

Did the 'October Surprise' really target Ronald Reagan?

by Jeffrey Steinberg

The 10th anniversary of the election of Ronald Reagan as President of the United States has revived efforts by an army of investigative journalists to pry open the scandal known as the "October Surprise"—the purported covert effort by the Reagan-Bush campaign team to delay the release of American hostages in Teheran until after the 1980 presidential elections, to prevent any last-minute victory by Jimmy Carter and Walter Mondale.

Scores of articles, a television documentary, and at least one book have explored every nook and cranny of the Reagan-Bush secret apparatus, attempting to come up with the decisive piece of evidence proving conspiracy by the President's men.

This news service has unearthed new evidence which suggests that, ironically, the ultimate victim of the "October Surprise" may have been Ronald Reagan himself. If the story assembled by *EIR* from court records, eyewitness accounts, and other sources proves ultimately to be true, it means that the very same apparatus of corrupt spooks who profited from the Vietnam War and then helped usher the Khomeini regime into power, only to begin funneling millions of dollars worth of covert arms shipments to the Ayatollah during the Carter presidency, secured themselves an inside track with the incoming Reagan administration. This amounts to a cold coup by a mandarin caste of secret warriors who felt a greater loyalty to their Swiss bank accounts and their fellow scoundrels in Britain and Israel than to anything represented by the "Reagan Revolution." It means that President Reagan found himself compromised by a secret payoff undertaken in his name, even before he took the oath of office. It begins to shed new light on what would later become the Iran-Contra scandal.

A secret mission to Teheran

According to several eyewitness accounts, in September 1980, two Americans, Earl Brian and Michael Riconosciuto, flew aboard the private 737 jet of then Saudi Defense Attaché Prince Bandar bin Sultan, from the United States to an undisclosed location in Turkey. From there, they traveled on to Teheran, where they met with top officials of the Khomeini regime.

According to one source, the trip was carried out on behalf of the CIA. Its purpose was to arrange the payment of

\$40 million to top officials of the Iranian government to secure the release of the American hostages—anytime *after* the U.S. presidential elections.

The payment was arranged through a bank in Singapore, according to sources familiar with the deal. Before landing in the Far East, however, the \$40 million reportedly was washed through a series of private and governmental fronts:

- A financial adviser to the Saudi royal family, Fahim Safar, reportedly handled aspects of the transaction in Atlanta, Georgia, where he maintains a residence. Normally based in Lausanne, Switzerland, Safar reportedly arranged for funds to pass through an Atlanta branch of *Crédit Suisse*, a Swiss bank known for its ties to shady intelligence networks (including Mossad networks) and international narcotics traffickers.

- The moneys were also "washed" through accounts used by the National Aeronautics and Space Administration to finance university-based space research programs, according to several sources. The NASA official who handled the administration's university R&D accounts, Charles Carter, reportedly knows the details of the 1980 mission to Teheran.

- Earl Brian, according to an eyewitness, reported the results of the Teheran mission to George Pender, the chairman of First Intercontinental Development Corporation. FIDCO is a construction firm which reportedly specialized in secret projects for the American government in Lebanon, Saudi Arabia, and Nigeria. In addition to his ties into the spook world, Pender, now in his 70s and living in semi-retirement in southern California, is a close personal friend of Ronald and Nancy Reagan.

- At the time of the mission, both Riconosciuto and Brian were reportedly employed by Transaction Technologies, a wholly owned subsidiary of Citicorp which specializes in electronic fund transfers.

At the top of the pyramid of intelligence community front operations that participated in the Teheran mission and the \$40 million payoff, according to one of the participants, was Wackenhut Corp., a large private security firm founded by George Wackenhut, a retired senior FBI man. At the time of the "October Surprise" events, William Casey, the Reagan-Bush campaign chairman and later Reagan's Director of Central Intelligence, was outside counsel to Wackenhut, ac-

ording to documents presented to the U.S. Senate at the time of his confirmation hearing.

Strange pedigrees

Dr. Earl Brian's name has recently surfaced in connection with his ownership of United Press International (UPI) and the Financial News Network (FNN), both of which are believed to be on the verge of bankruptcy as the result of highly questionable financial transactions. A federal grand jury and a Securities and Exchange Commission probe may unearth criminal dimensions to UPI-FNN's money woes, according to *Barron's* magazine.

Dr. Brian was a neurosurgeon in Vietnam in the late 1960s. According to government documents released under the Freedom of Information Act (FOIA), U.S. military hospitals in Vietnam were the scene of sophisticated experiments in behavior modification, chemically enhanced interrogations, and other forms of mind control previously associated with the CIA's MK-ULTRA project. While no evidence has yet surfaced indicating that Brian was involved in these programs, he did apparently return from Vietnam with some high-powered patrons, including Chicago insurance executive and Richard Nixon intimate W. Clement Stone. It was apparently through Stone that Brian was introduced to Gov. Ronald Reagan of California. Brian was named State Secretary of Health and Welfare during Reagan's second term in Sacramento. But, according to one source familiar with Brian's career rise, the neurosurgeon (who never again practiced medicine) was always hard-wired into the intelligence community, since the day he returned from Saigon.

In the late 1970s, Brian made an unsuccessful run for the Republican Party nomination to the U.S. Senate, hoping to parlay his links to Nixon and Reagan into a political career. According to people who knew Brian at the time, once his political career was nipped in the bud, Brian devoted himself to the proposition that he could become wealthy by doing favors for some of Uncle Sam's more unsavory employees. Apparently, Texas billionaire H. Ross Perot, who worked with Brian during the Reagan governorship, is one among many business associates who consider the doctor "unscrupulous."

If the "Mission to Teheran" story is true, it also begins to explain Dr. Brian's curious involvement in the U.S. Justice Department's drive to bankrupt a Washington, D.C. software firm, INSLAW. INSLAW had patented a computer program which was slated to be installed throughout the Justice Department following Ronald Reagan's election in 1980. The contract involved over \$800 million in fees and service charges. INSLAW was driven into bankruptcy and nearly into liquidation by Justice Department actions that a federal judge ruled to be "trickery, fraud, and deceit."

Throughout INSLAW's war with the DoJ, Brian, through one of his companies, Hadron, Inc., tried to buy out INSLAW and take over the patent. Justice Department insid-

ers and others have confirmed that Brian was "hard-wired" to get the contract, worth nearly \$1 billion.

However, INSLAW's owners, Bill and Nancy Hamilton, rebuffed Brian's takeover maneuvers. A former intimate of Brian described the INSLAW affair as a "payoff" to Brian for an "intelligence favor" he did for the 1980 Reagan-Bush campaign committee. Brian's financial backers in the takeover bid were Charles Allen and Company, a New York City investment house with longstanding ties to Meyer Lansky and the National Crime Syndicate.

Although the Justice Department contract never did land in Brian's lap, new evidence suggests that Brian may have illegally obtained copies of INSLAW's patented software system and marketed it to other federal agencies, in violation of the law. According to one version of this story, the INSLAW proprietary software may have been obtained through Wackenhut's research division.

According to several former employees and business associates, Brian spent time during the 1980s shuttling back and forth to Brazil, where he was allegedly involved in "business" with Irangate figures Oliver North and Richard Secord.

Brian's alleged traveling companion to Teheran, Michael Riconosciuto, is an even more enigmatic figure, with ties to the dark side of the American intelligence establishment. Reputed to be the son of a former business partner of Richard Nixon, Riconosciuto is an electronics and computer whiz. These skills were evident in the early 1980s, when Riconosciuto became involved in a top secret government research project housed at the Cabazon Indian Reservation near Indio, California—in partnership with Wackenhut. According to eyewitness accounts, Riconosciuto was responsible for developing a U.S. prototype of a fuel-air explosive device (FAE). He reportedly worked on that project with the late Gerald Bull of Space Research Corp. Bull later became an arms adviser to Saddam Hussein, and may have been the channel through which Iraq obtained the FAE technology.

During the same period, Riconosciuto, who also is said to be an expert in electronic fund transfers, reportedly played a role in the "disappearance" of tens of millions of dollars in deposits in the Nugen Hand Bank, a rogue intelligence proprietary which was accused of laundering enormous volumes of narcotics profits that financed "off-the-shelf" covert operations. The bank went up in smoke in the early 1980s when one of its owners, Frank Nugen, was found dead, an apparent suicide victim, in Australia. The other owner, Michael Hand, disappeared from the face of the Earth—along with the millions of dollars in depositors' money.

Richard Brenneke, the former CIA contract employee who first blew the whistle on the "October Surprise" and who was in the middle of the secret arms deals with Iran during both the Carter and Reagan presidencies, recently told reporters that he knew Riconosciuto and knew of his role in the Autumn 1980 Iran negotiations, including the Teheran trip.