDE military effort against the Nicaraguan government nor was Pastora going to allow his Costa Rican-based ARDE forces to be melded into a unified Contra command under the leadership of Adolfo Calero's

Honduran-based FDN Contra force.

- 50.12.4. David reported that this January, 1984 preliminary decision to kill Pastora had been made in meetings held on John Hull's ranch among Hull, Vidal and Corbo and, later, between these men and Adolfo Calero in Honduras.
- 50.12.5. Other sources reported that this preliminary decision was finalized in a meeting in Miami, Florida in February of 1984, between Vidal and Corbo and their "sponsor" Francisco "Paco" Chanes.
- 50.12.6. It was Cruz and Saenz who informed David of the 1984 decision to conduct the bombing of Pastora. Other sources set forth below have verified specific steps in this chain of events. They are as follows:
- 50.12.7. In February of 1984, Felipe Vidal and Rene Corbo flew from San Jose, Costa Rica to Miami, Florida -- where they met personally with Francisco "Paco" Chanes. Chanes was the de facto owner of two Miami-based seafood import companies. These were Ocean Hunter, Inc. and Mr. Shrimp. These two private companies were, in fact, the vehicles through which Francisco "Paco" Chanes smuggled into the United States up to one full ton of Colombian cocaine each week -- from Jorge Ochoa and Pablo Escobar, via John Hull's Costa Rican ranch. "Paco" Chanes was also an ardent financial supporter of the ultra right-wing, Miami-based, Cuban anti-communist organization "Brigade 2506." Silent partners in Chanes' two "seafood import" companies were Frank Castro and Rolando Martinez -- fellow intense anti-communists.
- 50.12.8. In this February, 1984 meeting in Miami held between "Paco" Chanes and Vidal and Corbo, Chanes gave his final approval to the participation of Vidal and Corbo in the assassination of Eden Pastora.
- 50.12.9. Vidal and Corbo then sought advice from Chanes as to whom they might retain to carry out this assassination. Paco Chanes sent Vidal and Corbo to meet with Frank Castro and Rolando Martinez.
- 50.12.10. Vidal and Corbo met with Frank Castro and Rolando Martinez in Miami in February of 1984 and were, in turn, sent to see one Niles Heinz. Heinz, in turn, sent Vidal and Corbo to meet with one Ramon Cecilio Palacio -- a man reported to be the "chief of security" in Miami for Jorge Ochoa.
- 50.12.11. In February of 1984, Vidal and Corbo met, in Miami, with Ramon Cecilio Palacio -- who placed them in the hands of

two Cuban brothers introduced to them as Ricardo and William "Gris". These two men are believed by Plaintiffs' Counsel's sources to be, in fact, one Raul Villaverde and one of his two brothers -- either Rafael (if he was not earlier killed in a yacht explosion in Miami) or Jorge, a cocaine smuggler associated with Palacio and Ochoa.

- 50.12.12. The "Gris" brothers took the men to Chile and introduced them to Amac Galil, a notorious international right-wing terrorist who was, at the time, working for the dreaded secret military police of Chilean dictator Pinochet.
- 50.12.13. Galil was paid \$50,000 to plan and execute the assassination of Eden Pastora.
- 50.12.14. Between March and May of 1984, Amac Galil travelled through Panama up into Costa Rica -- where he went to John Hull's ranch. On John Hull's ranch, Galil obtained from John Hull three kilograms of C-4 explosive -- portions of which had been smuggled onto John Hull's ranch through the combined efforts of Defendants Theodore Shackley, Thomas Clines, Richard Secord, Albert Hakim, Rafael "Chi Chi" Quintero, John Hull, Bruce Jones, Thomas Posey, Ronald Martin, James McCoy, and Mario Delamico.
- 50.12.15. John Hull met repeatedly with Galil while Galil was in Costa Rica. Indeed, John Hull travelled with Galil, by car, from Hull's ranch, up to the Nicaraguan border, where Galil took numerous photographs of the area, and then returned with Hull to Hull's ranch. These facts have been independently corroborated by Plaintiffs' Counsel by direct interviews between our investigators and two sources who were eyewitnesses to Galil's presence on John Hull's ranch prior to the La Penca bombing. These are Sources #32 and #33.
- 50.12.16. In May of 1984, Amac Galil left John Hull's ranch and took up residence at the Grand Via in San Jose, where he used the false identity of a Danish journalist by the name of Per Anker Hansen.
- 50.12.17. Under this false identity, Galil joined with a Swedish film crew and, later, obtained access to the press conference held by Eden Pastora at La Penca on May 30, 1984.
- 50.12.18. Galil detonated the C-4 bomb concealed in an aluminum camera case -- using a remote control radio transmitter -- killing, maiming, and severely injuring the international journalists and parties listed in the

Plaintiffs' Complaint on May 30, 1984.

- 50.12.19. As described by Cruz and Saez to David, Galil escaped in the following manner: he fled using a truck owned by Defendant Hull with assistance of various of the other defendants.

Kidnappings, Death Threats, and Murder

51. At the conclusion of one of the several interviews held between Carlos and David in a public park in San Jose, Costa Rica, in 1985, David and Carlos were seized on the sidewalk next to the park by a small group of armed men whom David later identified to Carlos as associates of John Hull and Hull's International Brigade of Contras.

These men forced David and Carlos, at gunpoint, onto the floor of the back seat of a car and drove them, for hours, to the main ranch of John Hull, at the northern border of Costa Rica. There David and Carlos were held by an armed guard, in a small wooden shed, while the other men went "to contact John."

David told Carlos that David was sure that the men were going to kill David and Carlos when they returned -- so he persuaded Carlos to join with him in an escape. David and Carlos attacked the lone armed guard left to detain them, broke the window out of the shed in which they were held captive, and fled into the forest -- amid a hail of gunfire from their guard.

52. After days and nights spent in the forest, David and Carlos came to a road, obtained a ride on a truck to a small village -- and Carlos telephoned Tony Avirgan and asked that Avirgan come to get them.

53. David refused to go with Avirgan and effect his escape, wanting to get away from the situation which was threatening his life. So, David left Carlos, who waited in a park to be picked up by Tony Avirgan. David promised, however, that he would contact Carlos to let Carlos know that David was safe.⁶

The Plaintiffs were later informed by a member of the Costa Rican Rural Guard, Source #34, that an agent of the Costa Rican Rural Guard placed undercover on John Hull's ranch, Source #35, reported to Costa Rican authorities that he had later seen David recaptured and physically brought to John Hull's ranch -- where David was beaten and tortured to death on John Hull's ranch.

54. Carlos reported his kidnapping to the Costa Rican legal authorities and these authorities searched, with Carlos, for the property, and the wooden

⁶ David did not call and the next day Carlos, trailed by Avirgan and a Costa Rican police officer, found David in the Central Market area. David assured Carlos that he was fine and would soon leave the country and from there would be in touch. Neither Carlos nor the Plaintiffs ever heard from or saw David again.

shed, where Carlos and David had been held. This search by the authorities lead to the ranch of John Hull on the Costa Rican-Nicaraguan border.

55. Soon after the reported recapture and torture-execution of David, Plaintiffs Tony Avirgan and Martha Honey began to receive telephoned death threats -- ordering them "to stop your investigation or be killed." These threats then began to take the form of notes, made up of letters from the alphabet cut from magazines, notes which were physically placed under the door of their home -- where they lived with their two small children.

These death threats, and similar death threats directed to their employees and office staff, required the Plaintiffs to spend thousands of dollars to install a physical security system in their office and home. The continued death threats required the Plaintiffs to send their children out of the country to stay with the Plaintiffs' family in New York State -- and to live under an armed guard provided to them by the Costa Rican legal authorities, Source #36.

56. After a thorough investigation of the information provided to them by David, by Carlos -- and by numerous other sources; including Costa Rican law enforcement authorities, Sources #37 and #38; ARDE Intelligence Officials, Sources #39 and #40; interviews with Defendant Felipe Vidal himself, Source #41; and interviews with former Contra members, Sources #42, #43, #44, and #45 -- Plaintiffs Tony Avirgan and Martha Honey prepared a written report of their findings and publicly released this report at a press conference held in San Jose, Costa Rica in the Fall of 1985.

57. After this report, Carlos Rojas Chinchilla was kidnapped, a second time, by associates of John Hull. These men seized Carlos from his house in San Jose and, at gunpoint, ordered him to copy, in his own handwriting, a prepared statement they showed him -- stating that he had been told nothing by David about John Hull -- and that his earlier reports filed with the Costa Rican legal authorities about David's reports, and Carlos' kidnapping by associates of John Hull's were all made up by Carlos at the demand of journalists Tony Avirgan and Martha Honey.

Carlos was told by these men that, after writing this, Carlos would be released, unharmed -- but that, in two weeks time, Carlos would, again, be contacted by these men and brought before a "specially selected" group of journalists where Carlos was to publicly release his written statement and renounce his police reports about John Hull.

After writing the demanded statement, Carlos was released -- and he fled to Tony Avirgan and Martha Honey and requested protection.

The Plaintiffs assisted Carlos in escaping from Costa Rica with his family and secured a safe place for him to remain -- until he was called upon to testify in the trial of John Hull.

All of these facts have been verified directly to Plaintiffs' Counsel Daniel Sheehan in personal interviews between Attorney Sheehan and Carlos Rojas Chinchilla.

58. In the Fall of 1985, Defendant John Hull sued Plaintiffs Avirgan and Honey in Costa Rica, charging them with criminal libel.

59. In the Fall of 1985, I was contacted by a Source, Source #46, and was

informed about Plaintiffs Avirgan and Honey's information from David and their numerous other sources -- and, finding that this information was closely related to information provided to the Christic Institute by our Sources regarding the smuggling of guns, ammunition and explosives to John Hull's ranch from Florida, via Ilopango Air Force Base in El Salvador, I asked that my Source #46 have Tony Avirgan and Martha Honey contact me -- so we could cooperate in our respective investigations.

60. For a period of time, Source #46 communicated information back and forth between our Christic Institute investigation and Tony Avirgan and Martha Honey.

In December of 1985, my law office was asked by Tony Avirgan and Martha Honey to assist in the preparation of their defense against the charges of criminal libel in Costa Rica. We agreed to do so.

The Secret Team

61. During my preliminary investigation of the information in the possession of Tony Avirgan, Martha Honey and their sources - I was contacted by Source #47, a right-wing para-military specialist, former U.S. Army pilot in Vietnam and military reform specialist in January of 1986.

Source #47, the Specialist, who was unaware of my investigation, informed me that he had met -- at a right-wing function -- a former U.S. military intelligence officer, Source #48, interested in seeing to it that the Mujahedin forces in Afghanistan were supplied with safe and effective military equipment with which to combat the Soviet invasion of their homeland.

Source #47 informed me, however, that, upon his second meeting with Source #48, this source began to discuss with Source #47 the existence of a "Secret Team" of former high-ranking American CIA officials, former high-ranking U.S. military officials and Middle Eastern arms merchants -- who also specialized in the performance of covert political assassinations of communists and "enemies" of this "Secret Team" which carried on its own, independent, American foreign policy -- regardless of the will of Congress, the will of the President, or even the will of the American Central Intelligence Agency.

Source #47 was so shocked at this information that he wanted me to meet with Source #48, to interview him, and to evaluate the information this man had.

I agreed to do so. The meeting was set up for February, 1986, at the home of Source #47 outside of Washington, D.C.

The Wilson Connection in Iran

62. In February of 1986, I went to the house of Source #47, and was introduced to Source #48. He was a former U.S. intelligence officer who served in Iran in 1976 and for a period thereafter.

In our interviews, Source #48 set forth the details of a highly secret assassination project which operated in Iran from 1976 until the fall of the Shah - under the supervision of Defendant Theodore Shackley and Defendant

Thomas Clines. This project was supervised, in the Middle East by one Edwin Wilson. Source #48 -- who worked as an anti-terrorist specialist in the U.S. Military Mission in Iran, was in a special position to have personal knowledge about the project run by Edwin Wilson - since Wilson's program operated under the rubric of an "anti-terrorist" project.

Source #48 set forth, in detail, how this covert "anti-terrorist" search and destroy operation was set up, in 1976, under the overall supervision of the Assistant Deputy Director of Operations for the American Central Intelligence Agency - Theodore Shackley, and his Deputy, Thomas Clines. However, Source #48 was convinced that this operation became a criminal, privately run, non-CIA authorized program as of 1977 - after President Jimmy Carter and CIA Director Stansfield Turner entered the government.

This privately-run, "anti-terrorist" assassination program was authorized and controlled by Theodore Shackley and Thomas Clines - in their purely private, non-governmental capacity, from 1977 to 1979.

During this 1977 to 1979 period, Edwin Wilson, in his private capacity as the field director of this private Shackley-Clines project, established contact, in Libya, with Mohammad Ghadhafi and secretly agreed to train Libyan anti-Shah of Iran terrorists in the use of deadly C-4 explosives at five secret terrorist training camps located inside Libya. While entirely criminal in nature, Edwin Wilson's activities with these Libyan terrorists were actually intelligence-gathering activities - designed to put into his hands the identities, missions and targets of the Libyan, anti-Shah terrorist operations.

Once this intelligence information was obtained by Wilson in his capacity as a trainer and supplier for the terrorists, Wilson would secretly communicate the identities, and mission of particular terrorists to Rafael "Chi Chi" Quintero - who was responsible for "interdicting" and directing the assassination of these Libyan terrorists.

Indeed, part of the "mission" of Wilson inside Libya was to carry out the assassination of Mohammad Ghadhafi himself. Pursuant to this plan, Wilson arranged for Ghadhafi's plane to be "wired-up" and bombed. The plane was blown up - but, at the last moment before the plane took off, Ghadhafi returned from the tarmac to receive a telephone call. Several East German agents were killed in the explosion.

This operation of Wilson's was "blown" when one of Wilson's associates here in the United States, one Kevin Mulcahey, unknowingly revealed to a person friendly with an agent of the Federal Bureau of Alcohol, Tobacco and Firearms, that his boss, Edwin Wilson, was training and supplying Libyan terrorists.

Wilson and his associate Frank Terpil were indicted for their dealings with Ghadhafi -- but his supervisors, Theodore Shackley and Thomas Clines, were allowed to resign from the CIA by CIA Director Stansfield Turner and Deputy Director Frank Carlucci.

However, upon resigning, Defendants Shackley and Clines joined with Defendants Secord and Hakim and "went private" - continuing to run their "Secret Team" -- complete with it's own covert foreign policy.

Plaintiffs' Counsel learned this information not only from Source #48, but also from Source #49 - who is a retired CIA officer with knowledge about this operation and a Source #50 - who is a former Air Force officer of the Special Investigation Office who investigated Edwin Wilson's activities in

the Middle East.

Source #49 has had direct conversations with Source #50 who was directly involved with Edwin Wilson in this Middle Eastern Operation.

Supplying the Contras

Source #49 has direct knowledge that it was this "Secret Team" of Defendant Shackley, Defendant Clines, Defendant Secord and Defendant Hakim - operating through their business partnership with Edwin Wilson named the Egyptian-American Transport and Service Company (incorporated in January of 1979) who first established contact with and began secretly supplying weapons, ammunition and C-4 explosives to the Contras soon after they began operations in Honduras in August of 1979 and who later, under a separate corporate cover, supplied C-4 explosives and military equipment to the Contras, through John Hull, in Costa Rica in 1983 and 1984. The "Field Officer" for this "Secret Team" was Defendant Rafael "Chi Chi" Quintero, the man who met with the field commanders of the Contras in Honduras and the Contra associates of John Hull in Costa Rica to take their "orders" for weapons and explosives and who saw to it that said military supplies were delivered. Defendant Quintero conducted his activities on behalf of this Secret Team through a Florida-based corporation named Orca Supply Company -- a company earlier set-up by Edwin Wilson.

This information was obtained by Plaintiffs' Counsel from Source #49 and from persons who have spoken directly with persons directly involved in this operation.

Under the supervision of Defendant Theodore Shackley, Defendants Thomas Clines, Richard Secord, Albert Hakim and Rafael Quintero have been directly responsible for the private supplying of military equipment -- including the C-4 explosives supplied to John Hull in 1983 and 1984 which were used in the terrorist bombing attack at La Penca on May 30, 1984. Indeed, a close associate of Defendant Quintero trained persons in Honduras to make deadly C-4 anti-personnel terrorist bombs identical to the one used at La Penca. This individual was one John I. W. Harper. These Defendants were responsible for the entire supply of weapons, ammunition and explosives to the Contras in Honduras and Costa Rica from August of 1979 up to October of 1986 -- with the exception of the time period between June of 1981 and March of 1984, during which time American CIA Director William Casey and his agent Vincent M. Canistraro supplied such materials.

Defendants Martin, McCoy, Delamico, Posey and Chanes contributed military supplies directly to this flow of equipment supplied by Defendants Shackley, Clines, Secord, and Hakim during this time period -- including a portion of the C-4 used to construct the C-4 bomb used at La Penca in the attempted assassination of Eden Pastora.

Moreover, Ricardo and William "Gris" are reported, by a source, Source #51 -- a former Contra member active in the Miami area with direct knowledge of the Miami Contra community -- to be one Raul Villaverde and his brother, either Rafael or Jorge Villaverde. The Villaverde brothers are close associates of Defendant Rafael Quintero, who worked with Defendant Quintero as professional assassins for Edwin Wilson in Iran and Libya between 1976 and 1980. According to Source #51, it was in Iran and Libya, while working for Wilson, that Raul and Rafael Villaverde met Amac Galil, the right-wing,

anti-Gadhafi Libyan terrorist whom the Defendants actually procured to carry out the La Penca bombing.

63. In April of 1986, Plaintiffs' Counsel was introduced to Source #52, a high-ranking, active, Central Intelligence Agency official who discussed with Sources #48 and #49 the activities of Defendant Shackley and Clines and confirmed to them a number of the facts set forth above.

64. At that time, Plaintiffs' Counsel also met personally with Source #53, another high-ranking, active, Central Intelligence Agency official, who confirmed much of the data concerning the political environment and activities of persons involved in the Contra movement in Costa Rica in 1984 -- and the names of the persons involved in the Contra operations in Costa Rica in 1984, at the time of the La Penca bombing.

65. In early 1986, Plaintiffs' Counsel established contact with Source #54, a man actively engaged in the trafficking of cocaine with Defendant Francisco "Paco" Chanes and Defendant Dagoberto Nunez, which source communicated to Plaintiffs' Counsel detailed information confirming the participation of Defendants Chanes, Nunez, and Hull in the smuggling of cocaine into the United States through Miami and Memphis. Source #54 supplied Plaintiffs' Counsel with the names and whereabouts of some half-dozen pilots who flew guns, ammunition and C-4 explosives from the United States to John Hull's ranch in Costa Rica -- and who flew cocaine back into the United States from Defendant Hull's ranch. A number of these pilots have been located and contacted by Plaintiffs' Counsel, but they insist upon immunity from criminal prosecution in exchange for their testimony against the Defendants in this case. These pilots constitute Sources #54, #55, #56, #57, #58, and #59.

66. Plaintiffs' Counsel has established direct contact with Edwin Wilson, who is serving a federal prison term in excess of 50 years at Marion Prison in Illinois and has spent hours in private interviews of Wilson. Mr. Wilson also requests immunity from criminal prosecution in exchange for his testimony demonstrating the truthfulness of the information set forth above about his activities with Defendants Shackley, Clines, Secord, Hakim and Quintero. Edwin Wilson is Plaintiffs' Source #60.

67. Plaintiffs' Counsel has also personally interviewed Source #61, a Costa Rican pilot with intimate knowledge of the cocaine smuggling operations of Defendants Hull and Nunez -- and of the fact that the income from their smuggling activities is being used to finance the Contra operations of the Defendants in Costa Rica. Source #61 introduced Plaintiffs' Counsel to Source #62, a Roman Catholic Priest from Costa Rica who has personally interviewed numerous peasants in Costa Rica who have come to know with direct personal knowledge of Defendants Hull and Nunez cocaine smuggling operations -- and their partnership in these operations with Defendant Francisco "Paco" Chanes in Miami.

68. Plaintiffs' Counsel's investigators have interviewed Sources #63, #64 and #65 who are active agents of the Federal Drug Enforcement Administration who are directly knowledgeable concerning the cocaine smuggling operation of

Defendants Chanes, Vidal, Corbo, Nunez, Hull, Ochoa and Escobar and the use of a portion of the profits from this enterprise to fund their Contra operations in Costa Rica.

69. Plaintiffs' Counsel has personally interviewed Source #66, an active Florida state law enforcement intelligence officer, who is familiar with the drug smuggling -- and illegal gunrunning operations of the defendants -- but who has been directed to "stand clear" from his investigation of their activities.

The First "Contra War": Organized Crime and Right-wing Terror-Politics

70. Sources #48 and #49 described above, as well as Sources #67 and #68, who are tenured professors at accredited universities in the U.S. who conduct professional research into government documents, interview persons in the U.S. intelligence community, and teach accredited courses regarding the history of the activities of our American intelligence community -- as well as Source #69, who is a retired official of the United States Customs Department and the Federal Bureau of Narcotics and Dangerous Drugs (now the Drug Enforcement Administration), and Source #70, who is a former Southeast Asian Border Police officer, and Source #71, who is a retired CIA official - have communicated evidence to Plaintiffs' Counsel which constitutes probable cause to believe that the following facts are true regarding the Defendants in this case:

70.1. That, in late 1959, immediately after Fidel Castro drove Dictator Batista out of Cuba, former United States Vice President Richard M. Nixon established, and chaired, a Special Committee within the United States National Security Council with the express assignment of developing -- and executing -- a plan by means of which to mount a covert "Contra" war against the socialist government of Cuba, utilizing expatriate indigenous right-wing Cubans who had been loyal to Dictator Batista. The objective of this **non-Congressionally authorized** operation was to undermine, weaken, and eventually, overthrow the revolutionary socialist government of Cuba. It appears that this secret operation was then code-named "Operation 40."

70.2. That, in late 1959, then Vice President Richard M. Nixon, with the direct participation and cooperation of United States Central Intelligence Agency Director Allen Dulles, undertook the supervision of the recruiting of expatriate, right-wing Cubans who had fled from Cuba to Miami, Florida -- and caused to be established two secret military training bases for their "Contra" forces, one south of Miami, Florida, and one in Guatemala. CIA Director Allan Dulles assigned CIA Agent and former Marine Corps officer Carl Jenkins to supervise the training of these "Contra" forces in guerilla warfare tactics in Florida and Guatemala. The objective of this Nixon-Dulles supervised operation was to train and to secretly infiltrate these expatriate Cubans back into Cuba, where they would set up centers of guerilla military resistance to the Castro-led socialist government. These forces would also mount terrorist military attacks against the economic infra-structure of

Cuba, making it difficult for the new revolutionary government to organize and operate the economy.

70.3. With this covert NSC-CIA program underway in early 1960, then Vice President Richard M. Nixon secretly "reached out" to one Robert Maheu, the Chief of Staff and de facto Director of billionaire Howard Hughes' financial empire. At the time Maheu was working with Nixon on a secret, non-Congressionally approved project which may have involved underwater activities and been named "Operation Desktop". Because of Maheu's secret status known only to Richard Nixon and President Eisenhower, Richard Nixon selected Maheu to attend an equally secret meeting, in early 1960, in Florida, with two men representing former Havana Mafia "Don" Santo Trafficante -- whose fabulously wealthy Havana Casino, Hotel and prostitution operation run by Resorts International, Inc. (a Meyer Lansky Mafia company) had been driven out of Cuba, along with Trafficante's business associate Batista in 1959.

70.4. At this early 1960 Florida meeting between Robert Maheu (representing Richard Nixon) and John Roselli and Sam Giancana (representing Santo Trafficante, a Meyer Lansky Mafia Lieutenant), it was agreed between Richard Nixon and Santo Trafficante that the NSC's secret Operation 40 would be secretly "supplemented" by secreting, within this operation, a "private" sub-operation -- which was to be supervised directly by the Mafia's Havana Lieutenant Santo Trafficante. This secret, "private" unit was to be a political assassination unit assigned to murder Cuban President Fidel Castro, his brother Raul Castro, Che Guevara and five other revolutionary Cuban government leaders.

Former associates of Cuban dictator Batista and of Resorts International boss Santo Trafficante were, according to this early 1960 Nixon-Trafficante agreement, to be selected out of the Operation 40 participants by Santo Trafficante -- and then secretly trained, as political assassins, by Trafficante and his Mafia associates, at a secret "Triangular-Fire Training Base" to be located in Mexico. Those selected from Operation 40 by Santo Trafficante to become members of the "Shooter Team" were:

1. Rafael "Chi Chi" Quintero;
2. Felix Rodriguez (AKA "Max Gomez");
3. Luis Posada Carriles (AKA "Ramon Medina");
4. Rafael Villaverde;
5. Raul Villaverde;
6. Ricardo Chavez;
7. Frank Fiorini (AKA Frank Sturgis);
8. Rolando Martinez; and two other Cuban Americans.

One of the "supervisors" of the group was to be E. Howard Hunt, code-named "Eduardo."

This secret "Shooter Team" began training in early 1960.

70.5. When John F. Kennedy received the Democratic Party nomination for President in the Summer of 1960, he was briefed by a CIA officer

about the existence of Operation 40 and its objectives -- but it does not appear that he or Robert Kennedy were ever briefed about the existence of the Shooter Team. However the Shooter Team continued to train -- and, indeed, between 1960 and 1963, initiated several efforts to assassinate Cuban President Fidel Castro.

70.6. Between January of 1961 and April of 1961, the low-profile, guerrilla-infiltration strategy of Operation 40 was transmuted in a plan for a full-scale military invasion of Cuba, to be staged at the now-infamous Bay of Pigs. This invasion, using the personnel of Operation 40, failed disastrously in April of 1961.

70.7. However, by June of 1961, Robert Kennedy had re-grouped the tattered remnants of the old Operation 40 forces and re-initiated the old, lower-profile, strategy of infiltration and guerrilla "raids" into Cuba. This re-born Operation 40 was named "Operation Mongoose." This covert "Contra" war was secretly pursued by the Kennedy Administration from June of 1961 to November of 1963.

The supervisor of "Operation Mongoose" was, then 34-year-old, Theodore Shackley. His Deputy was Thomas Clines.

This operation, functioning in a working partnership with Mafia Lieutenant Santo Trafficante, operated from a base located in a few buildings on the campus of the University of Miami. This base -- and the operation itself -- came to be called "JM/Wave."

These "Contra" war operations -- and their associated Trafficante-lead political assassination sub-operation -- were directed by Theodore Shackley and Thomas Clines from 1961 to 1963.

70.8. During 1963, several participants in Operation 40 were caught smuggling narcotics into the U.S. from Cuba and the use, by the program, of former Batista and Trafficante criminal associates in the program began to cause "problems of control" of illegal "profiteering" in the program. But the program continued -- as did the operations of the "Shooter Team."

70.9. In November of 1963, President Kennedy was assassinated in Dallas, Texas.

70.10. In 1965, "Operation Mongoose," and JM/Wave, were shut down and Theodore Shackley and his Deputy, Thomas Clines were transferred to Laos.

The Move to Southeast Asia: Political Assassination Financed by Opium

70.11. In 1965, Theodore Shackley was made the Deputy Chief of Station for the CIA in Laos. Thomas Clines became his Deputy.

70.12. In 1965, Theodore Shackley and Thomas Clines secretly provided air support in Laos for one Van Pao, in a three-sided war in which Van Pao was engaged, in Laos, for control of part of the illegal opium trade in that nation. During 1965, Van Pao's competitors in the

opium trafficking business were mysteriously assassinated.

By 1966, Van Pao was one of the major opium producers and traffickers in Laos.

70.13. Under the direction of Deputy Chief of Station Theodore Shackley and his Deputy, Thomas Clines, a secret program was pursued to train indigenous Hmong tribesmen in guerilla war tactics for use in "unconventional warfare" activities. These activities included the art of political assassination. Starting in 1966, their "special operations" with the Hmong tribesmen began to be secretly financed by Van Pao.

70.14. In 1966, a "Special Operations Group" was established in Saigon, Viet Nam. This group was a multi-service, military operation known as the Military Assistance Command, Vietnam -- Special Operations Group (MACV-SOG) or the Joint Task Force for unconventional warfare.

This group, among other tasks, "supervised" the secret political assassination activities of this secret unit of Hmong tribesmen -- though the group operated, in fact, under the supervision of Theodore Shackley and Thomas Clines.

From 1966 to 1968, the commander of the Special Operations Group, which supervised the political assassination program in Laos, Cambodia, and Thailand, was Defendant General John K. Singlaub.

Serving under Singlaub in Laos for a period at the end of 1968 was a young 2nd Lt. by the name of Oliver North.

The Deputy Air Wing Commander for the Special Operations Group was then Air Force Lt. Col. Richard Secord out of Udorn AFB, Thailand. His superior was then Col. Harry C. "Heinie" Aderholt.

One of the members of the Army Special Forces units in the Group was one Dwight Owen -- the older brother of Defendant Robert Owen.

Between 1966 and 1971, this Special Operations Group based in Laos was, in fact, under the supervision of Theodore Shackley and Thomas Clines. During the period from 1966 to 1975, this Special Operations Group in Laos, through the secret Hmong tribesmen unit funded by a portion of Van Pao's opium income, secretly assassinated over 100,000 non-combatant village mayors, book-keepers, clerks and other civilian bureaucrats in the countries of Laos, Cambodia and Thailand.

70.15. In 1966, Theodore Shackley became CIA Chief of Station in Laos when former Station Chief Gordon Jorgenson was made Chief of Station in Vietnam. Thomas Clines continued to be a Deputy to Shackley in Laos. In early 1968, Shackley became Chief of Station in Saigon.

70.16. In 1968, Theodore Shackley's former associate in the JM/Wave program in Miami, Mafia Lieutenant Santo Trafficante, flew from Tampa, Florida, to Southeast Asia where he met at a hotel in Saigon with Shackley's Laotian associate Van Pao. In this meeting, Santo Trafficante agreed to become a partner with Van Pao in the importation of China White heroin into the United States. By 1969, Santo Trafficante had become the #1 importer and distributor of China White heroin in America. Van Pao's profits increased accordingly -- as did his financial contribution to the secret Hmong tribesmen assassination

and "unconventional warfare" project supervised by Theodore Shackley and Thomas Clines in Laos, Cambodia and Thailand.

70.17. In early 1972, Theodore Shackley and Thomas Clines were transferred from Saigon to the United States, where Theodore Shackley became the Chief of the CIA's Western Hemisphere operations. Thomas Clines became his Deputy. This division of the CIA directs the operations of the CIA in Central and Latin America.

From this post, Theodore Shackley and Thomas Clines directed the operation known as "Track II" in Chile which directed the political assassination of Chilean socialist President Salvador Allende and his Chief of Staff in Chile and the military overthrow of the democratically elected government of Chile in September of 1973.

70.18. Shortly before the successful overthrow of the socialist Chilean government in September of 1973, Theodore Shackley and Thomas Clines were transferred to Langley, Virginia; Shackley headed the East Asia Division with Clines as his Deputy.

70.19. From this post at Langley, Theodore Shackley and Thomas Clines directed the Phoenix Project in Vietnam in 1974 and 1975 which carried out the secret mission of assassinating members of the economic and political bureaucracy inside Vietnam to cripple the ability of that nation to function after the total US withdrawal from Vietnam. This Phoenix Project, during its history, carried out the political assassination, in Vietnam, of some 60,000 village mayors, treasurers, school teachers and other non-Viet Cong administrators.

70.20. Theodore Shackley and Thomas Clines financed a highly intensified phase of the Phoenix Project, in 1974 and 1975, by causing an intense flow of Van Pao opium money to be secretly brought into Vietnam for this purpose.

This Van Pao opium money was administered for Theodore Shackley and Thomas Clines by a US Navy official based in Saigon's US office of Naval Operations by the name of Richard Armitage.

Armitage functioned as the "bursar" for their Van Pao opium funds into the Vietnam Phoenix Project from 1973 to the fall of Vietnam in April of 1975.

The Birth of the Secret Team

70.21. However, because Theodore Shackley, Thomas Clines and Richard Armitage knew that their secret anti-communist extermination program was going to be shut down in Vietnam, Laos, Cambodia, and Thailand in the very near future, they, in 1973, began a highly secret non-CIA authorized program setting up their own private anti-communist assassination and unconventional warfare program -- to operate after the end of the Vietnam campaign.

70.22. Thus, from late 1973 until April of 1975, Theodore Shackley, Thomas Clines and Richard Armitage disbursed, from the secret, Laotian-

based, Van Pao opium fund, vastly more money than was required to finance even the highly intensified Phoenix Project in Vietnam. The money in excess of that used in Vietnam was secretly smuggled out of Vietnam in large suitcases, by Richard Secord and Thomas Clines -- and carried into Australia, where it was deposited in a secret, personal bank account (privately accessible to Theodore Shackley, Thomas Clines and Richard Secord).

During this same period of time between 1973 and 1975, Theodore Shackley and Thomas Clines caused thousands of tons of U.S. weapons, ammunition, and explosives to be secretly taken from Vietnam and stored at a secret "cache" hidden inside Thailand. The Van Pao monies in this secret Australian account and this large cache of stolen US weapons hidden deep inside Thailand were to be used by Theodore Shackley, Thomas Clines, Richard Secord, Richard Armitage and the right-wing covert operations operatives they could persuade to join their "off-lines", private "secret team" after the conclusion of the Vietnam campaign.

70.23. The "liaison officer" to Shackley and Clines and the Phoenix Project in Vietnam, during this 1973 to 1975 period, from the "40 Committee" in the Nixon White House was one Eric Von Marbod -- an Assistant Secretary of State for Far Eastern Affairs. Von Marbod shared his information about the Phoenix Project directly with his supervisor Henry Kissinger.

70.24. Saigon fell to the Vietnamese in April of 1975. The Vietnam War was over.

Post-Vietnam: Drugs, Arms Scams and Terror Continue

70.25. Immediately upon the conclusion of the evacuation of U.S. personnel from Vietnam, Richard Armitage was dispatched, by Theodore Shackley and Thomas Clines, from Vietnam to Tehran, Iran.

70.26. In Iran, Armitage (the "bursar" for the Van Pao opium money for Shackley and Clines' planned "Secret Team" covert operations program), between May and August of 1975, set up a secret "financial conduit" inside Iran, into which secret Van Pao drug funds could be deposited from Southeast Asia. The purpose of this conduit was to serve as the vehicle for secret funding, by Shackley's "Secret Team," of a private, non-CIA authorized "Black" operations inside Iran -- disposed to seek out, identify, and assassinate socialist and communist sympathizers -- who were viewed by Shackley and his "Secret Team" members to be "potential terrorists" against the Shah of Iran's government in Iran.

70.27. In late 1975 and early 1976, Theodore Shackley and Thomas Clines retained Edwin Wilson to travel to Tehran, Iran to head up the "Secret Team" covert "anti-terrorist" assassination program in Iran. This was not a U.S. government-authorized operation. This was a private operation supervised, directed and participated in by Shackley.

Clines, Secord and Armitage in their purely private capacities.

70.28. At the end of 1975, Richard Armitage took the post of a "Special Consultant" to the U.S. Department of Defense regarding American military personnel Missing In Action (MIAs) in Southeast Asia. In this capacity, Armitage was posted in the U.S. Embassy in Bangkok, Thailand.

There Armitage had top responsibility for locating and retrieving American MIA's in Southeast Asia. He worked at the Embassy with an associate, one Jerry O. Daniels.

From 1975 to 1977, Armitage held this post in Thailand. However, he did not perform the duties of this office. Instead, Armitage continued to function as the "bursar" for Theodore Shackley's "Secret Team," seeing to it that secret Van Pao opium funds were conducted from Laos, through Armitage in Thailand to both Tehran and the secret Shackley bank account in Australia at the Nugen-Hand Bank. The monies conducted by Armitage to Tehran were to fund Edwin Wilson's secret anti-terrorist "seek and destroy" operation on behalf of Theodore Shackley.

Armitage also devoted a portion of his time, between 1975 and 1977, in Bangkok, facilitating the escape from Laos, Cambodia and Thailand and the re-location elsewhere in the world, of numbers of the secret Hmong tribesmen group which had carried out the covert political assassination program for Theodore Shackley in Southeast Asia between 1966 and 1975. Assisting Richard Armitage in this operation was Jerry O. Daniels. Indeed, Jerry O. Daniels was a "bag-man" for Richard Armitage, assisting Armitage by physically transporting out of Thailand millions of dollars of Van Pao's secret opium money -- to finance the re-location of Theodore Shackley's Hmong tribesmen and to supply funds to Theodore Shackley's "Secret Team" operations.

At the U.S. Embassy in Bangkok, Richard Armitage also supervised the removal of arms, ammunition and explosives from the secret Shackley-Clines cache of munitions hidden inside Thailand between 1973 and 1975 -- for use by Shackley's "Secret Team." Assisting Armitage in this latter operations was one Daniel Arnold, the CIA Chief of Station in Thailand -- who joined Shackley's Secret Team -- in his purely private capacity.

The U.S. Ambassador to Thailand, one Morton Abramowitz, came to know of Armitage's involvement in the secret handling of Van Pao opium funds and caused to be initiated an internal State Department heroin smuggling investigations directed against Richard Armitage.

Armitage was the target of Embassy personnel complaints to the effect that he was utterly failing to perform his duties on behalf of American MIAs, and he reluctantly resigned as the D.O.D. Special Consultant on MIA's at the end of 1977.

From 1977 until 1979, Armitage remained in Bangkok opening and operating a business named The Far East Trading Company. This company had offices only in Bangkok and in Washington, D.C. This company was, in fact, from 1977 to 1979, merely a "front" for Armitage's secret operations conducting Van Pao opium money out of Southeast Asia to Tehran and the Nugen-Hand Bank in Australia to fund the ultra right-wing, private anti-communist "anti-terrorist" assassination program and

"unconventional warfare" operation of Theodore Shackley's and Thomas Cline's "Secret Team." During this period, between 1975 and 1979, in Bangkok, Richard Armitage lived in the home of Heinie Aderholt -- the former Air Wing Commander of Shackley's "Special Operations Group" in Laos -- who, between 1966 and 1968, had served as the immediate superior to Richard Secord, the Deputy Air Wing Commander of MACV-SOG. Secord, in 1975, was transferred from Vietnam to Tehran, Iran.

Early "Iran Arms Deal" Profit-Skimming

70.29. In 1976, Richard Secord moved to Tehran, Iran and became the Deputy Assistant Secretary of Defense in Iran, in charge of the Middle Eastern Division of the Defense Security Assistance Administration. In this capacity, Secord functioned as the chief operations officer for the U.S. Defense Department in the Middle East in charge of foreign military sales of U.S. aircraft, weapons and military equipment to Middle Eastern nations allied to the U.S. Secord's immediate superior was Eric Von Marbod -- the former 40 Committee liaison officer to Theodore Shackley's Phoenix program in Vietnam from 1973 to 1975.

70.30. From 1976 to 1979, in Iran, Richard Secord supervised the sale of U.S. military aircraft and weapons to Middle Eastern Nations. However, Richard Secord did not authorize direct nation-to-nation sales of such equipment directly from the U.S. government to said Middle Eastern governments. Instead, Richard Secord conducted such sales through a "middle-man", one Albert Hakim.

By the use of middle-man Albert Hakim, Deputy Assistant Secretary of Defense Richard Secord purchased U.S. military aircraft and weapons from the U.S. government at the low "manufacturer's cost" -- but sold these U.S. aircraft and weapons to the client Middle Eastern nations at the much higher "replacement cost." Secord then caused to be paid to the U.S. government, out of the actual sale price obtained, only the lower amount equal to the lower manufacturer's cost. The difference, was secreted from the U.S. government. Secord and Albert Hakim secretly transferred these millions of dollars into Shackley's "Secret Team" operations inside Iran -- and into Shackley's secret Nugen-Hand bank account in Australia. Thus, by 1976, Defendant Albert Hakim had become a partner with Thomas Cline, Richard Secord and Richard Armitage in Theodore Shackley's "Secret Team."

70.31. Between 1976 and 1979, Shackley, Cline, Secord, Hakim, Wilson, and Armitage set up several corporations and subsidiaries around the world through which to conceal the operations of the Secret Team. Many of these corporations were set up in Switzerland. Some of these were: (1) Lake Resources, Inc.; (2) The Stanford Technology Trading Group, Inc.; and (3) Compagnie de Services Fiduciaires. Other companies were set up in Central America, such as: (4) CSF, Investments, Ltd. and (5) Udall Research Corporation. Some were set up inside the United States by Edwin Wilson. Some of these were: (6) Orca Supply Company in Florida and (7) Consultants International in Washington, D.C.

Through these corporations, members of Theodore Shackley's "Secret Team" laundered hundreds of millions of dollars of secret Van Pao opium money and pilfered Foreign Military Sales proceeds between 1976 and 1979.

70.32. In January of 1979, Theodore Shackley, Thomas Clines, Richard Secord and Albert Hakim made Edwin Wilson a full partner in their "Secret Team" gunrunning board, establishing the corporation named the Egyptian-American Transport and Services Corporation.

The Contra Connection: The Secret Team Bargains with Somoza

70.33. In the Spring of 1978, Shackley, Clines, Secord and Hakim directed Edwin Wilson to travel to Nicaragua to make available to Nicaraguan dictator Anastasio Somoza, the private assassination services of Shackley's "Secret Team" -- the objective of which was to carry out the location of and the political assassination of the top leadership of the Sandinista revolutionary movement. This contract was tendered, and Wilson offered the assassination services of Shackley's "Secret Team" to Somoza, in the Spring of 1978, for the sum of \$650,000 per year. This offer included the services of five (5) "counter-subversion specialists," at the price of \$80,000 per year each and an annual expense account of \$250,000 for the operation. One the five "specialists" was to be Defendant Rafael "Chi Chi" Quintero. The others were to be members of the 1960 Richard Nixon-Santo Trafficante "Shooter Team" assembled for Operation 40 (members of which were used as "operatives" for Shackley's political assassination operations from 1961 to the present).

Somoza felt that the price tag was too high for this project -- so he continued to negotiate for a lower price.

Persons who know of this 1978 approach to Somoza by Wilson on behalf of Shackley, Clines, Secord and Hakim are one Douglas Schlachter, Source #72, (presently in the Federal Witness Protection Program), one Christine Simmons, Source #73, and former United States Congressman Charles Wilson, Source #74.

70.34. Again, in the Spring of 1979, Theodore Shackley, Thomas Clines, Albert Hakim and Richard Secord sent Edwin Wilson to arrange a contract relationship between the "Secret Team" and Nicaraguan dictator Anastasio Somoza.

This time, the contract offer was to supply military equipment, ammunition and explosives to Somoza -- since Somoza's dictatorial government had been cut off from any supply of military equipment from the U.S. by President Jimmy Carter's invocation of the Harkin Amendment in early 1979.

While Edwin Wilson's trip to Somoza in the Spring of 1979 did not result in the establishment of this contract, the trip of Rafael "Chi Chi" Quintero, later, did. Thus, by early 1979, Theodore Shackley, Thomas Clines, Albert Hakim and Richard Secord (all partners together in this Egyptian-American Transport and Service Company) had a formal contractual relationship with Nicaraguan dictator Anastasio Somoza.

pursuant to which this "Secret Team" supplied weapons, ammunition, aircraft and explosives to Somoza's Nicaraguan government -- despite the formal order of the United States President Jimmy Carter that no military equipment of any kind was to be provided to Somoza's Nicaraguan government.

70.35. Neither President Carter nor his Director of Central Intelligence, Stansfield Turner, knew or approved of the conduct of Theodore Shackley and his partners who supervised the Secret Team -- because Shackley and Clines had been ordered by Stansfield Turner to resign from the CIA in late 1978 or early 1979 -- when Turner learned that Shackley and Clines were business partners with Edwin Wilson, who was going to be publicly indicted (based on the disclosures of Kevin Mulcahey) for unlawfully supplying military explosives and weapons to Libya.

70.36. From March to July of 1979, Shackley's "Secret Team" supplied military equipment to Somoza in his capacity as the Dictator of Nicaragua. The man who met regularly with Somoza's representative to arrange these weapons shipments was Rafael "Chi Chi" Quintero.

The CIA Takes the Ball

70.37. When Somoza fled from Nicaragua on July 17, 1979, he travelled to an island in the Bahamas named North Cay. There he met with Rafael "Chi Chi" Quintero and other representatives of Theodore Shackley and his Secret Team associates.

In their July, 1979 meetings on North Cay, representatives of Theodore Shackley, Thomas Clines, Richard Secord and Albert Hakim entered into a contract to supply aircraft, weapons, ammunition, and military explosive to Somoza and his La Guardia Generals who had fled Nicaragua with him, to enable them, now as "Contras", to plan and prosecute -- against the U.S. government-recognized Sandinista government of Nicaragua -- a secret covert Contra war virtually identical to the one which Theodore Shackley and Thomas Clines had supervised against the socialist revolutionary government of Cuba from 1961 to 1965.

The man who met regularly with the Contra military field commanders, to advise them as to what weapons and equipment they needed -- and to see to it that this equipment was supplied to the Contras from 1979, through 1980, into 1981, was Rafael "Chi Chi" Quintero. He conducted his weapons supply activities through the Miami-based company named Orca Supply Company, a company set up by Edwin Wilson.

These secret supply operation to the Contras by Shackley's "Secret Team" continued until June of 1981 -- when the United States CIA officially (though covertly) took over this operation and assigned Vincent M. Cannistraro to take the place of Rafael "Chi Chi" Quintero as the "Supply Officer" for the Contra operation.

North Turns to the Secret Team When Congress Bans Aid

70.38. When the United States Congress was drafting the Boland Amendment in late 1983 to order the CIA and the White House to cease all United States Executive Department aid to the Contras, Lt. Colonel Oliver North contacted Theodore Shackley, Thomas Clines, Albert Hakim and Richard Secord and had the "Secret Team" re-activate its military supply of the Contras' operations -- which also included the John Hull Contra operation in Costa Rica on the "Southern Front" against Nicaragua. Rafael Quintero, again, became the "Supply Officer" for the Honduran and Costa Rican Contra operations.

70.39. As of March of 1984, the Defendants' "Secret Team" was, once again, back in charge of the secret supplying of aircraft, weapons, ammunition and military explosives to the Contra forces in Honduras and through John Hull's ranch in Costa Rica.

It was between March of 1984 and May of 1984 that Defendants Shackley, Clines, Secord, Hakim, Quintero, et al. supplied to John Hull -- along with Defendants Posey, Martin, McCoy, Delamico et al. -- the C-4 military explosives used by the right-wing Libyan terrorist Amac Galil to bomb the May 30, 1984 La Penca press conference of Eden Pastora.

70.40. It was also this same group of men who supplied the C-4 explosives that were to be used in the terrorists' bombing attack against the United States Embassy in Costa Rica in July of 1985, described in the Plaintiffs' Amended Complaint.

White House Uses Secret Team Again for Iranian Arms Deal Profits go to the Contra Operations

71. Also, when Ronald Reagan, Edwin Meese, William Casey, and Robert McFarlane, John Poindexter and Oliver North decided, in 1985 and 1986, to undertake the secret sale of arms to Iran, it was, once again, this "Secret Team" of Theodore Shackley, Thomas Clines, Albert Hakim and Richard Secord to whom they went to carry out this "black" mission. Plaintiff's sources for this information are Sources #49 and #50. They are the sources for all the information in paragraph 71.

71.1. This "Secret Team" employed its tried and tested procedure of purchasing the military equipment from the U.S. Pentagon at "manufacturer's cost" and selling the equipment to Iran at "replacement cost" -- and conducted the "excess" profit earned in the sale, through Lake Resources, Inc., Companie de Services Fiduciaires and in to its Grand Cayman account in the name of CSF Investments, Ltd. -- where the "Secret Team" kept on deposit the funds which it secretly used to finance its Contra war against the socialist government of Nicaragua.

71.2. Secret Team member Richard Secord purchased short take-off and landing (STOL) airplanes for the Contra forces in Honduras and Costa Rica -- which planes were used to ferry weapons and explosives

into John Hull's farm from Ilopango Air Force Base in El Salvador. Secord purchased there four STOL aircraft from Maule Inc., paying for said aircraft with two checks -- one drawn on the account of CSF Investments, Ltd. and the other drawn on the account of Udall Research Corporation.

71.3. Rafael "Chi Chi" Quintero personally participated in the supervision of the construction of the dirt landing strips inside Costa Rica which were used for the smuggling into Costa Rica of weapons, ammunition, and military explosives -- the construction of which secret landing strips were financed by checks drawn on the account of Udall Research Corporation.

71.4. Defendants Albert Hakim, Richard Secord and Thomas Clines are all associated with the company of Stanford Technology, Inc. and Stanford Technology Trading Group, Inc.. The registered agent of the office of Stanford Technology Trading Group, Inc. located in Switzerland is also the registered President of CSF Investments, Ltd. in the Grand Cayman Islands and Defendant Hakim has paid an official court settlement of a private lawsuit with a check drawn on the account of CSF Investments, Ltd..

71.5. Telephone calls placed from the secret "safe house" in El Salvador, where Eugene Hasenfus and the other crew members who flew arms and munitions to the Contra forces in Central America lived, went to the offices of Secord's, Clines' and Hakim's company Stanford Technology, Inc..

72. Plaintiffs' Counsel has a direct eyewitness, Source #75, who can identify Felix Rodriguez as the man who, along with Luis Posada Carriles, supervised the unloading of weapons and ammunition flown in from Florida to Ilopango Air Force Base in El Salvador by Defendant Thomas Posey and who then trans-shipped said equipment to Defendant John Hull's ranch in Costa Rica.

And Plaintiffs' Counsel has a source, Source #76, who can testify that this same Felix Rodriguez is, in fact, a long-time employee of Defendant Theodore Shackley -- indeed, that this Felix Rodriguez has, for many years, worked as an employee of Defendant Shackley in Theodore Shackley's private "Secret Team" weapons supply and assassination program.

Conclusion

73. Plaintiffs' Counsel represents to the Court that he is in contact with other sources who possess further, first-hand, evidence proving the truthfulness of the civil and criminal charges made against the 29 Defendants in the Plaintiffs' Amended Complaint -- and that these sources include Eden Pastora himself, Source #77, high-ranking officials in the Costa Rican government and elsewhere, Sources #78 and #79, -- which the Court's short 20 day period allowed for the Plaintiffs' preparation of their Opposition to the Defendants' Motion to Dismiss did not allow Plaintiffs' Counsel adequate time to contact.

74. Plaintiffs' Counsel also represents to the Court that Plaintiffs would easily be able to provide numerous additional sources to prove the truthfulness of the facts set forth in this Attorney's Affidavit, if the Court were to afford the Plaintiffs the standard opportunity for civil discovery.

75. Also, Plaintiffs' Counsel asks that the Court take Judicial Notice of the fact that numerous reports have been published in The New York Times, The Washington Post, The San Francisco Examiner, and many other national newspapers setting forth details of the conduct of some of the Defendants in this civil action which corroborate their participation in the covert criminal enterprise to violate the United States Neutrality Act by unlawfully waging war against the nation of Nicaragua -- which is the "enterprise" reported by the Plaintiffs to this Court in May of 1986. While such reports are certainly not dispositive of the issue of the Defendants' participation in the criminal enterprise described in the Plaintiffs' Amended Complaint, the fact that the Plaintiffs and the Plaintiffs' Counsel have been the source of information to the Court, so much of which has now been publicly revealed to the Court by the national media and by Congress to have been entirely accurate, most certainly should dispel any remaining doubts that the Court may have had, at one time, that Defendants' Attorney Ted Kline was incorrect when he publicly asserted to the media that "The Plaintiffs' case is just a Clown Act". This case is no "Clown Act". It is a serious endeavor to bring the legal process of the Judicial Branch of our Federal government to expose, to evidence, and to prove the factual assertions made against the Defendants in this case by the Plaintiffs.

76. Plaintiffs also ask the Court to take Judicial Notice of the fact that Defendants Richard Secord and Robert Owen appeared before United States Congressional committees on December 9th and 10th of this year and asserted, under oath, that their being required to testify about their possible participation in a criminal enterprise to covertly provide funds and weapons to the Central American Contra forces would result in testimony which would tend to incriminate them or provide direct evidence of their guilt of some of the federal crimes with which the Plaintiffs' Counsel publicly charged them before this Court on May of 1986.

Surely this conduct of only the first of the Defendants named in this federal civil suit to be placed under oath and asked about their participation in the criminal "enterprise" alleged in this Complaint is probative of the criminal guilt of the Defendants of some of the crimes

charged in this Complaint.

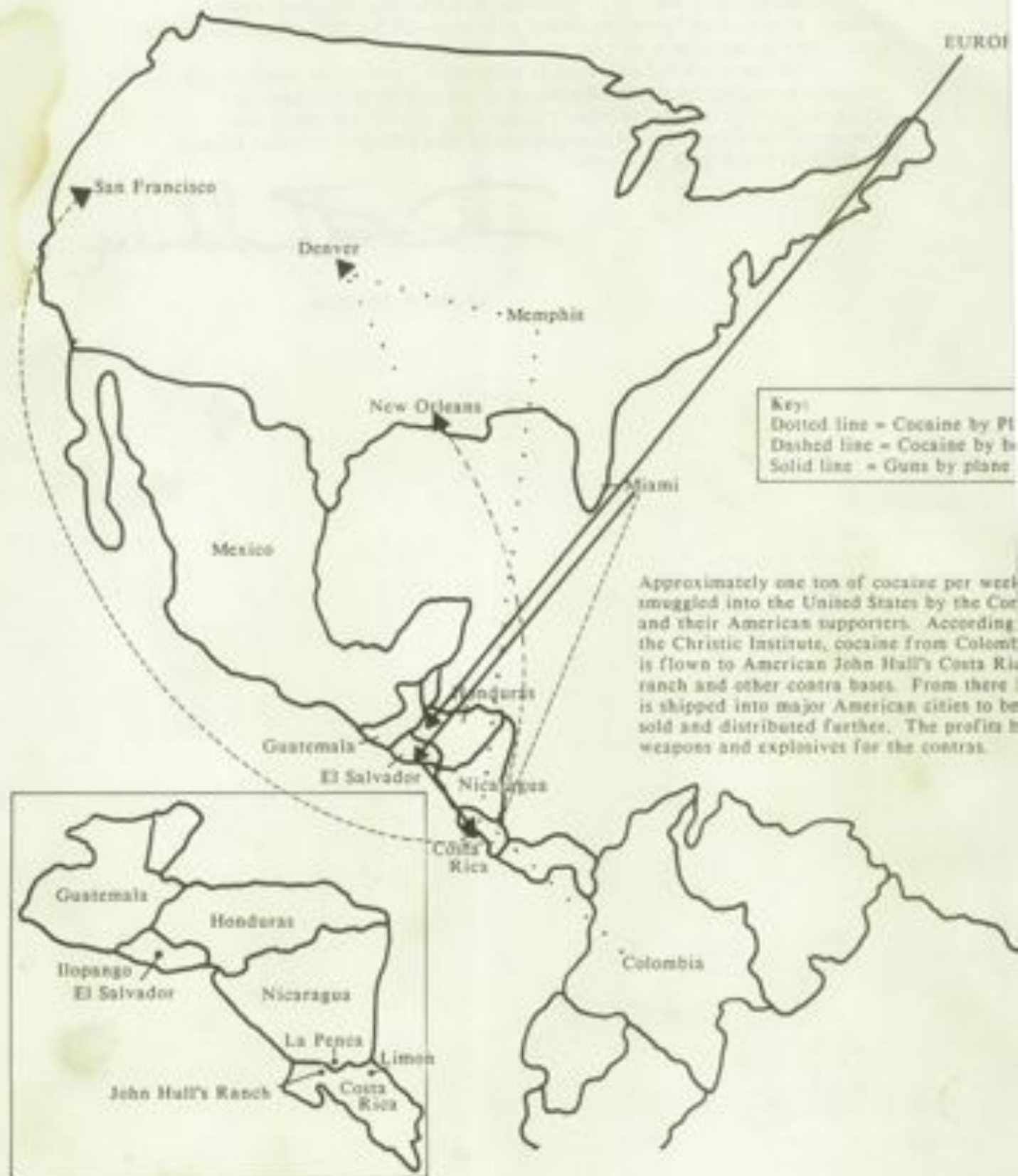
77. Plaintiffs and Plaintiffs' Counsel, The Christic Institute, possess evidence constituting "probable cause" that each of the Defendants named in this Complaint are guilty of the conduct charged.

If further detailed evidence is required by the Court to allow the Plaintiffs to begin the standard process of discovery in this case, the failure to place it in this Affidavit is the function of the short time allowed by the Court for the preparation of this filing -- it is not because the Plaintiffs lack such evidence.



Daniel P. Sheehan

Contras, Drugs and the U.S.





Martha Honey watches as her husband, Tony Avirgan, arrives at the hospital to be treated for injuries suffered at the La Penca bombing. Photo: Maria Esquivel.



Attorney Daniel P. Sheehan: General Counsel for the Christic Institute. Sheehan leads its effort to bring the private citizens behind the Contras to justice.



Tony Avirgan. Photo by Julio Lainez. Tico Times.



*John Hull during his libel trial against Avirgan and Honey. Hull's suit was dismissed.
Photo by Julio Lainez, Tico Times.*



*Martha Honey.
Photo by Julio Lainez, Tico Times.*



Moments after the explosion. Tony Avirgan is in the checkered shirt. Reid Miller of Associated Press is in a white shirt. Photo by Jose Venegas, La Nacion.



*Amac Galil waiting for news about Pastora's condition at the hospital treating his victims.
Courtesy: La Republica, San Jose.*



*Major General John K. Singlaub, U.S. Army (Ret.):
He openly helped organize the illegal private
contra supply network in the United States.*



*Major General Richard Secord, U.S. Air Force (Ret.):
A principal Secret Team member, he illegally uses
drug profits to provide contra guns and explosives.
Photo: U.S. Air Force*

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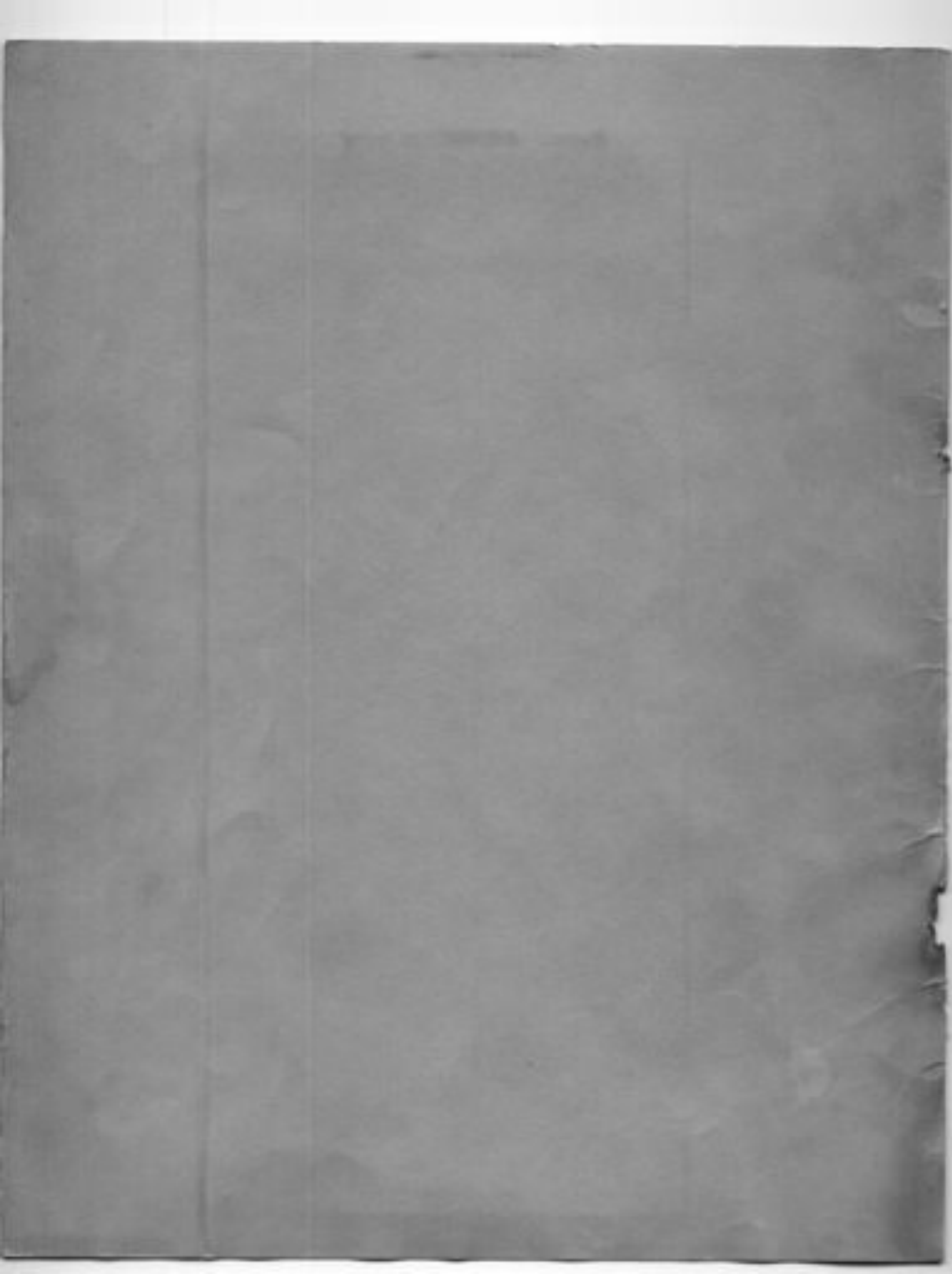
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AFFIDAVIT OF DANIEL P. SHEEHAN

"...these Defendants, some of whom have been tagged by the press as "contrapreneurs," represent the very epitome of organized crime, but on an international stage. They deal wholesale in narcotic drugs, illegal weapons and violence. Rather than take over local businesses or undermine local government, they seek to take over whole nations. They do not hesitate to murder and destroy anyone or anything that gets in their way. By any definition, these Defendants, alleged merchants of heroin and terrorism, are organized criminals on a scale larger-than-life."

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