

# Cyrus Hashemi: gun runner for sale

by Edward Spannaus

The name Cyrus Hashemi has consistently surfaced in all discussions of Iranian gun-running since 1980 in the United States and Europe. Now, Hashemi appears to have been instrumental in setting up the April 22 indictments of 17 persons for conspiracy to ship arms to Iran, in what may be an effort to "re-organize" the arms trade with Iran.

The April 22 indictments, involving Gen. Avraham Bar-Am, Samuel Evans, et al., cite a series of meetings between the conspirators and Cyrus Hashemi, in which Hashemi was the purported arms buyer for Iran. These meetings are alleged to have taken place between Dec. 3, 1985 and April 21, 1986—the day before the indictments and the arrests of five of the indicted conspirators.

Israeli officials are complaining that General Bar-Am and the two other Israelis arrested may be the victims of a frameup, and that they "may have been entrapped by an undercover FBI agent." According to *Yediot Ahronot* newspaper, that agent was Cyrus Hashemi.

If Hashemi was working for the FBI—as some Israelis charged—it just means his market value has declined in recent years. Hashemi—a shadowy swindler and con-man—has been regarded since the 1970s as an asset and stringer for a grouping within the U.S. Central Intelligence Agency; British Intelligence is also known to have a piece of him. Indicted in 1984 for arms smuggling, Hashemi was, until recently, a fugitive in London, protected by the British government. On March 26—during his "sting" meetings with the Bar-Am smuggling ring—he was quietly arraigned in federal court in New York City. What kind of deal did Cyrus make for himself? That remains to be seen.

## Hostage negotiator?

On July 22, 1980, one of the most prominent anti-Khomeini spokesmen in the United States was shot to death in a Washington, D.C. suburb. He was Ali Akbar Tabatabai, formerly the press spokesman for the Iranian embassy. Information reaching *EIR* as well as other news media, identified Washington rug-merchant Bahram Nahidian as the controller of the assassins, and Cyrus Hashemi and his First Gulf Bank & Trust Co. as the bankrollers of the operation.

*EIR*, along with the *Washington Post* and other news

outlets, identified Hashemi as the financial conduit for pro-Khomeini protests and terrorism in the United States. At that point, former U.S. Assistant Attorney General J. Stanley Pottinger surfaced to pressure the *Post* and other media to retract the story. The *Post* didn't quite print a retraction, but it printed a "qualification" which was apparently sufficient to satisfy Pottinger. Knowledgeable sources at that time told *EIR* that a "national security" cover had been thrown over the whole issue of Iranian terrorism by the Justice Department, and that it was pressure from the Justice Department which caused the *Post* to change its story about Hashemi.

Pottinger then double-crossed the *Post*, and went ahead and sued them for libel, along with *EIR* and a number of other newspapers and also the Cable News Network. (Eventually, everyone else settled with Hashemi, except for *EIR* and associated publications.)

Perhaps one of the reasons Hashemi was so anxious to clear his "good name" was that he was also trying to sell himself to the Carter administration as a go-between in the hostage crisis. He met personally with officials in the State Department and Carter's National Security Council. Pottinger reportedly offered Hashemi's services to the CIA in trying to free the hostages.

There is much dispute as to what role Hashemi played in the hostage negotiations. One source, close to Hashemi, claims the United States owes a great deal to Hashemi for his aid in resolving the crisis. Other came to be regarded as a "charlatan" in NSC and related circles. On the day the hostages were released, NBC-TV described him as "a top adviser to the government in Iran," and suggested that he had played an undisclosed role in the negotiations.

## Khomeini's banker in America

Depending on whom you talk to, Hashemi either left, or was thrown out of, Iran in the late 1960s. He spent the intervening years living in Geneva, Paris, and the United States, with frequent side trips to South America and the Caribbean. He earned himself a reputation as a con-man on a couple of continents, and was always followed by a string of lawsuits for fraud. He was thrown out of France in 1978 after being caught with stolen airline tickets, and while trying to use a Knights of Malta passport to claim "diplomatic immunity."

When the British and the U.S. State Department overthrew the Shah in 1979, Hashemi's fortunes suddenly got brighter. Precisely as Khomeini was returning to Iran from Paris in February 1979, Hashemi was being set up with a couple of offshore banks in the Netherlands Antilles, sponsored by Roger Tamraz's First Arabian Corp. One of these was the First Arabian Bank & Trust, whose name was soon changed to First Gulf Bank & Trust.

Hashemi's First Gulf quickly became a money conduit for Iranian funds used to finance protest demonstrations and

terrorism in the United States. (According to some intelligence sources, Hashemi was used by Pottinger and the CIA as a vehicle for funneling billions in weapons and spare parts used in Khomeini's overthrow of the Shah.)

With the outbreak of the Iran-Iraq war in the fall of 1980, Iran set up an international arms procurement operation, headed by Khomeini's son-in-law Sadegh Tabatabai. Tabatabai based his network on Israeli businessmen and military officials who had been in Iran under the Shah, including the former Israeli military attaché in Teheran, Jacob Nimrodi. Hashemi and his two brothers Djamshid and Reza were the U.S. end of this operation.

According to published sources, FBI counterintelligence agents bugged the offices of First Gulf Bank & Trust from October 1980 through January 1981. The hidden microphones picked up not only Cyrus and Reza Hashemi, but also Stanley Pottinger, who was advising the Hashemi brothers as to how to ship arms to Iran using phony invoices. Nevertheless, it wasn't until 1984 that the Hashemi brothers were indicted. (By that time the FBI had managed to "lose" the tapes on which Pottinger had been overheard, so he escaped indictment.)

But already by 1982, there was a full-scale federal grand-jury investigation in New York of Iranian arms smuggling. Subpoenas were issued covering Hashemi's companies as well as a number of Israeli-based operations such as Jetcraft Supply Corporation. A subpoena made available to *EIR* also cited Hashemi's Yorkhouse Trading Company, of which Pottinger had been an officer.

Still, no indictments. Then, funny things started to happen.

### **The cocaine connection**

On Jan. 8, 1983, Sadegh Tabatabai was arrested in Dusseldorf, West Germany for smuggling cocaine. (He was later allowed to flee by Foreign Minister Hans-Dietrich Genscher.) German officials believe that Tabatabai was using narcotics to pay for arms.

On the same day, one George Perry, a U.S. businessman with reputed CIA connections, disappeared in New York. A few weeks earlier, he had met with Tabatabai in Zurich to arrange a \$1 billion arms deal for Iran with a Brazilian company called Stii Inc., for which he was an international consultant. When in New York, Perry usually met with the head of Stii's New York subsidiary, Milan Jedlicka. In June 1983, Jedlicka pleaded guilty in federal court in New York to conspiring to sell 13 pounds of cocaine. Jedlicka's key partner in the conspiracy case was killed with bullets through his eyes. The prime suspect in this murder was killed two weeks later.

Three months later, Perry's body was fished out of a lake in Bear Mountain Park north of New York City. He had been shot in the head with a .22 caliber weapon, and authorities believed that his weighted body had been dropped into Lake

Tiorati from a helicopter.

An account published in West Germany argued that the CIA had planted the drugs on Tabatabai to sabotage his arms deals. Later, the story was circulated that Tabatabai believed that Perry had planned the operation, and Tabatabai ordered that Perry be killed in retaliation. While most authorities believed that Tabatabai actually was smuggling drugs, a source very close to the Hashemi circle told this reporter that they believed the drugs had been planted. Perry's murder bears the earmarks of a highly professional operation, one which Iranian networks in the U.S. would have probably been incapable of carrying out by themselves. But if the Mossad thought Perry was sabotaging their arms dealings? The conclusion to this chapter has yet to be written.

### **Fugitive**

Finally, in summer 1984, Hashemi, his two brothers, First Gulf Bank & Trust, Yorkhouse Trading Co., and a few other individuals were indicted in New York for conspiracy and violations of the U.S. arms embargo during 1980-81. Hashemi by that time was living in London, where he remained fugitive until late 1985 or early 1986. Some sources say that U.S. efforts to obtain his extradition were unsuccessful. It is known that U.S. officials were publicly expressing their anger at the British for their lack of cooperation in investigations of the arms trade with Iran.

Also during 1984, Hashemi's 1980 libel suit against *EIR* was thrown out of court, after he repeatedly failed to appear for his deposition in defiance of court orders. Still out to "protect his good name," Hashemi appealed; his appeal was rejected by the U.S. Court of Appeals for the Eleventh Circuit last year.

Then, on March 26, 1986, after having returned to New York City for a series of meetings with the members of the General Bar-Am ring, Hashemi appeared at an arraignment in federal court in New York City and pleaded not guilty. He was released on \$100,000 bond.

On April 28, Hashemi issued a statement saying that he cooperated with U.S. authorities in setting up the arms indictments "to prevent the Iranian government from being victimized by illegal arms merchants." "The Iranian government, as much as it is in need of military equipment to defend itself, will not do business with illegal arms merchants such as those involved in this matter," Hashemi was quoted as saying.

Two days later, columnist Jack Anderson wrote that proponents of a pro-Iran "tilt" in the U.S. government want to start supplying arms directly to Iran, hoping "to solidify relations with 'reasonable' leaders in Iran." Anderson said administration officials hope to by-pass Israel and "regularize" the arms trade; they expect Iran to welcome the change, since they have been paying markups of up to 2,000% for Israeli-brokered, U.S.-made spare parts.

Hashemi seems to have cut himself a new deal.