

DOJ backs down, will release Hashemi files

by Edward Spannaus

Under pressure in the Freedom of Information Act (FOIA) lawsuit brought by *EIR* writers and investigators, the U.S. Department of Justice (DOJ) has agreed to begin processing for possible release 20 boxes of prosecution files concerning the late Cyrus Hashemi and Stanley Pottinger. The files were located in the U.S. Attorney's Office in New York. Iranian banker Hashemi and former Justice Department official Pottinger have been shown by *EIR* to have been key figures in the effort to sabotage the Carter administration's efforts to obtain the release of the American hostages being held in Iran in 1980.

For five years, the Justice Department has refused to process the Hashemi case files, claiming that they were exempt from release because of a pending law enforcement investigation. The *EIR* plaintiffs submitted affidavits and other evidence showing that Hashemi was deceased, that all charges in the Hashemi case had been dismissed, and that the case was officially closed. Even in the face of this overwhelming evidence, the DOJ stubbornly continued to stonewall, claiming that charges were still pending against Hashemi's corporations. *EIR* then submitted evidence showing that the corporations were no longer in existence. Finally, on June 19, the DOJ informed *EIR*'s attorney that it had recently determined "that this exemption is no longer applicable," and that they have begun processing the 20 boxes of records. (It is often the government's practice in FOIA cases to back down at the last moment, rather than lose a motion in court and thereby have a precedent set against it.)

The DOJ has agreed to process one box of documents per week. However, the first box of 3,000 pages is claimed to be entirely exempt, because it consists of grand jury materials and classified information. The second box contains 137 FBI tape recordings of Hashemi, which the DOJ has sent to the FBI for processing according to their normal procedures. The FBI has not yet notified *EIR*'s attorney what portion of the tapes will be released.

House report released

Meanwhile, it has been disclosed that over 2,000 hours of tapes derived from secret FBI surveillance of Hashemi and Pottinger are currently being reviewed by congressional investigators. The fact that the Hashemi-Pottinger tapes have been turned over by the FBI was officially disclosed in the Interim Report of the House of Representatives' "October

Surprise Task Force," which was released on July 1 by Rep. Lee Hamilton (D-Ind.).

A team of four Task Force members is deployed exclusively on reviewing the 540 tapes and related documents from the Hashemi surveillance. Many of the tapes are in Farsi (the Iranian language) or French, and are being translated.

Most press accounts of Hamilton's July 1 press conference emphasized the only finding made by the investigators so far: that the evidence shows that George Bush was not in Paris Oct. 18-22, 1980. However, Hamilton minimized the importance of that single finding, saying that "the whereabouts of George Bush in 1980 does not in itself resolve the many allegations under investigation by the Task Force. Let me emphasize that we are still in the middle of this investigation. We think an awful lot of work still remains to be done."

Asked if the finding means that Bush did not know about any agreement to delay the hostage release in order to defeat President Carter at the polls in November 1980, Hamilton replied carefully that "the credible evidence that we have shows to us that he was not out of the country. It does not go beyond that."

The issue of whether Bush was in Paris in October 1980 has been used to misdirect many journalists and investigators since 1987. An *EIR* Special Report published in February 1992 showed that the key to the "October Surprise" is to be found in the actions of Hashemi's lawyer and business partner Stanley Pottinger, who also happens to be a personal friend of George Bush. Excerpts of summaries of the FBI surveillance tapes obtained by this news service show that Pottinger and Hashemi were able to manipulate the issues of Iran's frozen assets and the Shah's assets—about \$24 billion total—to sabotage the Carter administration's hostage negotiations.

Bush administration stalling

House investigators have requested thousands of documents from numerous agencies, including the Departments of Justice, State, Defense, and Treasury, as well as the CIA and the National Security Agency. However, the administration has delayed the release of many of the documents. The Task Force report puts the onus directly on the Bush administration: "The response of some Executive branch agencies has slowed the work of the Task Force. This is so because counsel to the Task Force have decided not to conduct a number of sworn depositions of witnesses until after counsel has had an opportunity to completely review the documentary evidence that underlies such oral testimony."

One knowledgeable source reports that the Bush administration demanded that the Democrats exonerate Bush from charges that he was in Paris, or they would face a drawn-out fight over withholding of documents by the Executive branch. As it is, the Task Force is still likely to have difficulty completing its investigation before the elections, or even by the end of the congressional term.