

How Operation Defcon targeted the Pentagon

by Jeffrey Steinberg

Less than one year after President Ronald Reagan's March 23, 1983 television address launching the Strategic Defense Initiative, the liberal Establishment's "permanent government" apparatus within the Department of Justice was already carrying out a flagrantly unconstitutional campaign to penetrate and ultimately shut down the most sensitive "black box" programs of the Pentagon.

The initial phase of this attack against the SDI and other crucial defense research programs, such as the Stealth bomber, was launched in southern California under the codename "Operation Defcon" ("defense contractors"). By the admission of Department of Justice and FBI officials, recently interviewed by the *Los Angeles Times*, Defcon laid the foundation for the now ongoing "Operation Ill Wind," more familiarly known as Pentagate.

On June 14, 1988, hordes of agents from the FBI and the Naval Investigative Service invaded the Pentagon and the offices of the nation's biggest defense and aerospace companies, seizing documents and handing out over 250 grand jury subpoenas.

Despite the fact that the first witness was not scheduled to appear before any grand jury until July 19, U.S. Attorney Henry Hudson of Alexandria, Virginia vowed that he would nail Pentagon top brass and senior executives of the biggest defense companies. At least some of Hudson's braggadocio undoubtedly stemmed from his own knowledge of how Defcon built up a literal "gestapo" network inside the defense industrial complex.

The precedent

Operation Defcon was launched out of the U.S. Attorney's office in Los Angeles in early 1984, targeting middle-level officials of the major defense companies in southern California and their subcontractors and suppliers. Employing the same unconstitutional "sting" techniques developed by the FBI during the infamous Abscam program directed against members of the U.S. Congress, Defcon set out to recruit a stable of informants and undercover operatives directly from the ranks of defense industry management.

According to Fred Heather, the ex-U.S. Attorney who headed up the Defcon prosecution team, "A lot of our techniques, I think, are being adopted by what you see in this current bribery investigation. The taking of [secretly recorded] tapes into initial interviews with suspects and the playing

of tapes in order to flip them into cooperating with the government to go after other people, these are all things that were developed in Defcon."

Rodney Hansen, the head of the southern California regional office of the Defense Criminal Investigative Service (DCIS), the police arm of the Pentagon's Inspector General, reports that another technique developed in Defcon and later adopted in other defense-busting programs, involved forcing employees to sign sworn statements that they never engaged in any outside business dealings with suppliers or subcontractors with whom they dealt on corporate procurement matters. Through this tactic, employees involved in perfectly legitimate and legal outside business activities or investments could be caught in a perjury trap and thereby squeezed into "cooperating" with federal prosecutors.

One of the leading prosecution witnesses in the Defcon cases, Rex Niles, told the *Los Angeles Times* on July 17, 1988 that although he cooperated with the FBI and the Justice Department in a string of defense fraud prosecutions, he later came under harassment by the federal government after he refused to help publicize the convictions he helped to win.

Once Defcon got under way, federal prosecutors from all over the country were sent to Los Angeles to participate in the program. In 1987, once Defcon had formally terminated, already superseded by "Ill Wind," agents from Los Angeles were sent around the country to give training seminars to U.S. Attorneys and investigators on the Defcon methods. Defcon's three-year track record is staggering: Ninety-seven defense companies and middle-level officials were prosecuted and convicted between 1984-87.

Not only was Defcon the pilot project for the later full-scale assault against the most sensitive and vital components of the defense industrial complex. In all likelihood, the as-yet-unnamed "whistle blowers," who began fingering top defense industry management, consultants, and Pentagon officials, will prove in many cases to have been the middle-level personnel initially "stung" and recruited through Defcon.

When William Weld and Stephen Trott won Senate confirmation as the Criminal Division chief and deputy attorney general, respectively, in September 1986, the liberal Establishment's drive to smash the defense industry's most secret programs—especially SDI—finally had its champions in place at the Department of Justice.

Back in Los Angeles, although Defcon was formally terminated, U.S. Attorney Robert C. Bonner has continued to focus attention on the nation's defense industry. In recent testimony before a U.S. Senate committee, Bonner all but admitted that he is out to shut down the entire industry: "It is my opinion that kickbacks on defense subcontracts are a pervasive, longstanding practice which has corrupted the subcontracting process at most, if not all, defense contractors, and infected most, if not all, defense procurement programs within southern California."