

IRAN-CONTRA INVESTIGATION

JOINT HEARINGS
IN EXECUTIVE SESSION AS DECLASSIFIED
BEFORE THE
HOUSE SELECT COMMITTEE
TO INVESTIGATE COVERT ARMS
TRANSACTIONS WITH IRAN
AND THE
SENATE SELECT COMMITTEE ON SECRET
MILITARY ASSISTANCE TO IRAN AND
THE NICARAGUAN OPPOSITION
ONE HUNDREDTH CONGRESS

FIRST SESSION

100-4

MAY 29, 1987

TESTIMONY OF TOMAS CASTILLO

Printed for the use of the Select Committees on the Iran-Contra Investigation



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**HOUSE SELECT COMMITTEE TO
INVESTIGATE COVERT ARMS
TRANSACTIONS WITH IRAN**

**SENATE SELECT COMMITTEE
ON SECRET MILITARY AS-
SISTANCE TO IRAN AND THE
NICARAGUAN OPPOSITION**

JOINT HEARINGS ON THE IRAN-CONTRA INVESTIGATION

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JOINT HEARINGS ON THE IRAN-CONTRA INVESTIGATION

Testimony of Tomas Castillo

EXECUTIVE SESSION

FRIDAY, MAY 29, 1987

HOUSE SELECT COMMITTEE TO INVESTIGATE
COVERT ARMS TRANSACTIONS WITH IRAN
AND

SENATE SELECT COMMITTEE ON SECRET MILITARY
ASSISTANCE TO IRAN AND THE NICARAGUAN OPPOSITION,
Washington, DC.

The Select Committees met, pursuant to call, at 9:09 a.m., in room 2141, Rayburn House Office Building, Hon. Lee H. Hamilton (chairman of the House Select Committee) and Hon. Daniel K. Inouye (chairman of the Senate Select Committee) presiding.

Chairman HAMILTON. May I have your attention, please. I just want to remind you that before we get underway with the witness that this is an executive session. I announced yesterday that the transcript will be released tomorrow within 24 hours after we meet today.

May I suggest to you that in asking questions today you try very hard not to use names where possible.

Now, I recognize that creates a bit of a problem in asking questions, but where possible don't use names, use titles or some other reference that would be other than names.

The exhibits are classified. They are not to be taken out of this room and they are not to be quoted.

The statement of the witness is also classified. It is not to be taken out and not to be quoted and members of the two committees are not to comment on testimony until the transcript is released tomorrow.

One other announcement. That is the White House counsel has requested permission to be present. I have no objections to that and I understand Chairman Inouye and Vice Chairman Rudman have no objection to it and Mr. Cheney has no objection to it, I am advised.

So we will permit him in.

Are there any other questions before we proceed?

Let's bring the witness in.

The meeting of the joint hearings of the Select Committees will come to order.

Our witness this morning is [Tomas Castillo]. [Mr. Castillo], will you please stand to take the oath?

[Witness sworn.]

TESTIMONY OF TOMAS CASTILLO

Chairman HAMILTON. You may be seated. You may proceed.

Mr. BARBADORO. [Mr. Castillo], when did you become Chief of Station [deleted]?

[Mr. Castillo]. I respectfully decline to answer on the grounds that it would be inconsistent with my fifth amendment privilege.

Mr. BARBADORO. Mr. Chairman, [Mr. Castillo] has asserted his fifth amendment privilege and declined to answer further questions. I would request the chairman inform him of the immunity order.

Chairman HAMILTON. [Mr. Castillo], I am hereby communicating to you an order issued to the House Select Committee by the U.S. District Court for the District of Columbia. The order provides in substance that you may not refuse to provide evidence on the basis of your privilege against self-incrimination.

It provides that evidence obtained from you under the order may not be used against you in any criminal proceeding. A copy of the order is at the witness table. Pursuant to the order, I direct you to answer the questions put to you.

Chairman INOUE. Mr. Chairman.

Chairman HAMILTON. Chairman Inouye.

Chairman INOUE. [Mr. Castillo], I communicate a similar order obtained by the Senate Select Committee which is also at the witness table and I do direct you to answer the questions put to you.

Chairman HAMILTON. The immunity procedure is complete. If you have an opening statement, [Mr. Castillo], now would be an appropriate time to read it.

[Mr. Castillo]. I do, Mr. Chairman, and I appreciate the opportunity.

Mr. Chairman, and members of these Select Committees, I have exercised my constitutional privilege not to testify without benefit of immunity concerning my participation in the matters which are under investigation by these committees.

I have done so on the advice of counsel and because I became persuaded that it was the only way in which I could be accorded every possible measure of fairness under the law. Media speculation, which has been grounded on few facts and an extraordinary amount of entirely misguided and irresponsible supposition, has convinced me that my decision was both prudent and correct.

Having said that, I appear before you today with a sense of peace that I have been true to my conscience and to my profession. Accordingly, I am fully willing, indeed eager to testify as to the facts of my participation in the matters under inquiry.

I hope I will be able to convey to each of you a clear understanding that I and the other men and women of the CIA's clandestine service, both those under my command at the station in [deleted], and those at CIA headquarters who supported our efforts, performed our duties in the best tradition of the service. To the best of

my recollection neither they nor I ever intentionally violated any law of the United States in spirit or otherwise.

To the contrary the deliberate persistent and resourceful efforts over a 2-year period of my superiors, as well as those officers who served under me, in particular given the constraints and changing national policies under which we were required to operate, are a testimonial to the high standard of conduct which this country expects of its intelligence officers.

If there were any lapses they resulted from decisions made under the pressures of fast moving events, from the characteristic can-do attitude of the clandestine service, of clandestine service operations officers or simply from emotional concerns for patriotic Nicaraguans whom the United States has supported, albeit intermittently, in their efforts to pursue the ideals of peace and freedom, which we in this country not only enjoy, but often take for granted.

I believe that it would be grievously harmful to the morale of the CIA officers who were [deleted] working with the Southern Front of the Nicaraguan Resistance to suppose, without any basis in fact, that they ever engaged in a conspiracy to violate the laws of the United States.

These honorable men and women were placed in an extremely difficult situation, which was not of their own making.

Specifically, they were required as an integral part of their duties as intelligence officers, to gather intelligence, and to carry out political action operations in order to hold together the many diverse, even opposing factions within the Resistance.

The very fact that the resistance [deleted] is more focused and politically and militarily viable than it has ever been is a remarkable accomplishment [deleted].

You may question whether my officers—and I understood the legal constraints of the Boland Amendment. Of course, we did—or we thought we did—notwithstanding the fact that there were no lawyers assigned to my station and the cable guidance from lawyers on these matters was understandably terse and narrow and did not pretend to address every eventuality.

The application of the Boland Amendment in humane, rather than legal, terms in the field operational environment led us to feel that we were in the middle of a minefield with each step becoming a critical decision. My officers and I tried diligently to adhere to the constraints of the Boland Amendment as we understood them, and I believe we were—and I believe we generally were successful.

In addition, we in the field were impacted greatly by the political considerations, which attended the various incarnations of the Boland Amendment, considerations arising out of political sensitivities here in Washington, which were difficult for us to appreciate.

While we were doing our best to keep the faith with the legal constraints of the amendments and at the same time carry out our duties with respect to the Nicaraguan Resistance, we were faced with political dimensions of a broad issue of support for the Nicaraguan Resistance.

Those dimensions adversely affected our operations on several occasions. It was—it often seemed to us that the next upcoming vote in Congress on support for the Resistance was the most important

consideration governing the perceptions of what activities were permissible regardless of the urgency or necessity of a beneficial operational action. I can recall CIA lawyers disapproving certain operational activities which were acceptable under the terms of the Boland Amendments themselves because of a possible negative political impact at home.

You can imagine my difficulty in trying to reconcile such decisions with the duties of my office. Regardless, as Chief of Station, I was directly and specifically involved in all of the operational activities concerning the Nicaraguan Resistance, and the officers under my command followed my guidance.

Therefore, I am fully and unequivocally responsible for all of their actions.

As you will learn from my testimony today, my association with Lt. Col. Oliver L. North came about as a result of our respective positions and because of the coincidence or our interests concerning the political and military status of the Nicaraguan Resistance.

Throughout this relationship, Colonel North never asked me to undertake any unlawful activity, nor did he ever inform me of any sale of arms to Iran or any diversion of funds to the Resistance.

Given the events of recent months, I am eternally grateful that he did not. I hold Colonel North in high esteem, because, in my judgment, he has been faithful to his country, his duty, and his word, and loyal to his beliefs and his comrades.

I admire his intellect and his commitment to the human beings who comprise the Nicaraguan Resistance. He is my friend, and whatever happens he will so remain.

The press has speculated extravagantly concerning my possible involvement with Director William Casey in connection with the Nicaraguan Resistance. I met with Director Casey on a few occasions during my tenure as Chief of Station, [deleted]. I briefed him, as did my officers, on station operations, as it was our duty to do so. That is all.

During those briefings, Mr. Casey never suggested or implied—nor did I ever infer—that he expected me to undertake activities which would violate in any way the laws of the United States.

I wish to close this statement on a—close this statement—excuse me. I wish to close this statement on a personal note.

Since my return to Washington in January, I have experienced some of the worst moments of my life. [Deleted]. Their absence, the imposed isolation, the interruption of my command, the unfounded press and media speculation about my participation in possible violations of the law and the possible irreparable damage to my career, which I cherish and have dedicated the last 20 years of my life to, are all factors which have made the last months very difficult.

On the basis of my actions as Chief of Station, [deleted], over the last 2 years, it should not have been so.

Thank you, Mr. Chairman.

[The prepared statement of Tomas Castillo appears in appendix B.]

Chairman HAMILTON. You may proceed with the questions, counsel.

Mr. BARBADORO. Thank you, Mr. Chairman.

Sir, your true name is [deleted], correct?

[Mr. Castillo]. [Deleted].

Mr. BARBADORO. And during your time as Chief of Station in [deleted], you were also known by the name of Tomas Castillo, is that right?

[Mr. Castillo]. Yes, sir.

Mr. BARBADORO. To facilitate the declassification of your testimony, I am going to refer to you as Mr. Castillo in your testimony today, and I would also ask you in your responses to my questions to refer to CIA officials wherever possible by their title so that it will be intelligible when the testimony is declassified.

You were Chief of Station in [deleted] from July, 1984, until January 1987, correct?

Mr. CASTILLO. No, sir, I am still officially assigned as Chief of Station.

Mr. BARBADORO. When were you asked to come back to Washington?

Mr. CASTILLO. In December, late December, 1986.

Mr. BARBADORO. What is your current status?

Mr. CASTILLO. I am on administrative leave, and actually on TDY from [deleted].

Mr. BARBADORO. And you have been since December of 1986?

Mr. CASTILLO. Since January 5, 1987.

Mr. BARBADORO. Can you tell us what your prior assignments were with the Central Intelligence Agency?

Mr. CASTILLO. I entered on duty on April 24, 1967, completed a period of training, received my first permanent overseas assignment to [deleted] in 1968, where I spent 2 years.

Subsequent assignments include [deleted]. There were intermittent periods of assignments at headquarters.

Mr. BARBADORO. What was your assignment immediately prior to becoming Chief of Station in [deleted]?

Mr. CASTILLO. Chief of the [deleted] Branch, Central American Task Force.

Mr. BARBADORO. And who was the head of the Central American Task Force at that time? Was it Dewey Clarridge?

Mr. CASTILLO. No. There were three Chiefs of the Central American Task Force. [Now C/LA*], [deleted] and [now C/CATF††—excuse me, I worked only for [now C/LA] and [deleted].

Mr. BARBADORO. Dewey Clarridge was the Chief of the Latin American Division at that time?

Mr. CASTILLO. That is correct.

Mr. BARBADORO. When you arrived in [deleted], what was the condition of the Southern Front military forces?

Mr. CASTILLO. July 1984, when I arrived, the Southern Front, a loosely—a loose term to describe a disarray of rag-tag units mostly under Eden Pastora, [deleted], and a number of small units under the ostensible leadership of Fernando Negro Chamorro were what consisted the Southern Front.

Mr. BARBADORO. Is it fair to say that there weren't more than a [deleted] troops in the Southern Front at the time?

* Chief of the Latin American Division of the CIA.

†† Chief of the Central American Task Force of the CIA.

Mr. CASTILLO. Well, if one counts the hangers-on and the various people that claimed they were associated with both of these organizations, it might have been as high as [deleted].

Mr. BARBADORO. And it is also true, isn't it, that the Southern Front troops were operating largely independent of the FDN forces?

Mr. CASTILLO. Completely.

Mr. BARBADORO. They had different sources of supply, different commanders and they fought alone, is that right?

Mr. CASTILLO. Prior to my arrival, the CIA had supplied Eden Pastora and he, in turn, shared some of his supplies with Fernando Chamorro. All of the supplies until that time to the best of my knowledge came from CIA.

Mr. BARBADORO. I am sorry. I wasn't clear. The supplies went directly from CIA to Southern Front forces; they did not go from CIA to FDN to Southern Front?

Mr. CASTILLO. That is correct.

Mr. BARBADORO. Is it fair to say that virtually during the entire time you were Station Chief in [deleted] that you were prohibited from resupplying the southern troops yourself because of the Boland Amendment?

Mr. CASTILLO. That is correct.

Mr. BARBADORO. I want to focus on the period of July 1984 until July 1985 and ask you some questions about that period.

During that time did you provide any military assistance to the Southern Front forces?

Mr. CASTILLO. No, sir.

Mr. BARBADORO. Did you provide them with any intelligence information or military advice?

Mr. CASTILLO. No, sir.

Mr. BARBADORO. Did you provide any assistance whatsoever to the military arm of the Southern Front forces during that period?

Mr. CASTILLO. I would need to explain the answer to that question.

Mr. BARBADORO. Go ahead.

Mr. CASTILLO. My view of my responsibility was to develop the southern political organizations in concert with the efforts being made here in Washington and in [deleted] and in Miami to bring together the Nicaraguan Resistance under one unified leadership. In that context, Negro Chamorro, for example, had a political organization, and a fine reputation among the Nicaraguan people as a democratic anti-Somoza leader and a hero.

So he was obviously included in our efforts to bring together an amalgamation of all of the diverse elements not only in the south [deleted] where they were based, but also in the—with the FDN [deleted] and the FDN leaders, such as Arturo Cruz, who were in Miami or Washington. All of us were pulling together with these people and out of that came the obvious necessity that there was a military side to the Resistance effort.

This was mostly handled by the leadership such as it existed at that time to encourage their combatants, their Nicaraguan compatriots to fight as best they could under these constraints.

We, in turn, encouraged the leadership to seek every means that they could to put pressure on the Sandinista regime. So there

wasn't military advice, per se, but there was certainly encouragement on the part of all CIA officers to bring as much pressure as possible in the political area against the regime.

Long answer to a short question. I apologize.

Mr. BARBADORO. I understand. Let's turn to a different subject. You met Colonel North in August 1984, at a Chief of Stations meeting [deleted], didn't you?

Mr. CASTILLO. Yes, sir.

Mr. BARBADORO. Do you know how Colonel North got to that meeting?

Mr. CASTILLO. No, I don't.

Mr. BARBADORO. Wasn't that a meeting principally of CIA officials?

Mr. CASTILLO. Well, there were more of us than others.

Mr. BARBADORO. Do you recall any non-CIA officials other than Colonel North at the meeting?

Mr. CASTILLO. I think there was a State Department official, but I can't recall.

Mr. BARBADORO. Do you know what Colonel North was at the meeting to do?

Mr. CASTILLO. It wasn't explained to me.

Mr. BARBADORO. What contact did you have with Colonel North at this meeting?

Mr. CASTILLO. Well, during the several days that we were there, each of the Chiefs of Station would present an overview of his station's activities, operations problems and then in the evening we would have dinner or attend a cocktail party hosted by one of the [deleted] station officers. And at one cocktail party I introduced myself to Colonel North, and of course he was familiar with the problems, the situation that I was experiencing in [deleted], and so we chatted about that.

Mr. BARBADORO. Did you discuss the problems of supplying the Southern Front with Colonel North at that meeting?

Mr. CASTILLO. Only in terms that the nonsupply was having a devastating effect on the troops in the field, as our intelligence was—was indicating, and—but that was not really news to him because we would routinely report in disseminated intelligence reports the condition of the field troops as we learned of them.

Mr. BARBADORO. Did he suggest to you at this meeting in 1984 that he might be able to do something to help in the resupply effort?

Mr. CASTILLO. No, sir.

Mr. BARBADORO. Did he say anything to you at this meeting about how the Contras were being funded?

Mr. CASTILLO. No, sir.

Mr. BARBADORO. Is it fair to characterize this meeting with him as being brief and primarily a social meeting at a party?

Mr. CASTILLO. Yes, sir.

Mr. BARBADORO. After that did you have subsequent meetings with him?

Mr. CASTILLO. Yes, sir.

Mr. BARBADORO. What was the purpose of those meetings?

Mr. CASTILLO. Just to keep in touch with someone that I felt was influential in Washington and who was in a position to understand

the circumstances or the difficulties of the political problems among the Nicaraguan groups.

Mr. BARBADORO. Mr. Castillo, is it fair to say that over time starting from the time you met him in August until, say, the beginning of 1986, that you gradually developed a friendship with Colonel North?

Mr. CASTILLO. Oh, yes, sir.

Mr. BARBADORO. And in fact that friendship got to the point where your family and his family actually vacationed together in February of 1986, [deleted]?

Mr. CASTILLO. That is correct.

Mr. BARBADORO. So in addition to speaking to him in your capacity as Chief of Station and his capacity as an NSC staff member, you gradually became friendly with him and would speak to him as a friend as well?

Mr. CASTILLO. Certainly, yes.

Mr. BARBADORO. I want to go back to the questions I asked you about the Southern Front and ask you about Commander Chamorro and his troops to fight during that period of time I was asking about?

Mr. CASTILLO. Well, it really wasn't encouragement to fight. It was really encouragement to [deleted] go into Nicaragua, where if they claimed they were fighters is where they should be. And so it came about because of continuous large numbers of problems that we were experiencing with the [deleted] government—because of the presence of these people who were not very covert in their—in protecting the fact of their presence in [deleted] and there were a number of incidents on a continuing basis that the [deleted] officials would bring to my attention and to the attention of other [deleted] officials, and so wherever I had contact with them, for whatever reason, [deleted], I would encourage them to seek some means to leave [deleted] where we felt—we, CIA, felt—that the primary value to the program was the political side.

In other words, [deleted] presented a better environment for the political declarations to be made, access to [deleted], where there was relative tranquility, modern conveniences, daily flights to the United States and so forth, and that is what the political side needed.

However, this was being put in jeopardy by Negro Chamorro as well as Eden Pastora, and their shenanigans creating a decision for the [deleted], who were really trying to abide by the stated neutrality.

In explaining this to Negro repeatedly would come the suggestion that they should get out of [deleted] and into Nicaragua.

Mr. BARBADORO. To summarize, it posed a political problem for you to have these Nicaraguans in [deleted], didn't it?

Mr. CASTILLO. Most definitely.

Mr. BARBADORO. And you tried to encourage them to get to Nicaragua and to fight to get them out of [deleted]?

Mr. CASTILLO. Yes, sir.

Mr. BARBADORO. And there was a reluctance on the part of Negro Chamorro to go into Nicaragua to fight?

Mr. CASTILLO. Yes, sir.

Mr. BARBADORO. In fact, you had to be constantly encouraging him to get in there and fight, right?

Mr. CASTILLO. Yes, sir. I know of only one occasion when Chamorro actually went into Nicaragua to fight.

Mr. BARBADORO. Could you describe that?

Mr. CASTILLO. It occurred in 1983 when he appeared in a joint attack with the FDN [deleted]—near the [deleted] Nicaraguan border—and he attacked a border post about 30 meters inside Nicaragua and when he came under heavy attack, he immediately retreated to [deleted].

Mr. BARBADORO. And he called you from a pay phone, didn't he?

Mr. CASTILLO. And he telephoned me at CIA headquarters—

Mr. BARBADORO. In Washington—he called you from a pay phone in [deleted] and what did he ask you to do?

Mr. CASTILLO. Send mortars.

Mr. BARBADORO. Did you do it?

Mr. CASTILLO. Of course not.

Mr. BARBADORO. And that was the only occasion on which you were able to get Mr. Chamorro to actually go into Nicaragua to fight?

Mr. CASTILLO. Well, that is the only occasion that I know that—of his going in. Later on he did go into [deleted]—excuse me—into Nicaragua just south of Lake Nicaragua—that small strip of marshland where there were no—there was no concentration of Nicaraguan forces, and it was only several kilometers inside Nicaragua along the southern shore of Lake Nicaragua.

Mr. BARBADORO. In addition to the problems you had with Negro Chamorro, the CIA had problems of a different sort with Eden Pastora, is that right?

Mr. CASTILLO. Yes, sir.

Mr. BARBADORO. And the agency made a decision that they didn't want to support Pastora and wanted to get Pastora's troops to fight independently of Pastora, is that right?

Mr. CASTILLO. Well, sir—no, that is not right.

Mr. BARBADORO. Why don't you explain?

Mr. CASTILLO. It was Pastora's actions, his own actions which created the situation in which CIA really had no other choice but to withdraw support and contact with him. As a result of that withdrawal, he began making claims in public that the CIA and the KGB had cut a deal with the Sandinistas to abandon the Nicaraguan Resistance. And he used to repeat this allegation to his commanders inside, to others who would listen to him, and generally he was a disruptive, unpredictable element in the political sense. Everyone, including myself, believed that of all the Nicaraguans, he is the most charismatic, the most natural leader, both in the military sense and the political sense, but there were other traits and characteristics of his personality which made it impossible for him to lead a broad spectrum of Nicaraguan Resistance.

The problem we were facing with CIA, in trying to bring these diverse elements together, was the fact that he had an international reputation, could call presidents or prime ministers of leading social democratic countries, receive their audience, an audience with them, on short notice.

At the same time, we were trying to get Arturo Cruz, Alfonso Robelo to make appointments themselves with these same leaders. The demagoguery that Eden Pastora projected was not at all helpful to this overall Nicaraguan Resistance movement.

On the military side, he exaggerated the size of his forces, their accomplishments, and I might say that there are two—there were two Members of the Senate who almost lost their lives because of an erratic action on the part of Eden Pastora.

Former Senator Hart was in the Sandino Airport terminal with another Senator—why do I remember Senator Hart?

Mr. COHEN. He is probably a little more popular right now.

Mr. CASTILLO. And Eden Pastora sent a small aircraft with a bomb, and as I understood it, I was not involved in the military planning at that time, as I understood it, the bomb was to strike a secret facility in Managua that was occupied by a foreign power. It was an intelligence facility.

And this pilot, who had been a—if I am not mistaken, chief pilot of the Nicaraguan Airline, came over—when he approached and he dive-bombed an airliner from his former employer at Sandino Airport, he lost his life doing so, because the shock wave of the bomb caused the plane to hit the tower over the terminal.

But that was just one example, among many, of the difficulties that we experienced with Eden Pastora.

Mr. BARBADORO. Both you and your superiors at CIA headquarters thought at that time it would be a good idea to build up the Southern Front military forces, didn't you?

Mr. CASTILLO. Well, in the long-range view—

Mr. BARBADORO. This was a good idea to have a strengthened southern force?

Mr. CASTILLO. It would have been natural for the Southern Front to exist, applying military pressure on the Sandinista army, to relieve pressure from the—against the FDN.

Mr. BARBADORO. So it was a good idea to build up the Southern Front?

Mr. CASTILLO. Yes, sir.

Mr. BARBADORO. It was also a good idea, you thought, to unite the Southern Front with the FDN, isn't that right?

Mr. CASTILLO. Yes, sir.

Mr. BARBADORO. But is it fair to say that in the—once the Boland Amendment came into effect, you had a problem and that problem was you weren't allowed to supply these Southern Front forces that were fighting in southern Nicaragua?

Mr. CASTILLO. Well, sir, with the Boland Amendment these people had to exist, make it on their own until, if it came about, there would be a reinstitution of their funding. That didn't make the plan that they had of unification of the military effort or any of the other political activities—that didn't change.

What changed was the way we had to deal with them. We no longer had any leverage. We could no longer apply the influence as a result of being able to give them that support, or at least the support that came through us and apply that leverage in political areas.

In other words, my primary responsibility was the development of a Democratic pluralistic political program with them to advise

and guide them on gaining—telling their story to the world, that these were Democrats, that they were trying to rescue their revolution. Obviously, there are many individual parochial interests that these Nicaraguan politicians have.

Our difficulty was with Boland, we were no longer able to influence that direction, especially in terms of unification.

Mr. BARBADORO. I don't mean to cut you off, but isn't it true that you were trying to get the Southern Front troops inside Nicaragua fighting, and one of the problems you faced was how were these troops going to be supplied once they got inside Nicaragua?

Mr. CASTILLO. No question.

Mr. BARBADORO. And you couldn't supply them because of the Boland Amendment?

Mr. CASTILLO. That is correct.

Mr. BARBADORO. And because they were independent from the FDN, you had problems getting the FDN to share their more abundant supplies with these forces?

Mr. CASTILLO. Correct.

Mr. BARBADORO. When did Ambassador Tambs come to Costa Rica?

Mr. CASTILLO. July 1985.

Mr. BARBADORO. Did you have a conversation with him shortly after he arrived there about the Southern Front?

Mr. CASTILLO. Yes.

Mr. BARBADORO. What did he tell you?

Mr. CASTILLO. He [deleted] told us that his mandate was the creation of a Southern Front.

Mr. BARBADORO. Did he say who gave him that mandate?

Mr. CASTILLO. It is my impression he said Colonel North.

Mr. BARBADORO. And he said—he gave you the impression that he wanted to open up a Southern Front both politically and militarily, didn't he?

Mr. CASTILLO. That was my impression.

Mr. BARBADORO. Did he have any specific plans as to how he was going to open up this Southern Front?

Mr. CASTILLO. No.

Mr. BARBADORO. Did he ask you for any advice as to how to open up this Southern Front?

Mr. CASTILLO. No. But I think that needs explanation.

Mr. BARBADORO. Let me try to do it this way.

In your mind, at that period of time, you realized that if the Southern Front forces were ever going to be supplied there would be a need for an airstrip in Costa Rica to resupply them; isn't that right?

Mr. CASTILLO. Yes, that would have been one element.

Mr. BARBADORO. And I am not suggesting that you gave instructions to Ambassador Tambs about the airstrip. Would you agree that you may have had some discussions in a general way with Ambassador Tambs about the need for an airstrip if the CIA were ever to get back in the game of resupplying the Southern Front troops?

Mr. CASTILLO. Yes.

Mr. BARBADORO. Ambassador Tambs has testified—I believe I am summarizing it correctly—that he got his instructions from you to

go to the President of Costa Rica and get permission to have the airstrip built.

Did you ever give such instructions to Ambassador Tambs?

Mr. CASTILLO. Regretfully, I must disagree with Ambassador Tambs'—

Mr. BARBADORO. What is your version?

Mr. CASTILLO. From the time he arrived for approximately 1 month, [deleted], I briefed him on the current state of the Nicaraguan situation, both internally and in Costa Rica—internally in Nicaragua and Costa Rica, as well as all the other activities that we were involved in.

These discussions were frequent throughout that month as he was learning his job and meeting Costa Rican officials and reading things in the press.

[Deleted]. I think at this point it is fair to comment that my first impression of Ambassador Tambs was that he is a very forceful, articulate, dynamic individual who perhaps felt the constraints of his position, and whereas he would have liked to have been more involved in action, which, of course, he could not be.

He felt very deeply the need, because at that time we were already a year into—or rather, the Resistance forces were already a year into their period of deprivation, and certainly my reports on their condition were not at all encouraging.

Furthermore, during that month, we each had many discussions or conversations with [deleted] officials who constantly complained about the activities of Pastora and Chamorro's forces [deleted] just over the border from Costa Rica, and the reaction of the Sandinistas as a result of that presence.

They did cross the border. They did attack Costa Rican patrols.

So, about 1 month afterwards, Ambassador Tambs had occasion to meet with [deleted]. [Deleted] they had discussed how to get these people [deleted] into Nicaragua. And the obvious conclusion is that they had to be supplied, and how do you supply these people?

Well, this coincided with [deleted] great preoccupation about what was clearly an aggressive Sandinista attitude toward Costa Rica in that they were making these attacks across the border.

And the result of that conversation is how the airstrip came about.

Mr. BARBADORO. Is it fair to say the short answer, though, is you didn't tell Ambassador Tambs to go to President [deleted] and get permission to have this airstrip built?

Mr. CASTILLO. That is correct, sir.

Mr. BARBADORO. Could you turn to exhibit 1, please, and tell me—exhibit 1 is a table dated 13 August 1985. Could you tell me who wrote that?

Mr. CASTILLO. I did.

Mr. BARBADORO. And who did you send it to?

Mr. CASTILLO. Headquarters.

Mr. BARBADORO. And headquarters—that means that cable would have gone to the Chief of the Central American Task Force [C/CATF].

Mr. CASTILLO. Yes, sir.

Mr. BARBADORO. Among several other people?

Mr. CASTILLO. Yes, sir.

Mr. BARBADORO. And this cable describes that meeting on August 12th [deleted]?

Mr. CASTILLO. Yes, sir, based on his relating of the conversation.

Mr. BARBADORO. And this—what the cable says is that Ambassador Tambs obtained permission [deleted] to build the airstrip to resupply the Southern Front troops; isn't that right?

Mr. CASTILLO. Yes, sir.

Mr. BARBADORO. It also makes reference to [deleted]?

Mr. CASTILLO. Yes, sir.

Mr. BARBADORO. You got a response to this cable, didn't you?

Mr. CASTILLO. Yes, sir.

Mr. BARBADORO. And is that response contained in exhibit 2?

Mr. CASTILLO. Yes, sir.

Mr. BARBADORO. What did that response tell you?

Mr. CASTILLO. That headquarters was pleased [deleted]. It also said that the station, advised the station that neither CIA nor DOD can become involved either directly or indirectly in assisting [deleted] in implementing this new policy, and that while we were authorized to share information with the Resistance, it would be permissible to brief them on this new [deleted] policy.

Mr. BARBADORO. Is it fair to say that it was your understanding as a result of that cable that you couldn't be involved in assisting in the construction of the airstrip?

Mr. CASTILLO. That is correct.

Mr. BARBADORO. You were speaking with Colonel North off and on around this time, weren't you?

Mr. CASTILLO. That is correct.

Mr. BARBADORO. Did Colonel North ask you [deleted] to have this airstrip built?

Mr. CASTILLO. No, sir.

Mr. BARBADORO. Did he say anything to you about the need to have an airstrip built?

Mr. CASTILLO. We may have talked about it in terms of what the Resistance needs to be resupplied, but not in any specific way.

Mr. BARBADORO. Colonel North's travel records show that he made a one-day trip to Costa Rica on, I believe it was August 10. Do you recall that trip?

Mr. CASTILLO. No, sir. [Deleted] I don't recall it.

Mr. BARBADORO. Did you ever go to visit the site of this airstrip?

Mr. CASTILLO. Yes, sir.

Mr. BARBADORO. Where was the airstrip to be located?

Mr. CASTILLO. On a peninsula on the northwest quadrant of Costa Rica in an isolated area [deleted].

Mr. BARBADORO. Is that known as the Santa Elena Peninsula?

Mr. CASTILLO. Correct.

Mr. BARBADORO. Is that airstrip—has it been referred to as Point West?

Mr. CASTILLO. Yes.

Mr. BARBADORO. Who chose the site of the airstrip?

Mr. CASTILLO. [Deleted].

Mr. BARBADORO. When did you go to visit the airstrip, the site?

Mr. CASTILLO. My best recollection is within 10 days, 2 weeks, or so after [deleted].

Mr. BARBADORO. And how did you come to visit the site?

Mr. CASTILLO. On that day before I visited the site Ambassador Tambs [deleted] introduced me to a person that I had only heard of, but did not know, Robert Owen.

Mr. BARBADORO. What did he tell you about Robert Owen?

Mr. CASTILLO. That he was a—I am using my own words—a friend, collaborator of Colonel North's.

Mr. BARBADORO. And what did he want you to do with Rob Owen?

Mr. CASTILLO. Well, after chatting about Owen—about the information Owen had concerning the status of various Nicaraguan Resistance groups that he was in touch with, the Ambassador mentioned [deleted] permission to build this airstrip and that [deleted] had selected this site, and he suggested that Owen and I go up there and take a look at it.

Well, I contacted [deleted] and asked him if this could be done and he said he approved it, [deleted] the two of us to go up to the site.

Mr. BARBADORO. Did anyone explain to you why Robert Owen was going to look at the site of this airstrip?

Mr. CASTILLO. My recollection is that he would report back to Colonel North about this site and the information that had been given to him by Ambassador Tambs at that meeting that I had the day before we went to the site.

Mr. BARBADORO. And when was it that you went to visit the site of the airstrip?

Mr. CASTILLO. If this cable was written on August 19, which I think is the date, then I would assume that it would have been within 2 weeks of the writing of this—13th of August. So, I would say sometime in late August 1985. But that is a guess.

Mr. BARBADORO. What happened when you got to the site of the airstrip?

Mr. CASTILLO. The colonel and I walked around with Rob Owen, who took pictures of the land. He did not have a camera with him, by the way, and that morning—the morning we went up there, I borrowed a camera from my wife, sort of a small little 35 mm with a fixed lense.

With that he took the pictures, and he took the film back to Washington with him.

Mr. BARBADORO. Did you ever learn what happened to these photographs?

Mr. CASTILLO. Yes.

Mr. BARBADORO. What happened to them?

Mr. CASTILLO. Colonel North told me sometime after that that he had seen the film—the pictures, the photographs—and that he thought it was an ideal place for a refueling or resupply base location.

Mr. BARBADORO. Did he ever tell you that he had shown the photographs to other people?

Mr. CASTILLO. No.

Mr. BARBADORO. Sometime that fall, did you come to meet a man who was identified to you as Mr. Olmstead?

Mr. CASTILLO. Yes.

Mr. BARBADORO. Did you get any notification that he would be coming down to Costa Rica before he arrived?

Mr. CASTILLO. Yes.

Mr. BARBADORO. Who told you he would be coming down?

Mr. CASTILLO. Colonel North.

Mr. BARBADORO. What did Colonel North tell you he would be doing in Costa Rica?

Mr. CASTILLO. That Mr. Olmstead would be contacting the owner of the property and negotiate with him for the purchase or lease or permission to use this property.

Mr. BARBADORO. When, approximately, was it that you first met Mr. Olmstead?

Mr. CASTILLO. Within several weeks—10 days, several weeks after Owen went back to Washington with the film.

Mr. BARBADORO. Mr. Olmstead has one eye, correct?

Mr. CASTILLO. That is correct.

Mr. BARBADORO. Did you later learn his real name?

Mr. CASTILLO. Yes.

Mr. BARBADORO. What—

Mr. CASTILLO. I think I learned—I think Colonel North told me his name before he came down and then said that he would be coming down—that is the only time he ever mentioned it, but then said he would be using the name "Robert Olmstead."

Mr. BARBADORO. What did he tell you was the person's real name?

Mr. CASTILLO. Haskell.

Mr. BARBADORO. What did Olmstead do when he got to Costa Rica?

Mr. CASTILLO. He contacted Mr. Joseph Hamilton.

Mr. BARBADORO. Who was the owner of the land on which the airstrip was to be built, correct?

Mr. CASTILLO. That is right.

Mr. BARBADORO. Did he keep you informed of his negotiations with Mr. Hamilton?

Mr. CASTILLO. Yes, he did.

Mr. BARBADORO. Did he eventually buy or lease the land for the airstrip from Mr. Hamilton?

Mr. CASTILLO. I understand that he did.

Mr. BARBADORO. Do you know what he paid for it?

Mr. CASTILLO. No, sir. I have heard the term "50,000," but I don't know how that sum figures into whatever the lease-purchase arrangement was.

Mr. BARBADORO. You don't know the details of the agreement?

Mr. CASTILLO. No, sir, I don't.

Mr. BARBADORO. How many times did you see Mr. Olmstead in Costa Rica?

Mr. CASTILLO. Three, maybe four times for breakfast in the morning.

Mr. BARBADORO. And it was your understanding that he was down there, his primary role was to negotiate the purchase of the land?

Mr. CASTILLO. Yes, sir.

Mr. BARBADORO. And once that land was purchased or leased, did you see Mr. Olmstead again?

Mr. CASTILLO. No, sir.

Mr. BARBADORO. Did Colonel North later tell you that somebody else would be coming down?

Mr. CASTILLO. Yes.

Mr. BARBADORO. Who was that?

Mr. CASTILLO. Rafael Quintero.

Mr. BARBADORO. And when did you first see Mr. Quintero?

Mr. CASTILLO. As I recall, the negotiations between Mr. Olmstead and Mr. Hamilton were rather protracted for a variety of reasons. It seems to me that Mr. Quintero did not arrive in Costa Rica until perhaps October, possibly even November.

Mr. BARBADORO. What was his role to be in regards to the airstrip?

Mr. CASTILLO. Responsible for the construction of it.

Mr. BARBADORO. Who did you think Mr. Quintero was working for?

Mr. CASTILLO. Colonel North.

Mr. BARBADORO. And—

Mr. CASTILLO. Excuse me, that he was referred to me by Colonel North. I didn't know whom he was working for or who was paying his salary.

Mr. BARBADORO. Did you ever have any idea where the money was coming from to buy and build this airstrip?

Mr. CASTILLO. No, sir.

Mr. BARBADORO. Did you ever ask Colonel North?

Mr. CASTILLO. No, sir.

Mr. BARBADORO. When did construction get underway for the airstrip?

Mr. CASTILLO. I think it was in November 1985. It could have been later. It could have been December. The fact that the area was so isolated made it almost impossible to get any kind of grader or bulldozer in and in fact Mr. Quintero, as he reported back to me, or told me later, had consulted with [deleted]. He made an arrangement with [deleted] who had accompanied Owen and I up to the site originally in my visit up there.

Mr. BARBADORO. That is [deleted]?

Mr. CASTILLO. [Deleted]. They had to bring a bulldozer in about 20 kilometers over some of the roughest terrain in Costa Rica just to get it in there and the purpose of it, of the bulldozer was to grade this strip.

Mr. BARBADORO. And when was the strip completed?

Mr. CASTILLO. It was never completed.

Mr. BARBADORO. How long did construction continue on this strip?

Mr. CASTILLO. Off and on until March of 1986.

Mr. BARBADORO. Other than the cable contained in exhibit 1 did you report anything about the construction of the airstrip to CIA lawyers through normal cable channels?

Mr. CASTILLO. No, sir.

Mr. BARBADORO. Do you recall a conversation with Assistant Secretary of State Abrams about the construction of the airstrip?

Mr. CASTILLO. Yes, sir.

Mr. BARBADORO. When was that conversation?

Mr. CASTILLO. I think he had just assumed that position when he made a visit [deleted] but I cannot recall the date. It was sometime between—between September and October 1985. But it is a guess.

Mr. BARBADORO. Who was present during that conversation?

Mr. CASTILLO. Two station officers.

Mr. BARBADORO. And what happened in the conversation?

Mr. CASTILLO. At the end of the briefing that we gave Assistant Secretary Abrams he turned to me and asked me about Point West—"tell me about Point West."

I was, frankly, quite surprised that he would ask about Point West because I did not know how he would have known that I knew about Point West, since it was a—I thought it was a compartmented subject.

Mr. BARBADORO. And what did you say to him when he mentioned Point West?

Mr. CASTILLO. Well, I explained that [deleted]; what happened so far; that I don't think at that time there had been—I don't believe that the negotiation for the place had even been completed. I don't think by that time construction had begun.

Mr. BARBADORO. Did he say how he learned of Point West?

Mr. CASTILLO. I asked him how he had learned about it and he said that Colonel North told him about it. I then asked him if the Chief of the Central American Forces knew about—also knew, and he said he did.

Mr. BARBADORO. During the time the airstrip was being constructed were you reporting to Colonel North about what was going on with the airstrip?

Mr. CASTILLO. No, sir.

Mr. BARBADORO. You did not have any discussions with him about it?

Mr. CASTILLO. No, I assumed that that was Mr. Quintero's responsibility.

Mr. BARBADORO. And the only trip you ever made to the site of the airstrip was that first trip [deleted], is that right?

Mr. CASTILLO. To the actual site, yes. I went to a site nearby, about 3 or 4 kilometers away, on another occasion, but not to that site ever again.

Mr. BARBADORO. Other than that one trip that you made with Rob Owen to the actual site, did you have anything else to do with the construction of that airstrip?

Mr. CASTILLO. No, sir.

Mr. BARBADORO. Was there a reason why you didn't report on the airstrip to your supervisors at CIA Headquarters?

Mr. CASTILLO. I felt that my position regarding what I considered a rather sensitive activity was one of just passively monitoring it. I felt that this was an activity in which the Ambassador had taken an interest for the reasons I have already stated and that [deleted] had taken an interest because of an overriding concern about the presence of these people [deleted], the Nicaraguan Resistance [deleted]; and I felt that my position was one of observer rather than active participant.

In other words, these people could have done all of this without anything, any involvement of my own. I also considered the possibility, and very strongly so, that once funding was resumed, that in

fact CIA might take over this airstrip and use it in our own air resupply operations.

Mr. BARBADORO. Who did you think was going to be using this airstrip while it was being constructed?

Mr. CASTILLO. Oh, there was no question, once Rob Owen was involved—because he, in my mind, was a private, connected to the private benefactors—it was clear to me that Mr. Quintero, who also represented private benefactors, and that this was being built by private benefactors, American private benefactors.

Mr. BARBADORO. But it was being coordinated by Colonel North?

Mr. CASTILLO. Oh, yes.

Mr. BARBADORO. OK.

Mr. CASTILLO. So my involvement was one of, at least as I tried to keep it, the sideline spectator in protecting the Ambassador's interests so that he did not do anything which might be considered improper, protecting [deleted] interest, [deleted], so I had public relations interests there as well; and furthermore there was the thought in my mind, and perhaps even at the Washington level, that this site, although built by private benefactors, might one day down the line be used by CIA air operations.

Now, what happened obviously, as the airstrip was never completed, [deleted] decided against its use, so nothing ever came of it.

Mr. BARBADORO. You mentioned that it occurred to you that the CIA might end up taking over the airstrip, in fact didn't Colonel North once suggest to you that he hoped the CIA might pick up the tab for this?

Mr. CASTILLO. Yes, sir.

Mr. BARBADORO. Did there come a—

Mr. CASTILLO. That was after, long afterwards.

Mr. BARBADORO. Sorry, what period of time did he suggest that to you?

Mr. CASTILLO. This was after the airstrip was being con—was in the process of being constructed. My idea was that hopefully that funding would be resumed earlier and that, in fact, we could take over for the private benefactors and complete it a lot faster than the rate that it was being constructed at that time.

Mr. BARBADORO. Did there come a time when Colonel North suggested to you that he might be able to help in the resupply of the Southern Front troops?

Mr. CASTILLO. Yes.

Mr. BARBADORO. When was that?

Mr. CASTILLO. Early 1986.

Mr. BARBADORO. Was that in a telephone conversation or a face-to-face visit?

Mr. CASTILLO. I don't remember.

Mr. BARBADORO. What did he say that he thought he could do?

Mr. CASTILLO. I don't remember the precise wording of the exchange, and so what I am giving you is my impression, and it is my impression that he said that supplies could be delivered to the Southern Force.

Mr. BARBADORO. Did he say how that was going to be done?

Mr. CASTILLO. By air.

Mr. BARBADORO. Who was going to do it?

Mr. CASTILLO. Private benefactors.

Mr. BARBADORO. Did he specify who?

Mr. CASTILLO. No. At no time did he ever specify who.

Mr. BARBADORO. Did he suggest to you what your role could be in assisting with this effort?

Mr. CASTILLO. Passing information about drop zones and time which we would obtain from the commanders inside Nicaragua.

Mr. BARBADORO. And how would you do that? How would you obtain the drop zone information from the commanders inside Nicaragua?

Mr. CASTILLO. I have to set the stage for that.

Mr. BARBADORO. Sure, do that, please.

Mr. CASTILLO. With the \$27 million in Nicaraguan humanitarian assistance and the \$3 million in communications equipment, training assistance, we were able to provide the Southern Front commanders with some measure of communications equipment and communications security, equipment and training. So we established [deleted] a clandestine communications center [deleted].

But they were able—we were able then to establish communications between, secure communications between the commanders who were inside Nicaragua, generally in an area [deleted].

As a result of this communications link, we were able to obtain information about areas where they were and that they had under temporary control, I would say temporary control means 48 hours and no more, because of the pressure of the Sandinista military operations, where an airdrop might be made.

Mr. BARBADORO. And once you obtained this information, what did Colonel North want you to do with it?

Mr. CASTILLO. Well, to relay it to the private benefactors, who flew the airplanes to make the deliveries.

Mr. BARBADORO. Did he tell you where they would be flying from in this conversation?

Mr. CASTILLO. At the beginning I don't think he did, but eventually I learned it was [deleted].

Mr. BARBADORO. You had received a KL-43 sometime—

Mr. CASTILLO. Yes, sir.

Mr. BARBADORO. When is your best estimate as to when you got it?

Mr. CASTILLO. Late January, early February 1986.

Mr. BARBADORO. Who gave it to you?

Mr. CASTILLO. Rafael Quintero.

Mr. BARBADORO. Did Colonel North tell you that it would be coming down?

Mr. CASTILLO. Yes. It is firmly fixed in my mind that it was Rafael Quintero that brought the KL-43 to me [deleted].

Although I understand Mr. Owen testified that he delivered it. I have no recollection of that.

Mr. BARBADORO. [Deleted].

Did you come to understand that you would be using this KL-43 to relay drop zone information from the Southern Front commanders to the private benefactors at [deleted]?

Mr. CASTILLO. That is correct, and the other way as well, when the private benefactors decided that they could fly the airplane, I would relay that through the Southern Front communications center [deleted] to the commanders.

Mr. BARBADORO. Who did you use this KL-43 to communicate with?

Mr. CASTILLO. Colonel North and Mr. Quintero.

Mr. BARBADORO. No one else?

Mr. CASTILLO. No one else.

Mr. BARBADORO. Is it fair to say that normally if you were to get communications equipment like that you would get it through CIA channels?

Mr. CASTILLO. Sir, I have never been in a situation like this before, so I really can't say except that obviously I was accepting this equipment from the Deputy Director for Political Affairs of the National Security Council. The equipment had a label on it saying property of the U.S. Government. [Deleted] it came from Colonel North.

Mr. BARBADORO. Is it fair to say that it was without precedent that you would get equipment like that from the National Security Council staff as opposed to the CIA?

Mr. CASTILLO. I can only speak from a personal standpoint. It was the only experience that I ever had.

Mr. BARBADORO. And the only experience that you ever had having a private citizen deliver this equipment?

Mr. CASTILLO. That was asked of me in a deposition before. I took a lot of faith in what Colonel North said and I did not know what the security clearance procedures are of the NSC and I accepted Colonel North's word as I think anyone in my position would possibly have done, and so I assumed he was cleared by virtue of his relationship with Colonel North.

Mr. BARBADORO. Did Colonel North tell you that you were not supposed to tell anyone else that you had received this equipment?

Mr. CASTILLO. No, sir.

Mr. BARBADORO. He never said don't tell people at the CIA about it?

Mr. CASTILLO. No, sir.

Mr. BARBADORO. Did you tell people at the CIA about it when you first got it?

Mr. CASTILLO. When I first got it, no.

Mr. BARBADORO. Did you tell anybody in CIA that you were going to be working with Colonel North in passing this information from private benefactors to Southern Front commanders and vice versa?

Mr. CASTILLO. At the beginning, no.

Mr. BARBADORO. I am going to get to the point where you did tell people, but I want to turn to something else briefly.

Turn to exhibit 6 and I only want to ask you about the first page of the exhibit. You have been shown this exhibit in the last couple of days, haven't you?

Mr. CASTILLO. Yes, sir.

Mr. BARBADORO. It is a KL-43 message from Colonel North. Did North ever sign messages to you as Goode?

Mr. CASTILLO. No, sir.

Mr. BARBADORO. Did you know that he had used that name?

Mr. CASTILLO. He told me that.

Mr. BARBADORO. I want to first refer you to the second from the last line in the message. The message says "please make sure that

this is retransmitted via this channel to [Castillo], Ralph, Sat, and Steele."

[Castillo] here is [Mr. Castillo], isn't it—you?

Mr. CASTILLO. Yes, sir.

Mr. BARBADORO. Did you ever get this message retransmitted to you?

Mr. CASTILLO. No, sir.

Mr. BARBADORO. This message refers to a proposed resupply flight involving an L-100 that would fly from [deleted] in [deleted] to [deleted] and then that a C-123 would be loaded at [deleted] and flown to the Southern Front commanders, and from the context of the message, it would take place between April 9 and April 11. Do you recall any proposed drop around that time?

Mr. CASTILLO. Yes, sir.

Mr. BARBADORO. And it involved an L-100?

Mr. CASTILLO. Yes, sir. It involved a flight from [deleted] to [deleted]. I didn't know that it had anything to do with [deleted] or where it was coming from, that it was coming from [deleted]. I learned subsequently that other flights came from [deleted], but I didn't know where this one originated.

Mr. BARBADORO. I want to read to you starting from the second line of the message, and I want to ask you some questions about some things in the message. The line begins, "We had planned to do a material drop from the supplies we are bringing into [deleted], but the units headed by [deleted] and [deleted] cannot wait."

Those three names are Southern Front commanders?

Mr. CASTILLO. Correct.

Mr. BARBADORO. The next line is, "Have therefore developed an alternative plan which [C/CATF] has been briefed on and in which he concurs." Do you know who [C/CATF] is?

Mr. CASTILLO. Yes, sir.

Mr. BARBADORO. Who is that?

Mr. CASTILLO. It is a pseudonym used by the Chief of the Central American Task Force.

Mr. BARBADORO. The sentence says that he has been briefed on the plan, and he concurs in the plan. Did you know that—did you know whether [C/CATF], the Chief of the Central American Task Force, was briefed on this plan and concurred in this plan?

Mr. CASTILLO. I don't know that he was briefed, by Colonel North. However, he had information from me in staff channel traffic that the Southern Front was expected to receive a resupply by air.

Mr. BARBADORO. Would he be in a position to approve a plan such as that?

This message says he approved the plan. Your messages were just to notify him and to request information?

Mr. CASTILLO. That is correct. My request to him did not ask for approval. My request to him or to the—excuse me, to headquarters, was only for flight information to be passed to the private benefactors. So it wasn't our plan for him to approve or disapprove.

Mr. BARBADORO. I will read the next sentence.

The L-100 which flies from [deleted] to [deleted] on Wednesday should terminate its NHAO mission on arrival at [deleted]. At that point it should load the supplies

at [deleted] which theoretically, [deleted], is assembling today at [deleted], and take them to [deleted].

[Deleted] is the Chief of the Station in [deleted], correct?

Mr. CASTILLO. Yes, sir.

Mr. BARBADORO. Do you know whether he was in any way assisting the loading of resupply flights?

Mr. CASTILLO. I do not know.

Mr. BARBADORO. You have no knowledge—

Mr. CASTILLO. No knowledge whatsoever.

Mr. BARBADORO. In support of the resupply effort?

Mr. CASTILLO. No.

Mr. BARBADORO. Do you know whether this proposed plan was ever put into effect?

Mr. CASTILLO. I know that an L-100 aircraft delivered 20,000 pounds of lethal material to the Southern Front commanders on or about April—

Mr. BARBADORO. Tenth?

Mr. CASTILLO. Tenth.

Mr. BARBADORO. And you reported on that drop to CIA headquarters in the normal intelligence reports that you file, didn't you?

Mr. CASTILLO. Yes, sir. When the equipment was delivered—was picked up by the commanders and inventoried.

Mr. BARBADORO. At the beginning of the message, it says, "We had planned to do a material drop." Were you involved in planning as to when to do drops?

Mr. CASTILLO. No, sir.

Mr. BARBADORO. Do you know if Colonel North was involved in planning to do drops?

Mr. CASTILLO. I don't know.

Mr. BARBADORO. Later in the message it refers to a drop zone coordinate and also says where the aircraft should penetrate Nicaragua. Do you know where Colonel North would have gotten that information?

Mr. CASTILLO. The drop zone information would have come from the Southern Front commanders through the clandestine communications center in [deleted] by KL-43 from me to either Quintero—no, to Quintero and presumably from Quintero to North. However, that was a very precarious situation because the Southern Front commanders could not hold a drop zone for more than 48 hours at a time, so what was valid today might not be valid 3 or 4 days from now.

When the commanders did convey this information to me I sent on this occasion a cable to headquarters telling them that the Southern Front commanders were expecting a resupply flight from the private benefactors and requested flight information, flight path information, vectors, based on the coordinates of the drop zone and hostile risk situation based on headquarters information which would be passed to the crew. And on this occasion, I did that.

Headquarters responded with a lengthy and very complete cable with all the information, and so I assumed in answer to your short question, that Colonel North knew this information by virtue of the fact that headquarters already had it and knew the coordinates of the drop zone as it is stated in his message.

Mr. BARBADORO. And both your request to headquarters and headquarters' response, those cables are contained in exhibit 4, correct, which you have already had a chance to review?

Mr. CASTILLO. Yes. The first cable of exhibit 4 is my outgoing. The second cable is headquarters' response with all of the flight path, vector, hostile risk—no, excuse me—it has the flight path information, yes. OK. Flight path information.

Mr. BARBADORO. I am going to get to those exhibits in a minute, but I want to ask you a few questions about the resupply operation. When did the operation actually get underway, when was its first flight?

Mr. CASTILLO. This was the first flight——

Mr. BARBADORO. And——

Mr. CASTILLO. —of lethal supplies. There were one, probably two earlier flights with nonlethal humanitarian supplies funded by the \$27 million.

Mr. BARBADORO. How many successful flights in total were there from [deleted] to the Southern Front forces?

Mr. CASTILLO. To the best of my recollection, sir, including this one, nine.

Mr. BARBADORO. The first one you have just described. When was the last one?

Mr. CASTILLO. I believe it was September 23, 1986.

Mr. BARBADORO. And all but two of those nine drops occurred in September. Is that right?

Mr. CASTILLO. All but three.

Mr. BARBADORO. All but three, excuse me, occurred in September. Is it fair to say that there were problems in getting the operation functioning properly?

Mr. CASTILLO. Well, yes, sir, because the first one occurred in April. The next two occurred in June, May, June or July, in that space of time, and then there was the whole period of July-August in which there were no flights at all.

Mr. BARBADORO. Were there also attempts that were unsuccessful?

Mr. CASTILLO. Many.

Mr. BARBADORO. What was the reason why these attempts were unsuccessful?

Mr. CASTILLO. Mainly because of decrepit aircraft, unskilled pilots, no equipment for radar or navigational equipment—may I take a moment?

Mr. BARBADORO. Sure.

Mr. CASTILLO. Drops, several drops that were made, parts of the drops were never found. If there were eight bundles, maybe they recovered five, possibly six. The only way that pilots could identify the drop zone was if the people on the ground lit bonfires. There was no—they had no ability to navigate right to the place where they were supposed to, so the way it would work is the communications center in [deleted] would tell them the airdrop is due between 2:00 and 2:30 a.m., please light your bonfires 15 minutes before and keep them burning for 15 minutes afterwards of the period when the drop is expected.

Then the plane, if it got to the area at all, would circle, an ever-widening circle, to try to spot the bonfires on the ground. Obvious-

ly, if it is raining, this is a jungle, a rain forest or tropical jungle, you don't always find wood that will burn, you don't have kerosene or gasoline because of where they are located, so it was simply by chance that they could keep the fires burning for an hour, and then they would have to be big enough.

So if they saw it, they made the drop. This resulted in the fact that later on in September, some of the drops were made in daytime because that was the only way they could spot where the drop zone was due to the fact that they didn't have navigational equipment, which eventually led to the C-123, on which Hasenfus was a crew member, to be shot down.

We would never have run in CIA an airdrop operation in the middle of the day in enemy territory and using the same flight path six or seven times in a row.

Mr. BARBADORO. So there were problems in locating the drop zones, there were problems with the equipment on the aircraft, and there were problems with the condition of the aircraft, and all of those problems caused the missions not to work very well, at least until September of 1986?

Mr. CASTILLO. Yes, sir, or that was the case throughout the period.

Mr. BARBADORO. What was your role in these resupply flights?

Mr. CASTILLO. Passing information.

Mr. BARBADORO. You would obtain information from the Southern Front commanders and relay it via KL-43 to Quintero and relay information from Quintero to the Southern Front?

Mr. CASTILLO. That is correct.

Mr. BARBADORO. You also for several nights requested flight vector information, weather reports and intelligence from CIA headquarters, didn't you?

Mr. CASTILLO. For the first flights, that is correct.

Mr. BARBADORO. And in three of the four cases you received responses from headquarters with the information you requested?

Mr. CASTILLO. That is correct.

Mr. BARBADORO. And those cables with your requests and the agency responses are contained in exhibit 4, is that right?

Mr. CASTILLO. Yes, sir.

Mr. BARBADORO. You also filed intelligence reports with headquarters of each successful flight that was made?

Mr. CASTILLO. Yes, sir.

Mr. BARBADORO. Those intelligence reports listed what was dropped and to whom it was dropped?

Mr. CASTILLO. Well, it listed what the commanders relayed to us that they had actually found.

Mr. BARBADORO. Could you look at exhibit 5? Are those the intelligence reports for the flights that you filed?

Mr. CASTILLO. Yes, sir. I just happened to see a—one paragraph here in which it says that [deleted] reported that three out of seven bundles of supplies which had been airdropped to him had been lost in the river because they missed the drop zone. It doesn't say that, but that is why.

Mr. BARBADORO. Did you say anything in these intelligence reports about what your role was in the resupply operation?

Mr. CASTILLO. No. That wouldn't normally be the case in an intelligence report.

Mr. BARBADORO. How would you normally notify headquarters of your role in an operation like this?

Mr. CASTILLO. Again, this was a rather unique situation. I reported my role to the Division Chief designate, [C/LA], in April 1986, after that first flight, and told him how I was doing it, and I explained to him that I felt that, first of all, I really did not like the idea of being so involved in this situation simply because—not for any reason other than I didn't have the time.

I had so many other duties, and this really tied me down to have to be up until 2:00 or 3:00 o'clock in the morning sometimes, coordinating the drop zone and so forth.

And there was also—I wanted some specific reassurance on the legality of passing this information, even though I was, and I still am, convinced that this—that my activity was legal and proper according to what was permitted at that time under Boland—under the Boland Amendment—but I felt that even so, it was still more appropriately a Nicaraguan situation rather than an agency situation in that since there was the private benefactor element.

And so, I brought it up to [C/LA] at that time, after this first flight, and he said he would go back to Washington, look into it, and let me know.

Mr. BARBADORO. Let's put this in context.

The person you are referring to at that time currently is the Chief of the Latin American Division of the CIA.

Mr. CASTILLO. Yes, sir.

Mr. BARBADORO. And the meeting that you are describing occurred in April of 1986?

Mr. CASTILLO. Yes, sir.

Mr. BARBADORO. It occurred [deleted], didn't it?

Mr. CASTILLO. In my office [deleted].

Mr. BARBADORO. And that was either shortly before or shortly after [C/LA] assumed his position?

Mr. CASTILLO. He assumed his position on 1 May.

Mr. BARBADORO. Do you know why he was in [deleted]?

Mr. CASTILLO. Orientation trip.

Mr. BARBADORO. What did you tell him during that meeting about your role in the resupply operation?

Mr. CASTILLO. I told him I was relaying information from the Southern Front commanders and sending it to the private benefactors via the KL-43, which I had it in a TRW bag that it comes in behind my desk.

Mr. BARBADORO. Did you point to the KL-43?

Mr. CASTILLO. Yes.

Mr. BARBADORO. Did you tell him where you got the KL-43?

Mr. CASTILLO. Yes, sir.

Mr. BARBADORO. Did you tell him it came from Colonel North?

Mr. CASTILLO. Yes, sir.

Mr. BARBADORO. What was his reaction when you told him?

Mr. CASTILLO. My impression of his reaction was he was uncertain of what to do with the information. I had given him a complicated situation, so he responded that he would go back to Washing-

ton, look into it, and let me know about what I had raised with him.

Mr. BARBADORO. He didn't tell you to stop using the KL-43s?

Mr. CASTILLO. No, sir. He asked me if I was keeping the Ambassador informed and I said, yes, I am.

Mr. BARBADORO. Had you told Ambassador Tambs that you were using a KL-43 given you by Colonel North?

Mr. CASTILLO. I don't think I described it as a KL-43. In fact, I didn't know the terminology until this year, but that I was communicating with Colonel North and that I was passing information on these resupply things, yes.

Mr. BARBADORO. Did you tell Ambassador Tambs that you had gotten the secure communication device from Colonel North?

Mr. CASTILLO. No.

Mr. BARBADORO. Did you later hear from [C/LA] about whether you could continue using that device?

Mr. CASTILLO. Yes, sir.

Mr. BARBADORO. When was that?

Mr. CASTILLO. At a Chief of Station meeting in [deleted] in May 1986 or about 5 weeks after I raised the problem with him.

Mr. BARBADORO. And that was a meeting of the Chiefs of Stations of the Central American region with [C/LA] and [C/CATF].

Mr. CASTILLO. Well, that was—yes, but at the particular meeting where we raised this point only three Chiefs, [C/CATF] and [C/LA], were present.

Mr. BARBADORO. And who were the Chiefs that were present by position?

Mr. CASTILLO. [Deleted] and myself.

Mr. BARBADORO. And what were you told in this meeting?

Mr. CASTILLO. Well, [C/LA], my recollection of the meeting is [C/LA] when we were all together said [Castillo] has a problem and we have got to fix it and how can we get this information from the Southern Front commanders to the private benefactors without going through—without going through us.

And so we discussed various ways that we might be able to do it and I suggested that a Nicaraguan Resistance communicator be trained in the use of the equipment, of radio equipment, and the code pads, not the KL-43 [deleted], but their own system, and that we place this communicator at [deleted] and then the Nicaraguan communicator in [deleted] can communicate directly with the clandestine communications center in [deleted] and relay messages from the commanders back directly to between them and the Nicaraguan communicator at [deleted] could interface with the private benefactors directly and then we would be essentially cut out of the operation. We would still, of course, have received the information because we monitored the activities of the communication center since we were the communications advisers. So we still would have derived the benefit of the information transmission without having been involved in the actual passing of that information.

Mr. BARBADORO. And was that promise acceptable to everybody in the meeting?

Mr. CASTILLO. Yes.

Mr. BARBADORO. Was it discussed as to who was going to train this communicator and who was going to pay for him to be located in [deleted]?

Mr. CASTILLO. That was to be proposed under the funding we had received under the communication equipment provision of the funding period that we were under, [deleted].

Mr. BARBADORO. So you assumed that the expense would be borne by the Central Intelligence Agency?

Mr. CASTILLO. Oh, yes, sir.

Mr. BARBADORO. Did anybody say anything to you at this meeting about what Colonel North's role was in the resupply operation and whether that was appropriate and whether it was appropriate for you to be communicating with Colonel North in the way that you were?

Mr. CASTILLO. No.

Mr. BARBADORO. Nothing was said about Colonel North?

Mr. CASTILLO. No, not that I recall.

Mr. BARBADORO. What was done to implement this proposal?

Mr. CASTILLO. Well, we selected an individual [deleted].

We then trained him in the use of the particular radio equipment and how to encipher and decipher using one-time pads, and then I communicated with the Chief of Station in [deleted] to see how this fellow could get a visa, because [deleted], it was rather difficult for these people to come and go in these various Central American countries without some documentation. And as I recall, we were all set to do this.

It took about 6 weeks or so, but finally, through various means, we were able to get the appropriate visa and documentation and he had the radio equipment—or he had the—his training was completed. And on July 12, after much back and forth, I received a cable which instructed me to stand down on the operation of sending the communicator to [deleted].

Mr. BARBADORO. Who sent you that cable?

Mr. CASTILLO. Headquarters.

Mr. BARBADORO. The Central American Task Force head?

Mr. CASTILLO. Yes, sir.

Mr. BARBADORO. Did they explain why you were to stand down on the proposal?

Mr. CASTILLO. Yes, sir.

Mr. BARBADORO. What did they say?

Mr. CASTILLO. They said, essentially for political considerations, that we were close to a vote, we didn't want to do anything to jeopardize the outcome of the vote, and, therefore, that this moving this fellow [deleted] for this function was—I don't recall the exact wording of the cable, but that is close.

Mr. BARBADORO. Did the cable telling you to stand down on the proposal for the communicator also tell you to stop relaying information from the Southern Front commanders to the private benefactors?

Mr. CASTILLO. I would have to see the cable, but that wasn't my impression.

Mr. BARBADORO. Were you given any instructions to stop using the KL-43?

Mr. CASTILLO. Well, it was understood that—at least I understood that it—for political considerations, that this was—this could give us trouble, and, therefore, I should not pass information. I should avoid that situation.

Now, obviously during July and August, we were not getting—there was no—the private benefactors were incapable of delivering anyway, so it was sort of an academic point.

Mr. BARBADORO. But you did continue to use the KL-43 in September?

Mr. CASTILLO. Well, in September, early September, Colonel North advised me that they were—that the private benefactors were ready to empty out the warehouses in [deleted]. I don't recall if he said it or I assumed it, but the vote had already taken place in the House and the Senate on the resumption of funding, and I think it was still scheduled to go to conference at that point. And so, I assume that the political considerations were really no longer a factor.

So, I resumed passing the information and reported it—the results to headquarters—which, in turn, did not say “stop”—and when they saw the second flight, they didn't say “stop,” and, of course, we were reporting it each delivery as it occurred, and I did not receive from headquarters any instruction to stop passing the information.

Mr. BARBADORO. But let's be clear. You reported the fact drops had been made in those cables.

Mr. CASTILLO. Yes.

Mr. BARBADORO. You were not reporting the fact that you were again using the KL-43 to communicate—

Mr. CASTILLO. No, sir.

Mr. BARBADORO. —the drop zone information?

Mr. CASTILLO. I let them assume that because they knew the communicator that we had originally planned to send to [deleted] had not gone.

Mr. BARBADORO. Although you filed intelligence reports after these drops were made, you did not request flight vector information from headquarters for these flights as you had with the earlier flights. Why was that?

Mr. CASTILLO. Because the private benefactors themselves could not really use this information. The information that I requested, the flight path and vector information, was for an L-100 flight which had the fuel capacity to go the route which headquarters had recommended [deleted] to the drop zone area, then back, on completion of the drop [deleted].

The planes that they were using were C-7s and C-123s. The C-123 simply wasn't capable of flying that distance to avoid Sandinista air defenses, so the private benefactors on their own decided to fly [deleted]—a very dangerous route.

Mr. BARBADORO. I am going to show you the cable in a moment, it is being passed out now, where you were told to stand down on the proposal, and we will discuss that.

Let me go on, and I will come back to it. Are you aware of some resupply flights that stopped to refuel at [deleted] International Airport?

Mr. CASTILLO. Yes, sir.

Mr. BARBADORO. How many flights did that?

Mr. CASTILLO. Two.

Mr. BARBADORO. When were they?

Mr. CASTILLO. They were the two that occurred during that May-June period—excuse me, I am not sure. I think they were, but it may have been one or two of the flights in September, so I just—my recollection is vague on that.

Mr. BARBADORO. Ambassador Tambs, I believe, testified that you went to him and told him to get approval for these flights to land. Did you do that?

Mr. CASTILLO. No, sir.

Mr. BARBADORO. What was your role in facilitating these refuelings at [deleted] International Airport?

Mr. CASTILLO. Mr. Quintero told me that the C-123s to carry the load, that they wanted to send, could not carry the fuel that would enable two aircraft to make a full round trip without refueling. At some point I had learned that the aircraft they were using, the C-123 camouflage aircraft, was identical to a [deleted] Air National Guard plane which frequently made training flights [deleted] to [deleted].

With that in mind, I suggested to Mr. Quintero that he file a flight—that the aircraft file a legitimate legal flight plan, fly into [deleted] International Airport, taxi up to the flight service ramp, get refueled, pay for their fuel, cash for their fuel, file a flight plan back to [deleted] or to [deleted], and treat it as simply any other flight that would have come in to [deleted] International.

I did stipulate to him that under no circumstances should that aircraft land [deleted] with any lethal weapons onboard or any lethal material at all. I recall he asked me if they would be permitted to carry personal weapons since they would need them in the event they crashed in Nicaragua, and I answered in the negative.

Well, when he told me this, I said, "When are you thinking of doing it?" And I believe it was for one of the September flights rather than the May-June flight. I went to the Ambassador, and I said, "Mr. Ambassador, the private benefactors need to refuel their aircraft, and this is what I told them to do." I said, "I want to alert you to it because it does have some flap potential."

He said, "Is there anything we can do to help them?" I said, "No, because we really shouldn't get involved in this." He said, "Well, what if we have the [deleted], military assistance group—officers out at the airport just to stand by and watch just to see if any problem comes up."

So, as I understand his instructions to them, they went out there and simply observed, did not become involved, were just there in case something went awry, and that they subsequently reported back to me, and I reported to the Ambassador that the flight had landed, refueled and left without incident.

There was no involvement in our—on the part of the mission to obtain permission or to in any way facilitate the refueling of that aircraft. It was obvious that what we were doing is taking advantage of the perception on the part of the flight service people who thought that this was another flight from the [deleted] Air National Guard when, in fact, it wasn't. But the crew was never questioned, it was just sort of taken for granted.

It worked once, and it worked the second time.

Mr. BARBADORO. So no permission was asked for or obtained, you simply had the flight land and refuel?

Mr. CASTILLO. That is correct.

Mr. BARBADORO. And your instructions to the private benefactors was that they could not come into the airport with any weapons?

Mr. CASTILLO. That is correct.

Mr. BARBADORO. So——

Mr. CASTILLO. And I recall that in at least one of those two flights, because they could not find the drop zone and because of the instructions, that they could not land with that equipment, that they kicked the equipment at what they thought was the alternate drop zone. Eventually the forces inside were able to locate it after many days of search.

Mr. BARBADORO. I want to go back to the cable in which you were told to stand down, and it has not been marked, but for convenience, Mr. Chairman, I would ask that we simply refer to it as exhibit 14, and then mark it at the conclusion of the testimony.

Chairman HAMILTON. Without objection, it will be so done.

Mr. BARBADORO. That cable was dated 12 July 1986 and it is from headquarters to you, correct?

Mr. CASTILLO. Yes, sir.

Mr. BARBADORO. And that is the cable you were referring to, is that correct?

Mr. CASTILLO. July 12th, yes, sir.

Mr. BARBADORO. I want to read you the last paragraph—the last several sentences in the paragraph, beginning with the word, “as.” “As ADDEE are aware, there have been numerous allegations of violations of law by PB’s.” That is private benefactors, isn’t it?

Mr. CASTILLO. Yes, sir.

Mr. BARBADORO. “We do not have a firm handle on whether all of the allegations floating around are false, consequently we do not wish to have [CIA].”

That is CIA, right?

Mr. CASTILLO. Yes.

Mr. BARBADORO. ——

Provided assistance tied into an entity that may or may not be bad. We have come too far at this time to let the solid operations that [deleted] has built be jeopardized by elements which we are unable to control.

My question to you is, didn’t you view this cable as an instruction not just to stand down on the proposal for the communicator, but to stand down on any further contacts that you were having with the private benefactors?

Mr. CASTILLO. That is a pretty soft instruction if that is what it is intended to be.

Mr. BARBADORO. How did you take that instruction to be?

Mr. CASTILLO. Pretty softly. I mean what it is saying here is, “Look, it is your call. You use your judgment.” Sure that is fine if you want to cover yourself. You can always say we said so. But please, gentlemen, don’t—you know, that is not cease and desist.

Mr. BARBADORO. If they wanted to.

Mr. CASTILLO. If they wanted to they would have said it.

Mr. BARBADORO. OK.

Mr. CASTILLO. Not only that when this cable came to the attention of [C/LA] and he did not see this cable as I learned in August when I went up to headquarters, and he said, [Castillo], I really apologize for the way this whole thing has been handled, but I did not see this cable go out and when I saw the come-back copy the next day later—

Mr. BARBADORO. Would you explain what the come-back copy is?

Mr. CASTILLO. That means a cable goes out from the Central American Task Force and then it is printed up in this form, and the next morning these cables are distributed throughout the division to components that have a need to know and see.

And obviously, it comes to the division chief's attention, especially anything to do with the Central American Task Force of an immediate precedence.

He told me he called in [C/CATF] and he said, "I thought we had fixed the problem of the communicator. Why did this cable go out?" And [C/CATF] didn't—as [C/LA] told me—didn't look at the cable he was referring to. [C/CATF] thought he was referring to the visa problem, so he answered to [C/LA] "Oh, that has been fixed."

Mr. BARBADORO. What do you mean the visa problem?

Mr. CASTILLO. Remember the problem about getting the communicator to [deleted]. We had a problem in getting a [deleted] visa for him. So the impression that was left on the one hand of [C/LA] was that the problem had been fixed means that this cable was superseded by the answer that [C/CATF] gave him.

[C/CATF] on the other hand did not understand what [C/LA] was referring to, thought he was referring to the visa problem, so it went on like that until I arrived in August and explained about the fact that here we had a legitimate politically acceptable, in my opinion, solution to the problem of the transmission of information, and yet headquarters came in with this.

Now, this is bureaucratically—that is a nonanswer.

Mr. BARBADORO. Let me just try to clarify something. You say that [C/LA], the Chief of the Latin American Division, did not see that cable when it went out. He saw the come-back copy.

Mr. CASTILLO. That is right. He normally wasn't because—unless it is a policy matter of great importance, the Division Chief doesn't sign off on these. It is the task force chief or whoever he designates at that time to sign off.

Mr. BARBADORO. And that [C/LA] went to [C/CATF] and asked him about the cable, but didn't show him the cable.

Mr. CASTILLO. Asked him about the problem.

Mr. BARBADORO. About the problem.

Mr. CASTILLO. He said, "I thought the problem with the communicator was fixed."

Mr. BARBADORO. OK. And [C/CATF] is—[C/CATF] understanding was what?

Mr. CASTILLO. [C/CATF] thought that [C/LA] was referring to the visa problem, so he says, "Oh, it has been taken care of."

Mr. BARBADORO. But [C/CATF] had just told you in a cable that the whole operation had to stop.

Mr. CASTILLO. That is the answer I was given a month later in August when I went up and explained about the fact that they had

taken away what seemed to me—or they had stood down on what seemed to me to be a perfectly reasonable solution to the problem.

Mr. BARBADORO. Let me go to a different subject. Mr. Castillo, to your knowledge was the Santa Elena airstrip ever used?

Mr. CASTILLO. This Point West, Santa Elena airstrip was never used in a regular supply operation.

Mr. BARBADORO. Do you recall a time when a plane tried to land there and got stuck?

Mr. CASTILLO. Yes, sir.

Mr. BARBADORO. When was that?

Mr. CASTILLO. Mid-June 1986.

Mr. BARBADORO. How did you find out about it?

Mr. CASTILLO. Mr. Quintero was in San Jose. [Deleted]. I went to meet him at his hotel room—not 310.

Mr. BARBADORO. You might explain that 310 remark.

Mr. CASTILLO. I don't know.

Mr. BARBADORO. Do you know what Ambassador Tambs was referring to?

Mr. CASTILLO. No, I don't know. I am sorry.

Mr. BARBADORO. Please continue.

Mr. CASTILLO. And when I arrived at the room, he was upset about something, and then he said, look, they don't want me to tell you about this, but I have decided that I am going to tell you.

He said we have a plane that was to deliver a resupply and apparently it was not, as I recall, was not for the Southern Front. I assume it must have been for the FDN units in the Southern Front as the Hasenfus plane was scheduled to deliver to.

He said it couldn't make it, it had engine trouble, and it had to make an emergency landing at Santa Elena and then he said the bad news is that it is stuck in the mud.

Mr. BARBADORO. Is it fair to say that you didn't learn about it until after the plane had landed?

Mr. CASTILLO. That is correct.

Mr. BARBADORO. And you were concerned about it when you found out it was being used, weren't you?

Mr. CASTILLO. Oh, not only that it was being used, but that we had a plane in neutral Costa Rica loaded with lethal supplies.

Mr. BARBADORO. At that point——

Mr. CASTILLO. [Deleted].

Mr. BARBADORO. At that point, had the new administration in Costa Rica come into power?

Mr. CASTILLO. Yes, sir.

Mr. BARBADORO. Were you given any instructions by the new administration about the use of that airstrip?

Mr. CASTILLO. Yes, sir.

Mr. BARBADORO. What were you told?

Mr. CASTILLO. [Deleted] the airstrip was not to be used for the purpose intended.

Mr. BARBADORO. Did you communicate that to the private benefactors?

Mr. CASTILLO. Yes, sir.

Mr. BARBADORO. And so this was being done contrary to your instructions, wasn't it?

Mr. CASTILLO. Yes, sir—well, contrary to the fact that they knew that the airstrip was not to be used. [Deleted].

Mr. BARBADORO. Was there any other occasion where the airstrip was used to your knowledge?

Mr. CASTILLO. Not that I know of, for the purpose of delivery of lethal supplies.

I think that a plane came in with some drums of gasoline and certainly I think there were maybe one or two planes that came in to free the one plane that was stuck there.

Mr. BARBADORO. You met with President Reagan in March of 1986, didn't you?

Mr. CASTILLO. Yes, sir.

Mr. BARBADORO. How did that meeting come about?

Mr. CASTILLO. [Deleted], who had been of great assistance to U.S. interests [deleted] who is a great admirer of President Reagan, [deleted], he wanted to have the opportunity, if possible, to meet the President.

I conveyed that to Colonel North and in December 1985 Admiral Poindexter and Colonel North made a visit [deleted], and during that stopover he, Admiral Poindexter, requested that [deleted], that he meet with [deleted]. And he extended the invitation [deleted] to come to the White House to meet the President.

In March, my wife and I accompanied [deleted] and his wife—by the way, headquarters was fully aware of this invitation, the trip, the arrangements hour by hour, as to what [deleted] was going to be doing here in Washington. And we escorted—my wife and I—escorted [deleted] and his wife to the Executive Office Building where we met Ms. Hall, who escorted us over into the West Wing where we met Colonel North and we were standing outside the entrance to the—the doorway to the Oval Office.

I did not know that I was going to go into the Oval Office. That was not in the plan. When the door opened, the secretary came out and indicated to us that it was time to go in.

My wife and I stepped back so [deleted] and his wife could go in and as is Colonel North's way, he grabbed our arms and brought us right into the Oval Office, as well, which obviously was a great moment.

We were in the Oval Office about 3 minutes. [Deleted] presented the President with a book, picture book of [deleted], nothing more than, hello, this is a nice book, so forth, and then photographs were taken, we all left. On leaving, we went over to—the wives left and [deleted] and I, Colonel North and [C/CATF] spoke for a few minutes outside of Admiral Poindexter's office and then when the Admiral was free after his, I assume the end of his briefing period, we all, Colonel North, Admiral Poindexter, Colonel North, [deleted] and I met to discuss the [deleted] situation, to answer the Admiral's questions about [deleted].

There was no mention whatsoever about the Nicaraguan situation except as how it affected [deleted] political-economic situation.

Mr. BARBADORO. Let's first take the meeting with President Reagan. Is it safe to say that you had no discussion, either you nor [deleted] had any discussion with President Reagan about the airstrip, the resupply effort or anything to do with the Contras?

Mr. CASTILLO. There was absolutely no discussion, mention, of any of those sorts of things at all.

Mr. BARBADORO. Now, your meeting with Admiral Poindexter, was there any discussion with Admiral Poindexter about the role you were playing in assisting the resupply operations?

Mr. CASTILLO. None whatsoever.

Mr. BARBADORO. After that meeting you and [deleted] had a meeting with Richard Secord, didn't you?

Mr. CASTILLO. Colonel North advised us either just before or just after the meeting with Admiral Poindexter that he would like [deleted] to meet with General Secord that afternoon to work out some questions concerning the property and the airstrip. So that afternoon General Secord, Mr. Quintero, [deleted], and I met [deleted]. I was only an observer.

The conversation—and Mr. Quintero and I were only observers. General Secord and [deleted] discussed [deleted] a letter from the Udall Corporation, Udall Research Corporation.

Mr. BARBADORO. Was that the first time you had ever heard reference to Udall Research?

Mr. CASTILLO. Yes, sir. In fact, I don't even think the name came up at that meeting. It was only afterwards when I saw the letterhead [deleted] looks like it was done with a typewriter rather than a printed letterhead.

Mr. BARBADORO. What was the letter about?

Mr. CASTILLO. [Deleted].

[Deleted], General Secord wrote all these things down and questioned him about certain aspects and then later delivered the letter that contained the points [deleted] made. That was all that was discussed.

Mr. BARBADORO. Was that the first time you ever met General Secord?

Mr. CASTILLO. That was the only time.

Mr. BARBADORO. Was that the first indication that you had that General Secord might be connected with the private benefactors or the group that was responsible for building the airstrip?

Mr. CASTILLO. I had heard his name from Colonel North before but in a very oblique way. It was the first time that I knew he had anything to do with the airstrip and with this corporation and, in fact, I commented later to Colonel North what I had heard about General Secord's alleged involvement with Edmund Wilson based on the book *Manhunt* by Peter Maas.

And Colonel North assured me that that had been completely resolved.

Mr. BARBADORO. Did that concern you? That General Secord was referred to in *Manhunt* and was involved in this thing?

Mr. CASTILLO. Well, I didn't know how authoritative *Manhunt* was.

Mr. BARBADORO. But you got assurances from Colonel North—

Mr. CASTILLO. I got assurances from Colonel North that his involvement had been resolved.

Mr. BARBADORO. The last topic I want to go over involves something you said in your opening statement. During the time you were Chief of Station, [deleted], you had several meetings with Director Casey, correct?

Mr. CASTILLO. Yes, sir.

Mr. BARBADORO. Did you ever discuss the airstrip with him?

Mr. CASTILLO. Never.

Mr. BARBADORO. Did you ever discuss your role in resupplying the Southern Front troops with Director Casey?

Mr. CASTILLO. No, sir.

Mr. BARBADORO. Did you ever get instructions from Director Casey to do what Colonel North told you to do?

Mr. CASTILLO. No, sir.

Mr. BARBADORO. Other than that one meeting with [C/LA], Chief of the Latin American Division, in which you told him that you were relaying information using a secure communications device provided by Colonel North, did anyone at CIA headquarters sit down with you and ask you what you were doing with regard to the private benefactors or ask you what you were doing with Colonel North?

Mr. CASTILLO. No, but there were other occasions when I mentioned, for example, the refueling of the C-123 at [deleted] Airport—

Mr. BARBADORO. Who did you tell about that?

Mr. CASTILLO. I told [C/LA] and [C/CATF] about the [deleted] National Guard illusion.

Mr. BARBADORO. Other than that, did you have any discussions with your superiors at CIA about what you were doing?

Mr. CASTILLO. I don't recall any at this time, but I may have.

Mr. BARBADORO. Mr. Chairman, that is all the questions I have. Thank you.

Chairman HAMILTON. Mr. Eggleston.

Mr. EGGLESTON. Thank you, Mr. Chairman.

I just have a few questions. Let me return for a minute to the airfield and the activities of August 1985. I think you have covered this, that on or about August 13 a cable was sent from you to headquarters reporting on the discussions between the Ambassador [deleted] and in a couple of days you received a cable saying this is a nice idea, but whatever you do, don't become directly or indirectly involved with activities related to that airfield.

You then testify that within a week or so, you actually take a trip with an individual in a private helicopter—

Mr. CASTILLO. I think it needs to be clarified. I guess the cable was sent immediately after.

Mr. EGGLESTON. I think the date on it is August 17th.

Mr. CASTILLO. [Deleted]. The question occurred to me last night after I saw the cable, if I had written it immediately after or if I had waited a few days.

Mr. EGGLESTON. I am less concerned with that timing than I am with the timing between the time you received the cable suggesting that you should not become involved and the time that you take a trip with a private individual [deleted] out to see the airfield.

Mr. Owen, as I recall, has testified, in fact, that you saw two sites on that occasion and that part of the reason for the trip was to determine which site was the most appropriate. I take it you don't remember the events that way?

Mr. CASTILLO. We only landed at the Santa Elena site. We did fly over, but it was clear that the site [deleted] had thought about would not be good.

Mr. EGGLESTON. Would it be fair to say that one of the things happening on the trip was to determine which site would be the proper site?

Mr. CASTILLO. In the terms [deleted] these were two of the most likely places, and I had not had an opportunity to be in that area of the country, certainly the area we landed was somewhat inaccessible so it was to see from [deleted] point of view if these could serve that purpose, and I don't know if it was at that time or at a later time when the notion occurred to me that this might become a CIA operation site.

In any case, I think that there was just curiosity, there was interest certainly on the part of trying to determine if this was just some cockamamie scheme that would go nowhere or if it really did have certain practical applications.

Mr. EGGLESTON. Nevertheless, there is a trip that you took shortly after receiving a cable suggesting that you should not get involved in any fashion with this airstrip, is that a fair statement?

Mr. CASTILLO. My interpretation of that would have been active participation, making arrangements, contacting construction crews.

Mr. EGGLESTON. Throughout the fall, you have other—

Mr. CASTILLO. Assisting. The cable specifically says in assisting. Assisting means to help. In terms of going up there, looking at this place, I don't think that that necessarily meant assisting.

Mr. EGGLESTON. Did you offer your opinion on which of the two sites would be the most appropriate site?

Mr. CASTILLO. That was really not a question. I think anybody who saw that site would have—or either of the two sites—would have said that, first of all, that site was the most appropriate. What would it take, yes, I probably made some statements about having to knock down some trees, but I wasn't talking to an engineer in talking to Rob in this informal way. Besides that, I have opinions about almost everything.

Mr. EGGLESTON. Nevertheless, despite any of that, you did not report that trip by cable to headquarters, is that correct?

Mr. CASTILLO. No. No, I didn't.

Mr. EGGLESTON. And throughout the fall of 1985, you learned other bits of information about this airstrip. As the process of acquiring the land and getting it ready was taking place, you learned other things, more about the involvement of Colonel North, about Rafael Quintero, the owner of the property, the purchase price, but you didn't report that back to headquarters either, is that true?

Mr. CASTILLO. No.

Mr. EGGLESTON. You had indicated that you thought I think that the establishment of an airfield down in Costa Rica would be significant in order to be able to supply whatever Contras may enter into Nicaragua and fight inside Nicaragua, is that correct?

Mr. CASTILLO. Yes, sir.

Mr. EGGLESTON. Let me just ask you, if you could, to explain, you were asked by Mr. Barbadoro the reason that you didn't report, and what I think you told Mr. Barbadoro is that you had essentially a passive role and were merely observing.

What I am confused about is it seems to me the role of any Station Chief is a passive role. We have reports that you make about airdrops inside Nicaragua. Much of your reporting must certainly be about various activities that take place inside of a country and are in the nature of a passive role.

Is there a reason, other than that, that you did not report on the development of this airstrip which was taking place in a corner of Costa Rica?

Mr. CASTILLO. Let me try and put it in perspective. These were very precarious times. I did not want to ever give the appearance that I was trying to circumvent or that I might be circumventing, that my actions might be misunderstood.

At the same time, we have had a long standing prohibition against reporting on any activities of American citizens abroad. You weigh one against the other and you say well, what are their activities? They are clearing a piece of land. Whatever their intentions might have been, it is simply that. It wasn't an illegal activity, it was an activity that I had certain tangential interests in [deleted].

I have to look out for his interests in terms of these people might be a gang of cowboys that come there and start to create problems or get involved in some sort of illegal activity. I felt that I had at least a responsibility to passively monitor and be generally assured that these people weren't irresponsible.

By the same token, reporting to headquarters on something that essentially did not involve at that time an intelligence activity, it is a judgment call, and I chose not to. At the same time it was evident from the conversation even before construction began, the conversation with Assistant Secretary Abrams, that they knew about it.

So that either Mr. Quintero or whoever he was reporting to, was informing Colonel North and that Colonel North was informing Assistant Secretary Abrams and [C/CATF].

Mr. EGGLESTON. So you are telling me that—if I could parse that out for a second. You have indicated that there are a couple of reasons you didn't report. You said they were clearing a plot of land and there is nothing illegal about that. They weren't clearing a plot of land to establish an apple orchard; you knew they were going to establish an airfield there apparently under the direction or control of Colonel North, to resupply Contras in the southern part of Nicaragua.

That is correct, is it not?

Mr. CASTILLO. Well, yes, it was correct that they were going to construct an airfield. How much Colonel North was involved in the decision-making process, I don't know. He was connected to it. That it was an airfield to be used eventually for the Contras, yes, that is true, but in and of itself, it wasn't necessarily an illegal or an intelligence activity, by my interpretation.

Mr. EGGLESTON. And—

Mr. CASTILLO. Anybody can fault me on the judgment call on it, but that is what I decided. I decided not to make it a matter of official record.

Mr. EGGLESTON. You knew as well, though, that this was a "hot area." This was a hot area—the Boland Amendment—legally, and

you have indicated several times that it was a hot area politically. Was part of the reason that you decided not to report on this was because of the sensitive nature of the area—so there would be nothing official reported about it?

Mr. CASTILLO. I am not trying to avoid the question. I simply don't know what my thoughts were at that time. Probably if there was anything, it is that I assume—I would have assumed that headquarters simply wouldn't want to have known about it.

Mr. EGGLESTON. You assumed then it was OK for you to know about it but you should not inform your superiors about it?

Mr. CASTILLO. Sir, as Chief of Station, there are lots of things—rather there are lots of things that a Chief of Station knows about that goes on [deleted], that he does not report back to headquarters. It is information that he obtains and files away and if it becomes applicable he reports it, but that doesn't mean that he runs to his typewriter every time he is involved in or hears about a certain activity.

Mr. EGGLESTON. Did you think the reason headquarters didn't want to know about it is because Colonel North was involved in establishing an airfield?

Mr. CASTILLO. I can't speak for why I thought headquarters would not want to know about it. That is a conclusion that I reached. I think that was in my mind at that time.

Mr. EGGLESTON. I just have a few more questions. Let me move to the chronology of the KL-43 activity in which you were engaged. You received a KL-43 from whomever in about January or February 1986, is that right?

Mr. CASTILLO. January or February, and I received it from Mr. Quintero.

Mr. EGGLESTON. You continue, you used that to communicate with the private benefactors and without informing anyone at headquarters that you have received it until April of 1986?

Mr. CASTILLO. Well, it was only—It was used for the delivery of the L-100 supplies and then shortly thereafter, within days, I did inform [C/LA].

Mr. EGGLESTON. Well, I will rephrase it. You had the device which you had received from Colonel North between January and February 1986 until some time—you probably know the date—in April 1986, without informing anyone at headquarters that you received it?

Mr. CASTILLO. That is correct.

Mr. EGGLESTON. You did not at that time work for Colonel North?

Mr. CASTILLO. No.

Mr. EGGLESTON. Is there a reason that you decided not to tell headquarters that you had received a KL-43 device or an encryption device, from Colonel North?

Mr. CASTILLO. Again, I am trying to recall what I thought at the time or my reasons for not doing so. Let me give you an explanation. I was communicating on political matters with Colonel North over a long period of time on general things, keeping him informed on what was happening from an "on the ground" perspective. However, the communication system [deleted], the secure phone, as it is

called, I think it is a [deleted], the communicators go off duty at 4:30 in the afternoon.

Press of business and so forth, usually involved talking with Colonel North when either he was free or I was free and that usually occurred late at night. And on occasions we had found that communication by open unsecure line in double-talk was very unsatisfactory.

So, I think that the KL-43 was intended really for that purpose as well as for the fact that there was to be this resupply passage of information. That is essentially—so when he gave me the piece of equipment and I saw that it was U.S. Government equipment, I accepted it and said, "Fine, when we need to use it, we will use it," but normally we would talk over the telephone [deleted] during working hours, and this was an emergency unit.

When it was necessary to pass the information on the L-100 flight, I did so and subsequently informed my superior.

Mr. EGGLESTON. When you had the conversation with Colonel North where he asked you to serve as his communications conduit between the private benefactors and the FDN, you did not report that conversation to headquarters?

Mr. CASTILLO. No, sir.

Mr. EGGLESTON. Was this another area where you thought that headquarters would not want to know that you were involved in this type of activity?

Mr. CASTILLO. Yes.

Mr. EGGLESTON. In April 1986, you indicate that you did tell [C/LA] about the encryption device.

Mr. CASTILLO. Yes.

Mr. EGGLESTON. Are you aware that [C/LA] disputes your version that you told him that you used it to communicate with Colonel North?

Mr. CASTILLO. I told him.

Mr. EGGLESTON. Are you aware that he disputes that?

Mr. CASTILLO. That is his recollection.

Mr. EGGLESTON. In May 1986, he told you that you have a problem and he is going to work to solve the problem. By June and July there are attempts to solve it and in July the problem is not solved, and the cable sent you indicates that these private benefactors may be in fact violating the law; is that correct?

Mr. CASTILLO. The last part, sir?

Mr. EGGLESTON. I just read that on the cable that was provided to you, which has been deemed to be exhibit 14.

Mr. CASTILLO. I don't see where it says anything about a violation of the law.

Mr. EGGLESTON. As "ADDEE" are aware, there have been numerous allegations of violations of law—

Mr. CASTILLO. By the PB's, certainly not by us.

Mr. EGGLESTON. I asked you whether the part of the cable where you were told that the problem was not going to be solved you were also informed that one of the problems was that there were claims of law violations by the private benefactors, and since headquarters didn't know whether that was true or not you were being asked to stand down.

That is your recollection—

Mr. CASTILLO. That is what the cable says, but I knew of no allegations of violations by the private benefactors and certainly none where it involved the activity of the air resupply or the passage of information from the commanders to them.

Mr. EGGLESTON. I take it you have not, but on this date you received a cable from headquarters suggesting to you that there have been these allegations, it is a problem, we are not going to get involved in it.

Mr. CASTILLO. Yes, sir.

Mr. EGGLESTON. The problem remains unsolved then. When I say the problem there is no way to communicate, the agency has no method of communicating between the private benefactors and the UNO south commanders, in effect and yet in September 1986 you begin using the KL-43 device again.

Mr. CASTILLO. As I explained when I was questioned by Mr. Barbadoro on this point, this was not a cease and desist cable. This was headquarters going on the record saying this is our preference, but essentially it is a soft way of saying or it is a way of saying—not soft, but it is a way of saying it is really—you haven't done anything wrong. There is nothing basically wrong with what you are doing.

We would prefer that there be another way to do this, but they are not saying cease and desist. That is the way I interpreted it, and that is—when you see that, as you read that cable that certainly is a valid interpretation.

Mr. EGGLESTON. But nevertheless before deciding to start using the KL-43 again, you did not cable to headquarters and ask whether you could resume its use?

Mr. CASTILLO. No, sir.

Mr. EGGLESTON. And in September 1986, it was your testimony to questions in response to Mr. Barbadoro that you just assumed that headquarters knew that you were back in the communications loop because after all you were providing intelligence reports on the drops; is that true?

Mr. CASTILLO. Yes, sir.

Mr. EGGLESTON. Thank you, Mr. Chairman. I don't have anything else.

Chairman HAMILTON. We have one other questioner from the staff, Mr. Van Cleve. After he completes his questions, we will conclude the morning session. I understand a Senate vote is in progress. We will begin with Senator Nunn at 1:30 this afternoon.

Mr. Van Cleve.

Mr. VAN CLEVE. Thank you, Mr. Chairman.

Mr. Castillo, in May of 1986 you have testified that you had a meeting that was attended by [C/LA] and three Chiefs of Station other than yourself, and at that meeting, you testified that he said, "[Castillo's] got a problem, and we need to fix it." Is that correct?

Mr. CASTILLO. Yes, sir.

Mr. VAN CLEVE. What kind of problem did you have?

Mr. CASTILLO. The problem of my—of taking the time, being directly involved in the transmission of this information from the commanders to the private benefactors.

Mr. VAN CLEVE. Was it ever suggested to you that that activity was illegal?

Mr. CASTILLO. No, sir.

Mr. VAN CLEVE. Thank you.

I would like to turn your attention to the cable that you received dated July 12th that Mr. Eggleston has just been questioning you about. I am going to refer to a document that is in the books of all the members of the committee. I don't believe that you probably have a copy of it, so I am going to read you the entire excerpt from the document.

For the convenience of the members, I will be referring to the chronology that was supplied to the committee by the Central Intelligence Agency. It is in the books with a label that says "CIA Chronology."

I am going to read you the entry in that chronology appearing on page 8 referring to the date July 12, 1986, and ask you a question about it.

"12 July 1986, [Castillo] is notified that a review of agency policy does not permit him to continue his efforts to place a UNO south communicator at [deleted]."

There follows after that a bracket and this statement in the bracket: "Some have interpreted this cable as directing the COS [deleted] to terminate his contacts with the PBs," end of bracket.

[C/LA] questions the cable after it has been transmitted and is told that UNO south has solved the problem itself.

Doesn't the bracketed statement—"Some have interpreted this cable as directing the COS [deleted] to terminate his contacts with the PBs"—doesn't that confirm your view that you were not given instructions to cut off those contacts?

Mr. CASTILLO. I can only speak for myself. That was the interpretation. My answer was the interpretation I gave it. I am glad others agree with me.

I have not seen that chronology. I think I saw that chronology yesterday for the first time, and we scanned it and then it was handed back to Mr. Barbadoro.

Mr. VAN CLEVE. I represent that I have read you the entire entry for 12 July 1986. I guess I have two additional questions, Mr. Castillo.

Turning now to your participation in the resupply operation in September 1986, I believe you testified that in September you did not request flight vector information; is that correct?

Mr. CASTILLO. Correct, sir.

Mr. VAN CLEVE. What is the purpose of flight vector information?

Mr. CASTILLO. The purpose is that, based on the best intelligence available to CIA from all of its collection capabilities, it would be determined what would be the best route, altitude, speed that an aircraft could use while flying over hostile territory to avoid detection by radar, surface-to-air missiles, ground fire, and to accomplish the safe delivery of the equipment aboard that aircraft to its intended recipients.

Mr. VAN CLEVE. Your testimony was that only L-100s had the necessary range to follow the CIA flight vector route; is that correct?

Mr. CASTILLO. That is correct, sir.

Mr. VAN CLEVE. Couldn't flight vectors have been developed for the C-123 route that you have described to us?

Mr. CASTILLO. No, sir.

Mr. VAN CLEVE. And why is that?

Mr. CASTILLO. It is my understanding—and I am not an expert in this field—that the C-123 simply doesn't have the fuel capacity to make a trip of that distance.

Mr. VAN CLEVE. Your testimony was that it could not have made the same flight as the L-100, and I am sure that is correct, but the question was given that you knew the intended route by which the C-123s would enter Nicaragua; could flight vectors not have been developed for that route?

Mr. CASTILLO. I don't think so.

Mr. VAN CLEVE. And why is that?

Mr. CASTILLO. Because the C-123s were flying right into the teeth of Sandinista radar and surface-to-air missile capabilities.

Mr. VAN CLEVE. But I believe you previously have told us that you have intelligence information that describes those Sandinista capabilities; is that correct?

Mr. CASTILLO. Yes, sir.

Mr. VAN CLEVE. And why would flight vectors not have been good for the C-123s using the southern route?

Mr. CASTILLO. Let me go back to the L-100.

The L-100's approach and departure from the drop zone inside Nicaragua avoided the Sandinista radar capability. In other words, it came in; using the earth's curvature, it slipped in under radar coverage.

[Deleted].

Mr. VAN CLEVE. I believe I understand your testimony.

Let me just ask one final line of questions.

You testified earlier that Eden Pastora was a charismatic figure and, obviously, the one Resistance figure capable of mustering popular support inside Nicaragua necessary for political success.

However, you said he had negative characteristics that outweighed his obvious strong points. Specifically what were those negative characteristics? You gave an example about his erratic behavior, but could you give more examples about the problems he had?

Mr. CASTILLO. Eden Pastora never had a clearly defined political philosophy. He would pander to whatever happened to be—or rather what he thought was where he could obtain support.

If it was from the Social Democrats, from the Social Democrats. If it was from American conservatives, it was from American conservatives and he would give to each of them whatever line. That kind of inconsistency, as well as an exaggerated egocentric attitude made it very difficult for the other traditional Christian Democrats, Social Democrats of the Nicaraguan political spectrum to work with and to—

Mr. VAN CLEVE. If you wouldn't mind, Mr. Castillo, in order to save the time of the committee, is there a specific action or actions that you would want to use as examples of these problems as opposed to his personality in general terms?

Mr. CASTILLO. There are many and it is perhaps the accumulation of all of these actions that in the political area, that form that

opinion. Would you like to know about one specific one or do you have one in mind?

Mr. VAN CLEVE. No, I personally don't and I think perhaps, Mr. Chairman, I will leave—

Mr. CASTILLO. Let me give you one, and that is the kidnapping of the Witness for Peace. An organization consisting of American pacifists came together in San Carlos which is on Lake Nicaragua and the terminal end at Lake Nicaragua, the San Juan River, and they wished to, by sailing down the San Juan River through this combat zone, express their legitimate concerns about the conflict in Nicaragua and Central America.

They were accompanied by a rather large number of American and foreign journalists. It was obviously intended to seek publicity as well as to make their feelings and their views known.

When they reached the part of the San Juan River where it then becomes the border with Costa Rica, they were intercepted by Pastora's troops and taken into the jungle about 3 or 4 hours walking distance from the river. The embassy was reporting on—reported on this situation as—in a complementary fashion to the way the press was handling it. The station had no involvement in trying to get information because all of the information then available was being amply reported.

I received a telephone call from Colonel North and he said can you give me some updated information on the situation. We have just convened the group that deals with terrorists and hostage situations. And I said that is rather extreme, isn't it, given the circumstances of this situation?

He said, it is not, we are extremely concerned about the safety of American citizens and so forth. I said, well, let me get back to you. I picked up the telephone and made a telephone call and got a message to Pastora to call me back, and he did so.

I said, are you out of your mind, do you realize that you are going to be labeled an international terrorist bandit?

He said, I am sorry, my commander took action without my knowing that he did. I said get on your radio and immediately communicate to him to release those people immediately and there better not be a hair out of place.

And he said, yes, I will, thank you very much for telling me about this, I am very sorry I did it. And within 6 or 8 hours they were released.

This is the kind of unthinking, as Ambassador Tambs would say, unseemly behavior that made it impossible for us to deal in a political sense with Eden Pastora.

Long story, but that is an example of how this man would take advantage of what was a perfectly legitimate situation and turn it into what could conceivably have been a terrible, devastating event for the Nicaraguan Resistance.

Mr. VAN CLEVE. No further questions, Mr. Chairman.

Chairman HAMILTON. I would advise Members they may leave materials at their desks. There will be security people here throughout the lunch hour.

We will reconvene at 1:30 with the principal questioners beginning.

Thank you very much, [Mr. Castillo]. We will reassemble at 1:30. We stand in recess until then.

[Whereupon, at 12 o'clock noon, the Select Committees recessed, to reconvene at 1:30 p.m., the same day.]

AFTERNOON SESSION

Chairman HAMILTON. The joint hearings of the two Select Committees will begin.

We turn now to the principal questioners, and the first questioner is Senator Nunn.

Senator Nunn, you may proceed.

Mr. NUNN. Thank you very much, Mr. Chairman.

I would like to go back to an area that has been gone into already. I would like to just clarify, from my own point of view, this cable that you received, dated July 12, 1986. Who was the preparer of this cable, as far as you knew? Who did you think you received it from?

Mr. CASTILLO. From the Central American Task Force.

Mr. NUNN. From?

Mr. CASTILLO. The Central American Task Force.

Mr. NUNN. Out of Washington?

Mr. CASTILLO. Yes.

Mr. NUNN. And who was head of that task force?

Mr. CASTILLO. [C/CATF.]

Mr. NUNN. Did you believe this was coming directly from him?

Mr. CASTILLO. Well, in the field we don't know who signs a cable. We assume that it is he or his designee.

Mr. NUNN. No doubt it was coming from CIA lawyers?

Mr. CASTILLO. No doubt.

Mr. NUNN. These sentences here, it seems to me, you have described this as soft instructions. You describe it in your own words as nothing wrong with what you are doing. You also said that you did not take this as a cease and desist order. The words right here at the top; is that correct? Am I categorizing your statements correctly?

Mr. CASTILLO. Yes.

Mr. NUNN. It states, the cable states here we have taken a second look at the COMMO LINK. To date we have maintained our distance from the private benefactors (PB), who are providing assistance to the Resistance and have repeatedly briefed Congress that we do not have any relationship with the PBs.

Now it seems to me that the way I would read that, if I were you—perhaps you did, I think that is what you are saying—is that what you are doing so far is perfectly all right?

Mr. CASTILLO. Yes, sir.

Mr. NUNN. Isn't that what it is, "To date we have maintained our distance from the PBs, and have repeatedly briefed Congress that we do not have any relationship with the PBs."

It seems to me they are saying, Mr. Castillo, in your capacity you can keep doing what you are doing. Am I overreading that?

Mr. CASTILLO. Perhaps I am not understanding. What you are saying is what you thought I thought; is that correct?

Mr. NUNN. I am saying what I would have thought had I been you, and it seems to me that is what you thought when you said this is a soft instruction.

Mr. CASTILLO. Yes, sir.

Mr. NUNN. And you said in your own words, nothing wrong with what you are doing. And it seems to me those words justify precisely your interpretation that the lawyers are saying to you, nothing wrong with what you are doing?

Mr. CASTILLO. Yes, sir.

Mr. NUNN. Is that fair?

Mr. CASTILLO. Yes, that is fair.

Mr. NUNN. Then they go on to say, hold off on implementing a new communication link which you proposed in your meeting [deleted]; isn't that what they are saying?

Mr. CASTILLO. Well, the proposal that we had come to an agreement on?

Mr. NUNN. Yes. That you had come to a tentative agreement on. They say, hold up on that; right?

Mr. CASTILLO. Yes, sir.

Mr. NUNN. So as I read this cable then what we have here is you go to [deleted] to a meeting, you lay out your concerns about whether what you are doing goes too far under the law, and so forth?

Mr. CASTILLO. [Deleted]—excuse me, it wasn't [deleted], it was [deleted].

Mr. NUNN. Excuse me, and you sit around and have a bull session about how you provide an alternative link that would be even more---

Mr. CASTILLO. Distancing.

Mr. NUNN. —distancing, and they come back with a cable and they say, don't go with the more distancing type procedure, stay where you are?

Mr. CASTILLO. Yes.

Mr. NUNN. So they are saying in effect that what you all have sat around and decided was a more distancing type of procedure, moving the CIA further from this kind of contact with the private benefactors. Indeed, in their view, at this stage it was taking you further rather than moving you more distance, taking the CIA further into the contact with the private benefactors? It seems to me that is the logic of this. Is that the way you received it?

Mr. CASTILLO. Yes.

Mr. NUNN. Isn't that strange? Didn't you find this cable to be a strange cable?

Mr. CASTILLO. Yes.

Mr. NUNN. Didn't you also have second thoughts when they used the words "to date we have maintained our distance from the private benefactors?" Wasn't that exactly what you were concerned about when you went to that meeting in [deleted], whether you were indeed maintaining your distance far enough?

Mr. CASTILLO. Yes.

Mr. NUNN. Now, they are coming back and stating as a matter of fact, that your concerns in [deleted], have no basis?

Mr. CASTILLO. Yes—well, no, it was—I thought it was a reflection, a repetition of the same problem that I had brought to their

attention a good 2 months before in that I felt that my position in that transmission of information was unorthodox and there must have been—there must have been a better way to do it.

Mr. NUNN. To provide more distance?

Mr. CASTILLO. Well, to at least take me out of it—I am thinking in very personal terms—take me out of that unorthodox position I found myself in.

Mr. NUNN. And take CIA out of that?

Mr. CASTILLO. Well, by extension, of course.

Mr. NUNN. Right.

Mr. CASTILLO. So they are being a bit redundant when they came back to tell me that, about the second look. The second look is the same as the first look. I mean, the only problem was that they were standing down on what was clear to me to be—

Mr. NUNN. A better alternative?

Mr. CASTILLO. A better alternative.

Mr. NUNN. They were saying keep your closer relationship with the private benefactors and don't take that step of removing yourself further from them?

Mr. CASTILLO. Well, I didn't say it that way.

Mr. NUNN. Well—

Mr. CASTILLO. They were not telling me to maintain the status quo.

Mr. NUNN. They were saying to you the status quo was all right. They were saying we are maintaining our distance from the PBs?

Mr. CASTILLO. But by the same token they were turning down what I thought was a perfectly acceptable alternate solution.

Mr. NUNN. So it is a crazy telegram, isn't it?

Mr. CASTILLO. Yes, sir.

Mr. NUNN. It is not only strange it is almost crazy?

Mr. CASTILLO. Well, [C/LA], the following month when I went up to see him, also heard my views concerning this because I was obviously still irked that the problem had not been solved.

Mr. NUNN. Well, I agree with you. I am agreeing with you. I am agreeing with your interpretation of it.

The second point that strikes me is we have repeatedly briefed Congress that we do not have any relationship with the PBs. They are telling you they have been briefing Congress that there was no relationship right after you had had a meeting with them discussing in [deleted] that the relationship was unorthodox and in your view, too close?

Mr. CASTILLO. Yes, sir.

Mr. NUNN. They are basically telling you here that what you are doing is not what they are telling Congress, isn't that right?

Mr. CASTILLO. Well, it is for them to answer first of all, what they were thinking when they sent this cable. My reading from my personal standpoint was I wasn't going to get subjective about the degree of what they had told or what the relationship was, all I know is I had that problem. I wanted the problem resolved. This cable said—

Mr. NUNN. Said you didn't have—

Mr. CASTILLO. We are nowhere.

Mr. NUNN. It also said to you that they are basically misleading Congress, it seems to me.

Mr. CASTILLO. Well, I wouldn't have taken it that way because the relationship was not improper. The relationship was proper.

It was passing of information during the time that the Boland Amendment permitted it.

Mr. NUNN. But it was something that you felt was unorthodox, and you wanted to be moved out, you wanted the CIA to get out of it by extension, so there was something in your mind causing you concern or you wouldn't have raised these points. Something was causing you serious concern, and you shared that with your superiors, as you should have, and they basically came back with zero.

Mr. CASTILLO. Yes, sir.

Mr. NUNN. Let me move on to one other point. Let's just summarize this. You have been in the business a long time. Isn't this cable in effect a CYA cable?

Mr. CASTILLO. Yes, sir.

Mr. NUNN. They were covering their rear end back in Washington, weren't they?

Mr. CASTILLO. Yes, sir.

Mr. NUNN. And they were putting it all on your head?

Mr. CASTILLO. Well, they just weren't resolving my problem.

Mr. NUNN. Leaving it all on your head?

Mr. CASTILLO. They were satisfying their situation, but not mine.

Mr. NUNN. They were leaving you hanging out there wherever you were before you raised the problem, you were still hanging out there by yourself, weren't you?

Mr. CASTILLO. Well, that is perhaps one way of looking at it.

Mr. NUNN. Did this make you feel uncomfortable that sort of the folks back in Washington are covering their rear ends but my rear end is still exposed?

Mr. COHEN. Would you clarify that, Senator?

Mr. CASTILLO. Well, Senator, there are times in this business when we realize that perhaps that is the way things work.

Mr. NUNN. Let me ask you one other line of questioning, and then I will turn it over to others.

I won't go over all this that you have been over, but essentially in terms of the resupply flights you were providing—would you just enumerate briefly the kind of information you were providing for the resupply flights, the role you were playing there, without going into detail. You were providing flight vectors, weather information, et cetera.

Mr. CASTILLO. The flight vector information was transmitted—was received and transmitted to the private benefactors for the first flight; I think one subsequent flight. After that, the only information we provided were the coordinates of the drop zone, how long the Resistance forces would maintain security of that particular drop zone, and in return from the private benefactors I transmitted the information of what time, or the window of a half hour to 45 minutes that flight would be expected, the date, the number of bundles, but never what the bundles contained, because I thought that it would be one form of confirmation from the commanders inside that they had, in fact, received the items that the private benefactors said they sent to have the commanders inventory the items, so I didn't tell the commanders what they were receiving.

When the commanders reported back then, I would compare with what the private benefactors said they sent and what the commanders said they received. Generally they coincided.

Mr. NUNN. How would you categorize what you did in the resupply effort? Would you say you were assisting?

Mr. CASTILLO. No—well, assisting in the sense that, yes, I was providing the information that the amendment allowed us to provide.

Mr. NUNN. You were contributing some value to the resupply effort, you were giving them assistance, you were facilitating their flight.

Mr. CASTILLO. In this sense, since we didn't have the communicator in position, it was the only way they could ever receive that information.

Mr. NUNN. I am trying to get the right word for it, basically you were facilitating, were you not, the resupply effort?

Mr. CASTILLO. By providing the information to both ends of the system, yes, sir.

Mr. NUNN. Would you agree with this statement or disagree with it made October 14, 1986, and I quote, and I will read it carefully, "The CIA is not involved directly or indirectly in arranging, directing, or facilitating resupply missions conducted by private individuals in support of the Nicaraguan Democratic Resistance."

Mr. CASTILLO. I would have to disagree with that. My participation did facilitate because it provided the information. I couldn't interpret that to mean otherwise.

Mr. NUNN. This was a statement made on October 14, 1986, to the Intelligence Committee of the House of Representatives by the DOD, Mr. Clair George. I think I would read it the same way you read it.

Mr. Castillo, I have a whole lot more questions, but my colleagues do, also. I also just want to say that I have a certain degree of sympathy with those out in the field who are given vague conflicting instructions by people back in headquarters who are basically covering their own rear end and leaving those in the field to make their own judgments at their own risk. So I have some appreciation for the position you are in.

Mr. Chairman, I thank you, and I hope I did not exceed my time.

Chairman HAMILTON. Mr. McCollum.

Mr. MCCOLLUM. Thank you very much, Mr. Chairman. Mr. Castillo, I have a few brief questions I would like to get through as everybody else does here. One of them I would like to clarify, I think I know the answers, but I haven't heard you say today—let's lay a predicate.

You were pretty chummy with Colonel North. You got to be pretty friendly with him over the course of all this; is that correct?

Mr. CASTILLO. Yes.

Mr. MCCOLLUM. At any time did Colonel North ever tell you that he had said anything at any time whatsoever to the President of the United States about the Contra resupply operation?

Mr. CASTILLO. Not that I recall.

Mr. MCCOLLUM. At any time whatsoever did Colonel North tell you that he had ever discussed with the President of the United States anything about the Iranian arms, or the hostage operation?

Mr. CASTILLO. No, sir.

Mr. McCOLLUM. With regard to this KL-43 device, I am very concerned about the device in terms of what happened to it. You told us earlier today that at some point you sent it back. What happened? Would you repeat what happened to that?

Mr. CASTILLO. After the last flight in late September, I don't recall using the device again and after—since the Hasenfus flight, of course the entire resupply operation came to a standstill. Then came the dismissal of Colonel North from the National Security Council, and I frankly didn't know what to do with the device, so on a trip I made to Miami in December, I brought it back to the States, and I left it at [deleted] home [deleted] wrapped, packed in a box.

Mr. McCOLLUM. Is that where it is today?

Mr. CASTILLO. I arranged for it to be turned over to the agency in January of this year.

Mr. McCOLLUM. At any time in the fall or at any time last year, maybe I should say at any time at all, ever, did [C/CATF], Chief of the Central American Task Force, ever notice that KL-43 device in your office [deleted] when he was present there and asked what it was for and tell you to get rid of it or anything like that?

Mr. CASTILLO. No, sir.

Mr. McCOLLUM. You described in some detail the meeting you had with [C/LA] in August regarding the message that has been discussed so much from July about what your participation should be, the various resupply connections and so on.

In the sequence of events, notations that the CIA gave to us in part of our briefing book, I think you said you saw these briefly, I don't know if you have seen these. But in any event, they are in our briefing books today what the CIA has as their briefing sequence of events for us.

There is a discussion of a lot of what you said today and that is in outline form. There is a notation of the Hasenfus flight in October.

Then there are a couple of notations that really puzzle me in light of what you said. It says mid-October, [C/CATF] during a trip [deleted] learns that a U.S. reporter has information about telephone calls between [Castillo] and the PBs, [Castillo] describes these contacts with the PBs, upon his return [C/CATF] reports the matter to [C/LA] who asks [Castillo] to return to headquarters.

Now, are you familiar with that sequence of events that occurred?

I guess there was a safe house, there were telephone calls or something that [C/CATF] was involved with or learning about here for the first time. Are you familiar with that?

Mr. CASTILLO. Yes, sir.

Mr. McCOLLUM. Did he make that trip down there then?

Mr. CASTILLO. Yes, sir. I accompanied Assistant Secretary Abrams and General Galvin for a meeting with [deleted] and during the course of the evening I had a few moments with [C/CATF] and I described an article which had appeared in the [deleted] press which recounted a story about telephone numbers being found at the private benefactor's safe house [deleted] as a result of the Hasenfus airplane crash.

Mr. McCOLLUM. During this trip down there in October, you did not bring up nor did [C/CATF] or did anyone else on that trip the KL-43 device, any discussion of it at all?

Mr. CASTILLO. I don't recall. I don't think so.

Mr. McCOLLUM. The next notation in this sequence of events we are given says 24-28 October 1986, when [C/LA] learns the details about the KL-43 during your visit to headquarters?

He directs you to return the communications device to North.

How do you explain that in light of what you just told us about what happened to this device?

Mr. CASTILLO. I don't recall—or I have a vague recollection that he said, "Get it back to North, get the KL-43 back to North." But before I could—before that could happen, because of course North was in Washington, and I and the KL-43 are [deleted] and I couldn't just mail it back to him. I had to—I thought on some future trip to the States that I would bring it up.

Of course, what intervened is his dismissal from the NSC.

Mr. McCOLLUM. [C/LA] knew about the KL-43 long before that?

Mr. CASTILLO. Since April.

Mr. McCOLLUM. And you had quite a discussion with him in August about this whole problem.

Mr. CASTILLO. They all knew I was communicating with the private benefactors. They knew it in the meeting in May—the whole purpose for the communicator was to get me out of the loop.

Mr. McCOLLUM. And they knew what you were doing way back then, [C/LA] and [C/CATF]?

Mr. CASTILLO. They knew that this information was being provided to the private benefactors.

Mr. McCOLLUM. If they were meeting with anybody during this time and told them they didn't know about it, they weren't on the up and up?

Mr. CASTILLO. You will have to ask them.

Mr. McCOLLUM. I have a question about exhibit 13 in the book. It is a document, a memorandum. It should be 13 there, dated March 2, 1987, to the CIA general counsel from associate counsel setting forth a legal opinion on the parameters and tremendous restrictions of the Boland Amendment regarding CIA activities in support of the Contras? Have you seen this before?

Mr. CASTILLO. I have not.

Mr. McCOLLUM. On the first page, paragraph 23 a summary, and at the conclusion of that paragraph, the associate counsel providing this opinion says on the second page,

In my opinion the law provided authority for CIA to provide information involving safe delivery sites, weather conditions, hostile risk assessments and the like to assist the Nicaraguan Resistance in their resupply activities where CIA's role did not amount to participating in the actual delivery of material or in planning, directing or otherwise coordinating deliveries during the course of or in the context of specific military engagement.

At the end of this exhibit, the end of the memorandum, the last 2 pages, 7 and 8, there is a conclusion, paragraph 9. In that conclusion there is quite a discussion of various things. The second sentence says,

CIA also could provide on such matters such as the effective delivery and distribution of military equipment so long as this did not amount to participation in para-

military operations in Nicaragua either in their planning or execution or in logistics activities integral to such operation, advice could rise to the level of participation if CIA took an active part in planning or coordinating resupply missions for specific paramilitary operations.

However, merely passing intelligence on Sandinista gun or radar placements, weather conditions, flight vectors or other information to assist in the delivery of supplies for general maintenance of the forces in the field would not seem to be prohibited both because this would not constitute participation and because this would not be integral to paramilitary operations as contemplated by Congress.

He talks about Mr. Hamilton's interpretation, and then says,

Accordingly, the same kind of information sharing with the public benefactors for general resupply of logistics activities not integral to specific military or paramilitary operations as that term was contemplated by the statute also would not be precluded by law.

That is an interpretation obviously issued fairly recently with regard to the operations that you may or may not have been involved with. Having read that, Mr. Castillo, at any time did you do anything to assist the resupply operation beyond the kind of things that this memo says were legal?

Mr. CASTILLO. I did not, and I certainly would have liked to have had this. It would have made me feel more comfortable had I had this kind of legal opinion then. But I can't, and I fortunately stayed within what that opinion says.

Mr. McCOLLUM. Thank you.

From listening to your testimony, one might conclude, Mr. Castillo, that you spent a great deal of your time providing information to the resupply operation and otherwise doing things that you described to facilitate it.

Could you estimate for us what percentage of your time was actually spent providing any kind of information or assistance to the resupply operation in the context of all of your duties?

Mr. CASTILLO. It was very, very minimal because of course we are only talking about 9 flights and other aborted flights over a period of 9 months. I would say one-tenth of 1 percent of my time.

Mr. McCOLLUM. That is a pretty fair statement. Do you know from your experience—

Mr. CASTILLO. Sir, I would—I have been reminded by counsel of my previous testimony in deposition. There was one incident which did not have anything to do with resupply which could conceivably be interpreted as having been outside of the stipulation of this opinion.

Mr. McCOLLUM. Was that the airstrip—

Mr. CASTILLO. That was extricating an American private benefactor who had been sent down by the private benefactors to conduct a training activity in Nicaragua of the Nicaraguan Resistance, and who in making the arrangements that they made placed himself or was placed in a situation that I felt was very dangerous to him and I got him out of that situation, which could have resulted in either his incarceration or very serious problems for himself.

Mr. McCOLLUM. What did you do to get him out?

Mr. CASTILLO. Well, it really wasn't what I did to get him out. He had received—to conduct this training that had been arranged by the private benefactors for the Resistance—they had provided him, and I don't know how or what it came from, or who delivered it, some explosive materials, and they delivered it to his hotel room.

And when he notified me that he was about to leave his hotel room to go off to perform this training activity, somehow or other it came up and he told me that he had these materials with him.

When he told me this, it surprised me and I realized that he could be in very serious trouble since he didn't even know who had delivered these materials to him and it could have been anyone. So I went over to his hotel and took the materials, [deleted], took the materials myself, put them in my car, put him in my car, and got him out of there, and eventually just turned him and his materials over to the Nicaraguan Resistance, and I never saw him again.

He completed the training and returned to the United States.

Mr. McCOLLUM. That was an activity that you perceive as a little beyond providing information——

Mr. CASTILLO. I justified that here was an American citizen who perhaps, through no fault of his own, had placed himself in what I considered possible jeopardy and I felt that that was my first obligation.

Mr. McCOLLUM. One last question. I want to ask about something that because of your answer I didn't get earlier.

Whose idea was the airstrip anyway? I asked that question yesterday of Ambassador Tambs, and you have beat around the bush with it today; [deleted], whose idea was it?

Mr. CASTILLO. In consideration of the needs of the Southern Front Resistance, under an ideal situation, in other words, full funding by the Congress, an airstrip would be an essential or integral part of any supply effort.

Mr. McCOLLUM. I understand that, but who came up with the idea? Do you know? Was it you, Ambassador Tambs, [deleted]? I, you know, I would like to know. Maybe you don't know.

Mr. CASTILLO. I think I was probably the first to express it.

Mr. McCOLLUM. OK.

And I know my time has expired, but I have a followup thing.

In your experience in Central America and your work there involved in this whole Contra-Sandinista issue, do you know, or could you give us an estimate, if you do know, how many KGB agents or Cuban intelligence agents are assisting the Sandinistas or have been in the last year?

Mr. CASTILLO. In Costa Rica?

Mr. McCOLLUM. I was thinking about inside Nicaragua, too. But do you know how many in Costa Rica?

Mr. CASTILLO. [Deleted] we found that the network of Cuban-supported Sandinistas operated network ran back to the midseventies, when, in fact, the present commandantes, who were in exile then in Costa Rica had set these things up and these networks were for the most part still functioning, still active, still effective in Costa Rica.

[Deleted].

Mr. McCOLLUM. How many?

Mr. CASTILLO. Nicaragua as well?

Mr. McCOLLUM. Can you estimate at the present time or the last time——

Mr. CASTILLO. In the hundreds.

Mr. McCOLLUM. In Nicaragua or in Costa Rica, or both?

Mr. CASTILLO. In Costa Rica. I assume by now it must be [deleted].

Mr. McCOLLUM. These are KGB, or Cuban, or just trained?

Mr. CASTILLO. Trained and supported.

[Deleted].

Mr. McCOLLUM. What about in Nicaragua?

Mr. CASTILLO. In Nicaragua, the Nicaraguan State Security is the most pervasive organization, and in terms of members of their staff, I would assume they are in the thousands. They were, of course—

Mr. McCOLLUM. They have given enormous assistance over a period of time to the Sandinistas, even prior to the Sandinista overthrow.

Mr. CASTILLO. Since the day they took power.

Chairman HAMILTON. Senator Cohen?

Mr. COHEN. Mr. Castillo, Senator Nunn suggested, as a result of that cable of July 12, 1986, that you were left by the CIA out to dry, that your posterior was hanging there exposed. Why were you exposed if in fact everything you did was consistent with the law as we understand it, about providing communications and that is all you did. Then what did you do wrong?

Mr. CASTILLO. I didn't do anything wrong and I would assume that Senator Nunn was referring to the possible consequence as it has come to pass.

Mr. COHEN. Isn't it a fact that if you violated anything in your judgment, it was the CIA's stated policy of no contact with the private benefactors, is that what the concern about violation is all about? From the cable that we referred to you didn't violate any law because you were allowed under the Boland Amendment to provide communications?

Mr. CASTILLO. That is correct.

Mr. COHEN. And you did that?

Mr. CASTILLO. Yes.

Mr. COHEN. You also maintained contact with the private benefactors, which, according to the cable, was inconsistent with what the CIA represented to Congress?

Mr. CASTILLO. That is correct.

Mr. COHEN. In your opening statement you indicated that one of the reasons you were claiming the fifth amendment was because of inaccurate press accounts?

Mr. CASTILLO. Yes.

Mr. COHEN. If the press accounts had been accurate you would not be claiming the fifth amendment?

Mr. CASTILLO. Yes, sir. I would not be claiming the fifth amendment.

Mr. COHEN. An item appeared in the *Los Angeles Times* on May 17, 1987, that said, "Faced with dismissal, a very bitter Castillo told investigators early this year that several superiors knew of and at least tacitly approved his work for North." Is that correct or incorrect?

Mr. CASTILLO. That is incorrect.

Mr. COHEN. Several superiors did not know about your activities?

Mr. CASTILLO. No, I was referring to the bitter.

Mr. COHEN. So you were just upset about the bitterness? As far as the statement about the superiors knowing, they knew?

Mr. CASTILLO. I have testified as to what they knew.

Mr. COHEN. Those he named reportedly include the head of the agency's Latin American Division, true or false?

Mr. CASTILLO. True.

Mr. COHEN. The head of the Central American Task Force?

Mr. CASTILLO. True.

Mr. COHEN. Duane Dewey Clarridge?

Mr. CASTILLO. Mr. Clarridge already left the division. He had no knowledge about what I was doing.

Mr. COHEN. Claire George?

Mr. CASTILLO. No, sir, not that I know of.

Mr. COHEN. So those were the only officials that you agree with—the Latin American Division and Central Task Force—they knew?

Mr. CASTILLO. Yes, sir.

Mr. COHEN. So the statement is correct to that extent?

Mr. CASTILLO. To that extent.

Mr. COHEN. When you were told you were going to be disciplined or at least recommendation of discipline was going to be made against you pursuant to the Inspector General I guess—

Mr. CASTILLO. I have not been told that. I have not been told anything.

Mr. COHEN. Why were you placed on administrative leave?

Mr. CASTILLO. Because of an article which appeared in the *New York Times* which alleged that I had committed improprieties or illegalities. I don't remember now what it referred to.

Mr. COHEN. Have you had any conversations—

Mr. CASTILLO. Let me correct that. One moment.

[Witness conferring with counsel.]

Mr. CASTILLO. Let me correct that, sir. I was wrong. It wasn't because of this. This had to do with another matter. I was asked to appear before the—an FBI agent on the staff of the independent counsel, and I decided to seek guidance, legal guidance, before appearing at that meeting. And when I sought counsel, I was advised that I should not appear before that staff—with that FBI agent.

The reason that I had decided to seek counsel was because the staff officer of the inspector general's office told me that the idea was being bandied around in the inspector general's staff that I might be charged with violation of the Boland Amendment.

Well, this came just before I was supposed to go see this FBI agent downtown and I thought that that was—that I might not have full recourse, so I then sought counsel and that is the reason. Not because of the article.

Mr. COHEN. Has anyone in the agency ever represented to you that if you did not implicate them in any way in terms of your communications with the PBs, the private benefactors, and that you communicated that up the line, that your job would be saved?

Mr. CASTILLO. Absolutely not. I haven't seen that article, but I understand that it said something about trading testimony for favorable treatment. I would like to make a comment about that. I haven't—my relationship—

Mr. COHEN. Yes, or no.

Mr. CASTILLO. No, sir, it never happened.

Mr. COHEN. You also said in your statement that the rejection of activities that were permissible by Boland because of the political fallout, that certain activities that were permissible by Boland were rejected because of political fallout. Is that the statement concerning getting you out of the loop that you referred to?

Mr. CASTILLO. That was one of the cases.

Mr. COHEN. Are there other cases?

Mr. CASTILLO. Disapproved, I said.

Mr. COHEN. What are other examples?

Mr. CASTILLO. At one point, we had a bad problem with a disease called mountain leprosy in the Southern Front. This is a terribly debilitating disease, and I had asked our Office of Medical Services for assistance in locating a serum. It is only fabricated in France and Brazil, and it couldn't be found, so I called Colonel North and I asked him if through his contacts he might not be able to get some of this serum. It is very expensive, and it is only manufactured in limited quantities.

In any case, he was able to get and somehow transport to [deleted], I think it was, 1,500 ampules or doses. The Agency disapproved the transport of this serum from [deleted] to [deleted] to [deleted] to be delivered to the PBs who would have included it in one of the drops, because they thought that it would have or, as I understood it, that it had political ramifications.

Mr. COHEN. You indicated that you had at least one meeting with Rob Owen, perhaps several?

Mr. CASTILLO. Yes.

Mr. COHEN. And you regarded him as Oliver North's man?

Mr. CASTILLO. Yes.

Mr. COHEN. Did you have discussions with him concerning an investigation conducted by a U.S. attorney in southern Florida?

Mr. CASTILLO. No, sir.

Mr. COHEN. Have you had contact with a Kevin Currier, a George Kzynski?

Mr. CASTILLO. I don't know those names.

Mr. COHEN. You are not aware of any investigation being conducted by the attorney for southern Florida?

Mr. CASTILLO. I am.

Mr. COHEN. You never had a conversation with Mr. Owen as a result in connection with this investigation?

Mr. CASTILLO. I have no recollection of talking to him about it.

Mr. COHEN. Did you make a statement that Mr. Feldman, who is the U.S. attorney, looks like he is trying to build a career based on this case?

Mr. CASTILLO. I have no recollection of saying that.

Mr. COHEN. That he, Mr. Feldman, showed you and the Ambassador a diagram with your name at the top, with Owen's underneath, with John, I assume, Hull's name under Owen and a line connecting the various Resistance groups?

Mr. CASTILLO. With my name, no, sir.

Mr. COHEN. A diagram with Oliver North's name on the top; Owen underneath; and John Hull under that?

Mr. CASTILLO. I have heard this in the testimony that has been given you about a diagram. I met Mr. Feldman in the office, in the

Ambassador's office with the Ambassador present, two FBI agents, the FBI agent from Panama, the Embassy political section officer, and he went into his subsequent investigation. He may have, during that brief meeting, shown us a diagram. I don't remember it.

Mr. COHEN. Did Feldman state to you that they were looking at the big picture and not only looking at a possible violation of the Neutrality Act, but the possible unauthorized use of Government funds?

Mr. CASTILLO. If he said it, I surely don't recall—I recall when he asked me specifically about individuals, such as John Hull, and I gave him answers that I could give under the circumstances of who John Hull is or was.

Mr. COHEN. What did he tell you about the nature of his investigation?

Mr. CASTILLO. That there were some Cubans in Miami that had been suspected of gun smuggling to John Hull's property in northern Costa Rica.

Mr. COHEN. You were familiar with Mr. Hull?

Mr. CASTILLO. Yes.

Mr. COHEN. In fact, hadn't Bill Casey inquired about his—

Mr. CASTILLO. Yes.

Mr. COHEN. Not only about his presence, but didn't he indicate that President Reagan had some kind of support for what Hull was doing?

Mr. CASTILLO. Colonel North asked me that.

Mr. COHEN. But Director Casey was with you at the time, wasn't he?

Mr. CASTILLO. No. It was during a Chief of Stations' meeting in [deleted] and North asked me if John Hull was all right, indicating that the President was interested, and on the next day, Director Casey asked me what was the name of the farmer who lived up in northern Costa Rica that was helping the Resistance.

There were two separate occasions but in the same timeframe.

Mr. COHEN. One day after the other?

Mr. CASTILLO. Yes, sir.

Mr. COHEN. And after Ollie North told you the President was interested and supportive of what John Hull was doing, and Casey asked about him, you reaffirmed that Hull was all right?

Mr. CASTILLO. Yes, to the best of my knowledge.

Mr. COHEN. You talked to the U.S. attorney in the summer of 1986—

Mr. CASTILLO. This is 2-years later, sir.

Mr. COHEN. I understand. You have a U.S. attorney inquiring of you about activities John Hull may have been involved with?

Mr. CASTILLO. That is correct.

Mr. COHEN. What did you do as a result of that contact after you were brought into that meeting by a U.S. attorney indicating that he was investigating the possibility of illegal conduct on the part of John Hull, what did you do?

Mr. CASTILLO. I think I cabled headquarters and told them about this investigation. I think I may have told Colonel North about it, but it was not—this was not a major thing in terms of something of great interest.

He had his—the U.S. attorney had his investigation to carry out, I helped him as much as I could. It was primarily connected with Americans.

I could not be involved in dealing with these Americans. It was an embassy problem primarily because these Americans that he was investigating, a couple of them were in jail in Costa Rica.

It was not the [deleted] responsibility.

Mr. COHEN. But you nonetheless—Did you call Oliver North?

Mr. CASTILLO. At sometime I may have. I am covering myself because I don't remember if I did or didn't, but it would have been something that I would have mentioned to him because of the connection to John Hull.

Mr. COHEN. Would you have cabled the CIA?

Mr. CASTILLO. Oh, yes, because of Hull's—I think I sent a cable, because of Hull's—the inquiry into Hull.

Mr. COHEN. But you wouldn't have talked to Rob Owen about this?

Mr. CASTILLO. I have no recollection of ever talking to Rob Owen about this matter. He may have talked to another [deleted] officer and confused that with me.

Mr. COHEN. Did you talk about opening up [deleted]?

Mr. CASTILLO. Yes, sir.

Mr. COHEN. Did you ever indicate to Rob Owen that it was time to send down Bill Kenny?

Mr. CASTILLO. That name came up but not—I don't know who Bill Kenny is. I have never met a Bill Kenny. I remember the name in that either he or somebody else, Quintero or somebody, raised the name with me, but it never came to anything because no base was ever established or went beyond just a simple thinking about it.

Mr. COHEN. When Singlaub approached you or you learned that General Singlaub had struck a deal with Pastora, right?

Mr. CASTILLO. After the fact.

Mr. COHEN. What did you do about it knowing what you knew about the CIA's attitude toward Pastora?

Mr. CASTILLO. I had originally when the Ambassador called me in [deleted] I had no knowledge that General Singlaub was there and he told me why General Singlaub was there, I tried to dissuade General Singlaub from contacting Pastora, citing all the reasons I have given you before.

I left the room convinced that he had been persuaded. I came back later to find this cable outlining the text of the agreement and I immediately went to the Ambassador and told him that the use of the term "United States" as the entity or as the entity with which—they were striking a deal with Pastora was simply unconscionable, and that it was wrong.

And then the Ambassador and I sat down and tried to draft out a cable that would respond to the reaction that he had received from the State Department.

Mr. COHEN. Let me refer you quickly to the incident involving the potential killing of two Senators. You mentioned that Pastora was the one who orchestrated the attack upon the airport in Nicaragua.

Mr. CASTILLO. Yes, sir.

Mr. COHEN. Who approved that particular raid?

Mr. CASTILLO. I don't think it was ever—Pastora didn't submit his plans for approval.

Mr. COHEN. Would it surprise you if I told you that [a CIA official] informed both Senator Hart and myself that that had been approved?

Mr. CASTILLO. It would be a surprise to me. Well, I wasn't in the approval area, but it would have been my impression that he didn't submit his plans for approval to CIA.

Mr. COHEN. One final point. You mentioned that Chamorro, who apparently wanted to cross the border some 30 meters, came under, quote heavy fire. Do you want to explain what that heavy fire consisted of?

Mr. CASTILLO. Mortar fire from the Sandinista Forces and counterattack after he had attacked the border post at Estellie—excuse me—not Estellie. I forget the name of the place.

Mr. COHEN. Final point. October 1985, Abrams asks you about Point West and said tell me about it.

Mr. CASTILLO. Yes, sir.

Mr. COHEN. You said you were surprised that he knew about it or knew that you knew about it, right?

Mr. CASTILLO. I was surprised he knew about it.

Mr. COHEN. And you also said you were surprised that Abrams knew that you knew about it.

Mr. CASTILLO. Yes, OK, yes.

Mr. COHEN. And Abrams came back and said the Central American Task Force Chief also knew, right?

Mr. CASTILLO. In response to my question.

Mr. COHEN. Right. Now, he said tell me about it. What did you tell him about it?

Mr. CASTILLO. Where it was.

Mr. COHEN. What else?

Mr. CASTILLO. As I said earlier, my recollection of that time, the construction hadn't even started and [deleted] and that—that is about it.

Mr. COHEN. Thank you very much.

Mr. CASTILLO. I don't recall anymore.

Chairman HAMILTON. Before going to Chairman Rodino, may I say that after reviewing the number of persons who want to ask questions, Chairman Inouye and I have decided that we will start with Assistant Secretary Abrams at 9:30 on Tuesday morning and [Mr. Castillo] will be our last witness today.

We have one housekeeping matter to resolve and if Chairman Rodino will excuse us for just a moment, we want to have a declassified version of today's transcript released and to release an executive session transcript of the two committees requires adoption by each house of a motion.

Accordingly, I will move that the House Select Committee release a declassified version of today's transcript and I will ask for a vote at this time.

All in favor say aye.

Opposed, no.

The ayes have it.

The motion is carried.

Chairman Inouye.

Chairman INOUE. I would entertain a motion.

Mr. RUDMAN. I so move on behalf of the Senate committee.

Chairman INOUE. All in favor say aye.

Against, nay.

The ayes have it.

So ordered.

Chairman HAMILTON. That matter is resolved.

Without objection, exhibits TC-1 through TC-14 will be made part of the record.

The chair recognizes Chairman Rodino.

Mr. RODINO. Thank you very much, Mr. Chairman.

Mr. Castillo, you have been asked several questions by Senator Cohen regarding the Hull episode. Were there any other occasions on which you discussed John Hull or the Hull investigation with North other than those that you have already described?

Mr. CASTILLO. None that I recall, sir.

Mr. RODINO. Did you discuss him with Ambassador Tambs?

Mr. CASTILLO. Only as it applied to some matter that might have been in the press. But not other than that.

Mr. RODINO. Like what?

Mr. CASTILLO. Well, Hull was very active in supporting the Resistance people with food and medical supplies. He was getting large amounts, shiploads of rice from the Christian assistance organizations, and he would invariably run afoul of the leftists in that area of Costa Rica and there were always problems.

Mr. RODINO. Was there any indication that he was involved with gun running?

Mr. CASTILLO. Well, when we were supporting Eden Pastora, his properties were used for the delivery of supplies. After that, I never heard of John Hull being involved with any illicit activity at all.

Mr. RODINO. When did you first learn of the FBI investigation regarding the Contra gunrunning involving John Hull and others?

Mr. CASTILLO. When the U.S. attorney appeared with two FBI agents at the embassy.

Mr. RODINO. Were they the ones that told you?

Mr. CASTILLO. They told me about the allegations against John Hull, yes.

Mr. RODINO. And what were the allegations?

Mr. CASTILLO. That this—That these individuals in south Florida had somehow transported weapons from south Florida to John Hull's property in Costa Rica, and they named some names. They asked me about some of these people, and I gave them the information that I had available to me at the time.

Mr. RODINO. Did you ever learn of it before that time prior to the prosecutor letting you know?

Mr. CASTILLO. There had been allegations of two or three people in the press, but—

Mr. RODINO. Did anybody tell you beforehand?

Mr. CASTILLO. Not that I recall, sir.

Mr. RODINO. Not that you recall.

Mr. CASTILLO. No.

Mr. RODINO. You don't know whether you were told or not?

Mr. CASTILLO. To the best of my knowledge, sir, there was no official CIA [deleted] interest or investigation in John Hull or any of the other allegations.

Mr. RODINO. Well, for other than the CIA [deleted] interests, did anyone else tell you other than the prosecutor?

Mr. CASTILLO. No, sir.

Mr. RODINO. Did you have any communication with Colonel North regarding this?

Mr. CASTILLO. I don't recall any.

Mr. RODINO. After learning of the investigation by the prosecutor, did you report this to your headquarters?

Mr. CASTILLO. No, sir.

Mr. RODINO. There was no reason to?

Mr. CASTILLO. No reason to. It was an embassy matter.

Mr. RODINO. Is that routine?

Mr. CASTILLO. Yes, sir.

Mr. RODINO. You don't, notwithstanding the fact that there might be some criminal violation, you don't do anything?

Mr. CASTILLO. Sir, this was an official FBI investigation into these allegations concerning either American residents in the United States—foreigners who were resident in the United States, or American residents in Costa Rica. Therefore, that is all handled either through the Department of State or through, with cables from Costa Rica originating from the Consul General's office or through the legal attache or FBI agents.

Mr. RODINO. You don't monitor it?

Mr. CASTILLO. Pardon me?

Mr. RODINO. You don't monitor the investigation or follow it in any way?

Mr. CASTILLO. Only to the extent to learn if it in any way involves anyone [deleted] who may be involved in an operational activity that we have a part to play in. There was none in this case.

Mr. RODINO. Do you know whether or not there were any steps that were taken by Colonel North to limit this investigation?

Mr. CASTILLO. I do not know, sir.

Mr. RODINO. Mr. Castillo, the committees have received some evidence that on one or two occasions in 1986 airplanes used by various people involved in the resupply operations may have been seized by local countries because the planes had been involved in narcotics trafficking. Did you have any role on any of these occasions in getting these planes released to the owners?

Mr. CASTILLO. No, sir.

Mr. RODINO. There was no occasion at all?

Mr. CASTILLO. Of a seized aircraft?

Mr. RODINO. Right.

Mr. CASTILLO. No, sir.

Mr. RODINO. Did you ever have it called to your attention that some of these planes which were being used in the resupply operations were planes that had been used actually in drug trafficking?

Mr. CASTILLO. I heard in the testimony of one of the witnesses—and I don't recall who it was, I think it was Rob Owen—that, in fact, one of the NHAO planes that was used in a resupply or attempted resupply had, in fact, come under suspicion of the DEA or

one of the countries that it had some connection with drugs. But I did not know of that until that testimony was given.

Mr. RODINO. Knowing just that, was there any further concern on your part that this might be the case and that these same resupply planes would be trafficking in drugs and going back and forth to the United States with them?

Mr. CASTILLO. I had no reason to believe that at all.

Mr. RODINO. Was there any evidence that you were aware that any of the Southern Front commanders were involved with individuals who were engaged in narcotics trafficking?

Mr. CASTILLO. We had received reports from time to time that that was so.

Mr. RODINO. Did you report this to the CIA lawyers?

Mr. CASTILLO. To CIA lawyers and to the DEA. Each and every time, regardless of whether it was confirmed or unconfirmed, or whether it was a rumor, every hint of it was immediately transmitted to the appropriate agency, and the reason for that is that I knew that any taint whatsoever of drug trafficking with the Resistance would be the death knell for the Resistance.

Mr. RODINO. Were you aware of what action was taken when you—when this was reported?

Mr. CASTILLO. Yes.

Mr. RODINO. What action was taken?

Mr. CASTILLO. Well, the DEA conducted a very active investigation into several people who were connected with Eden Pastora, several of his pilots, several of his lieutenants.

I understand that several cases have been made against them or that they were in the process of, as of the fall, summer or fall of 1986, in the process of bringing to fruition several other cases.

Mr. RODINO. Mr. Castillo, you as the Chief of Station and as a CIA operative, I know that you have been very careful about the conduct of your operations and I detect this throughout your testimony. Yet—and I would like you to respond to this in the best way you can—you talked about your having been surprised at Elliott Abrams knowing about Point West. Then in talking about Owen, Robert Owen, who came down to see you, and Robert Owen, who you said knew as a collaborator; as a friend—that is as far as I was able to detect, that you hadn't any more knowledge about him—but that it seems to me he was able to come down there, film.

Did you know whether or not he had any security clearances or was this of any concern to you?

Mr. CASTILLO. Well, for the approximately one year before I actually met Robert Owen in the Ambassador's office, we had heard that Rob Owen was a contact of a number of the Resistance people. Some of these people we could have no contact with because they were American mercenaries. Some of these people, and American mercenaries working with Eden Pastora's people, or the Indians, or the Creoles, or the Negro Chamorro group, some people where they had contact with for one reason or another, we had never been able to establish in our normal routine way of doing business be able to contact because they were always up in the bush.

But he did. And he had a very good reputation among these people as being a good listener, sympathetic to them, and so forth.

I met him in the Ambassador's office and he volunteered the information—as you know, sir, Americans can volunteer for the CIA without having to, or they can't be asked to do so.

When he volunteered this information, I readily accepted it. I met with him on a number of occasions after that; introduced him to one of my officers who regularly met with him when he was in town so he could volunteer that information.

We found it extremely useful for background, for rounding out the parts that we didn't know.

I might add, that [C/CATF] at one time was so impressed with Mr. Owen that he was being considered as a possible applicant for the clandestine service.

The man is—has all of the attributes that we want in our officers.

Mr. RODINO. You were satisfied though from all of this despite the fact that we have heard very much of the helpful activities of Mr. Owen in regard to support for the Contras, but nonetheless, didn't this raise some question in your mind as to whether or not he was a genuine operative or not?

What bothers me is you said you were concerned when you learned that Elliott Abrams knew about Point West but with Mr. Owen he was down there, he was filming, doing all of these things, which in my judgment at least—I may be utterly mistaken—would have raised some questions.

Mr. CASTILLO. Sir, when a lower level U.S. official speaks to an official of the rank of Mr. Abrams, a senior foreign policy State Department representative, and he hears about what he thought was an activity being carried out by private Americans with the connotation that there is an official connection, it is cause for surprise.

It is not cause for surprise to have a private American going about what he—what is—in pursuit of his own personal interests as in the case of Robert Owen.

The fact that I had accompanied Robert Owen is not necessarily a surprising thing, but to have the Assistant Secretary of State query me out of the clear blue sky in front of two of my officers about something they didn't know about, yes, that surprised me.

Mr. RODINO. Well, that surprises me. But let's go on to something which I think is even of more consequence to me. You started off in your statement this morning, and in answer to one of the questions, too, you stated, "My view was to develop political organizations," and you talked about your role as passing passive information, and it seems to me that you alluded to this line because it seems this is the way you felt you would be within the Boland Amendment. Is that correct?

Mr. CASTILLO. That is correct, sir.

Mr. RODINO. Now, let me ask you, on exhibit 6, there is a message sent by [Castillo], 4-12-86, and it is apparently sent by you, and I read from it this. Do you know the third sentence from the bottom? It says,

My objective is creation of 2,500-man force which can strike northwest and link up with quiche to form solid southern force. Likewise, envisage formidable opposition on Atlantic Coast resupplied at or by sea. Realize this may be overly ambitious planning but with your help believe we can pull it off.

Does that seem to be passive information?

Mr. CASTILLO. Sir, that portion of that cable has caused me a great deal of concern.

Mr. RODINO. It causes me a great deal of concern.

Mr. CASTILLO. And it should. And I would like to explain it within the context in which it was written.

Mr. RODINO. But it was written?

Mr. CASTILLO. Oh, yes, I wrote that.

Mr. RODINO. OK.

Mr. CASTILLO. It was done—first of all, let me explain that the communication between North and I—and this is one of many either telephone or on the KL-43 dealing with political matters. It is an informal communication.

In other words, I wrote this late at night, to a friend, not to headquarters, not formal, wasn't going to be read by hundreds of people as our other staff cables are.

It was written in an off-handed style. It was written in an off-handed style. This certainly should—there certainly should have been more appropriate wording. Let me say that essentially what it was, it was representing or I was advocating the views and taking the words as my own or making the words my own, but I was actually advocating the views of the Southern Front commanders.

I am not a military officer. I have no military experience. I have no military background. This was their expectations, and I assumed them in terms of this particular message as my views in that informal method of communication that I used with Colonel North.

Essentially, where it said, "your help," essentially what it was, it was a pulling together of all the U.S. Government elements for the purpose of what this was. But it is brainstorming. It was nothing more than that.

Mr. RODINO. Well, it is a message that you sent to Colonel North, who was involved in this effort, and you concluded in that paragraph by saying, "Realize this may be overly ambitious planning, but with your help, believe we can pull it off."

Mr. CASTILLO. That is correct, sir.

Mr. RODINO. I mean, you are very careful in the way—in the manner in which you prepared your testimony here, I know, and it seems to me that this is a choice of words that if you were especially, as you say, sending this message at night, informally, at a time you might think even better, that this was something that you thought out; and when you talk about my objective is creation of 2,500-man force, which can strike northwest and link up with quiche to form solid southern force, and then conclude by saying, "with your help, we can pull it off" you know, it leaves, as you should well be, concerned, some of us concerns.

Of course you offer this explanation at this time, but if one were to view this, it certainly doesn't in any way come within the orbit of what you have been trying to say you have been attempting to do, and that is to provide passive information.

Before you go further, there was another portion of this which was sent on—4-15-86—which seems to be an elaboration and I don't understand that, but nonetheless, you use the words "when and where do you want this stuff? We are prepared to deliver as soon

as you call for it. Is there a UNO foreign communicator being placed in [deleted]? If so, please have this guy coordinate with Ralph so that we have things wired together. Also, wish to note my guys are flying without any Intel."

My guys?

Mr. CASTILLO. Sir, this was written by Colonel North, not by me. The 4-15 cable is addressed to me and it is signed B.T., Colonel North. And I need to go back and respond to your other observations on the question of the creation of the force.

Mr. RODINO. I am happy to have that explanation as to that. You tell me you want to respond?

Mr. CASTILLO. With all due respect, I am sure you are just as—and I certainly don't mean to equate myself to you—but I am sure you are just as careful in your writing and in your speaking in a public forum as I would be when I am communicating with my headquarters or in an official capacity. But I am talking to Ollie North, Colonel North in terms, in this informal—

Mr. RODINO. Who is your friend?

Mr. CASTILLO. My friend, not my superior. I don't take orders from him.

Mr. RODINO. But who is involved and who is directing this effort?

Mr. CASTILLO. No, sir, not in my estimation. I never considered him as a Commander in Chief.

Mr. RODINO. You didn't report to anybody else?

Mr. CASTILLO. I most certainly did, sir. I reported to the Central Intelligence Agency. I was sharing with him a view as I would share with you, had you come [deleted] and wanted to know about the Southern Front. I would have given you the same kind of open, candid, frank remarks that I gave to many of your colleagues who came [deleted].

Sir, to discuss this with another American official, a U.S. Government official of higher rank who had a key role to play in the policy of the United States, concerning Central America, was to me a very important duty of mine and to be openly candid and frank with him, to share my views with him. Even to adopt the views of the Southern Front commanders, as my own, was essential to that responsibility that I had.

I was not talking to a Nicaraguan. I was not giving a Nicaraguan military planning advice. I was talking to the Deputy Director of Political Military Affairs.

Mr. RODINO. Let me—

Mr. CASTILLO. I don't mean to be contentious, sir, I apologize.

Mr. RODINO. No, no, no. I understand, but let me ask you this—this is my last question. Did you cable to your headquarters the text of the message that you were sending to Colonel North?

Mr. CASTILLO. No sir, I did not. However, in this particular case, the question of the creation of a strike force as a brainstorming concept, I did, I actually sat and expanded on that particular idea of what was needed in the interest of the resumption of funding.

I wrote this as a long range view of how the Southern Front might be successful. In fact, that I fortunately did cable to headquarters.

Mr. RODINO. I want to say, Mr. Castillo, I appreciate what you have got to say to me and my time is up, but it seems to me in

your expanding, as you say, you were the Station Chief, you were the man in charge at that particular time in that particular area, and this was an important element that was being put into the whole thing, it seems to me, and coming from you, it had to be seriously considered.

I am advised, Mr. Castillo, and you can correct me, you said that this was done at night but the message that we are talking about was sent at 10:30 a.m. Now, it may be that your memory is not correct on that. Is it?

Mr. CASTILLO. Generally I wrote these messages at night. Sometimes I can't make a connection at night with the telephone lines and I would just leave it stored in the machine and send it out whenever the next available time was. I don't remember, but the general idea was after the long day at work is when I had my contacts with Colonel North and I would just sit down and sort of write the thing up.

Mr. RODINO. Thank you very much, Mr. Castillo.

Chairman HAMILTON. We turn now to questions under the 5-minute rule and Senator McClure.

Mr. McCLURE. Mr. Chairman, I don't have a question of the witness. I have a question of the process. You had earlier identified the fact that we had taken action to release a declassified version of the transcript and in that connection, made certain exhibits part of the record. I assume by that order that the exhibits also will be made part of that release. My understanding is that the exhibits are also subjected to the same kind of declassification as is the transcript.

Chairman HAMILTON. That is our understanding, yes.

Mr. McCLURE. And that if any portion of a message or the message itself would be violative of the security requirements, then that portion of the message or the entire message would not be released even though the exhibits have been made a part of the record?

Chairman HAMILTON. I think the Senator's understanding is correct.

Mr. McCLURE. I thank the chairman.

Chairman HAMILTON. Senator Mitchell.

Mr. MITCHELL. Thank you Mr. Chairman.

Mr. Castillo—

Mr. CASTILLO. Yes, sir.

Mr. MITCHELL. This morning you described in some detail the role you played in the area of resupply operation, which was that of transmitting information between the two parties, that is the Southern Front forces on the ground, and those who were going to—who did, in fact, drop the supplies to them, and you described it in some detail.

Is it fair to say that your role was one crucial to the success of that resupply effort when it did succeed in that it provided a vital communications link between the resupply effort and those on the ground receiving it?

Mr. CASTILLO. Possibly. There may have been—if it hadn't been done that way, presumably some other way would have been found.

Mr. MITCHELL. Clearly there had to be some method of communicating between those who were delivering the supplies and those

who were receiving them. You supplied that link, acknowledging that if you had not done so, some other route would have been found. Nonetheless, to the extent that you did supply it, would it not be fair to describe it as a crucial role but for which the operation would not have succeeded?

Mr. CASTILLO. Terms of security. This was not something that could be done by open telephone line, so there had to be somebody with a mechanism to be able to handle the messages coming from the commanders, we knew that was coming securely by one time pad, but then to get it to the private benefactors, it wasn't a matter where somebody could pick up a phone and call them and tell them, so in terms of security and the safe security of delivery, the answer is yes to the cruciality of that operation.

Mr. MITCHELL. And to the extent that, as you describe it, safe security was required, it made the ability of the participants to get someone else to perform that crucial role more difficult or limited—the additional requirement of security, if you follow my point—

Mr. CASTILLO. Yes, sir.

Mr. MITCHELL. If you had not been available and had not performed that crucial role, it would have been difficult because, as you said, you couldn't just pick up the phone and do that.

Mr. CASTILLO. Correct.

Mr. MITCHELL. You testified this morning that you heard of Rob Owen before you met him on that occasion when he came down, and you went to visit the airstrip at the Point West, but you didn't know him.

Mr. CASTILLO. That is correct.

Mr. MITCHELL. How had you heard of him previously?

Mr. CASTILLO. Through reports that we were receiving [deleted].

Mr. MITCHELL. I see. And had you heard that he was acting in behalf of Colonel North?

Mr. CASTILLO. No, no.

Mr. MITCHELL. What had you heard of him?

Mr. CASTILLO. That he was an American who was meeting with people throughout the [deleted] and that he was somehow connected to private supporters. I don't recall that Rob Owen specifically came to—the connection between Rob Owen and Colonel North specifically came to my knowledge until Ambassador Tambs made the connection.

Mr. MITCHELL. So your initial impression was that he was associated with the private benefactors. Then when you met him and Mr. Tambs made it clear to you—

Mr. CASTILLO. Private benefactors being people who supplied. I don't think I had connected Rob Owen with them. It was with private organizations, and there are a number of them, the Heritage Foundation and so forth—those were people that I connected Rob Owen with more than with private benefactors.

Mr. MITCHELL. But you later learned when you met him that he was, in fact, acting in behalf of Colonel North?

Mr. CASTILLO. Yes.

Mr. MITCHELL. You also said that you had known Rafael Quintero prior to the time that he became involved in this, did you testify to that?

Mr. CASTILLO. No. I only heard of Rafael Quintero when Colonel North told me that he was coming down to oversee construction of the airstrip. I had not known of him or heard of him before then.

Mr. MITCHELL. Thank you, Mr. Chairman.

Chairman HAMILTON. Mr. Fascell.

Mr. FASCELL. Thank you, Mr. Chairman.

Mr. Castillo, were you a CIA asset prior to April 24, 1967?

Mr. CASTILLO. No, sir.

Mr. FASCELL. Is that your lawyer on your right-hand side?

Mr. CASTILLO. Yes, sir.

Mr. FASCELL. What is his name?

Mr. CASTILLO. Thomas Wilson.

Mr. FASCELL. Is he your lawyer?

Mr. CASTILLO. Yes, sir.

Mr. FASCELL. Paid by your funds?

Mr. CASTILLO. We have an arrangement.

Mr. FASCELL. To your knowledge is he a CIA asset?

Mr. CASTILLO. Absolutely not.

Mr. FASCELL. Is anybody in his law firm, to your knowledge?

Mr. CASTILLO. I don't believe so, but I would like to defer to counsel to answer the question.

Mr. FASCELL. If he cares to.

Mr. WILSON. I would be happy to, Mr. Congressman.

You have to understand I am Mr. Castillo's counsel for purposes of these hearings only. I have no relationship whatsoever with the CIA, nor have I ever had since I left the service.

Mr. FASCELL. Which service?

Mr. WILSON. The Army, sir.

Mr. FASCELL. I was curious, because I have never seen so many babysitters for a witness before any committee in the Congress. I don't mean to be derogatory about it at all, just curious. We have, as I understand it, a representative from the CIA who is a congressional liaison representative, is that correct, in the audience? We have a White House counsel in the audience. We have three or four CIA representatives here somewhere. One representative. Were there others here earlier, Mr. Chairman, that I didn't know about?

Chairman HAMILTON. I am not aware of any others except the ones immediately behind the witness, Mr. Fascell.

[Deleted]. I am with the General Counsel's Office. [Deleted] is with me.

Mr. FASCELL. Mr. Castillo, are you testifying under any instructions, directions, guidelines or threats?

Mr. CASTILLO. I am testifying under advice of counsel. And I am telling you the truth.

Mr. FASCELL. I understand.

I just wanted to find out what is going on. Do you know whether the deputy director—excuse me, acting director of the agency made a public statement that those persons who had gone to the inspector general on round number one, should now take advantage of the opportunity to correct their testimony?

Mr. CASTILLO. I remember reading it in the press.

Mr. FASCELL. Did you take advantage of that opportunity?

Mr. CASTILLO. I had already retained counsel at that point.

Mr. FASCELL. Did you go to the IG twice or three times, I am not quite clear on that?

Mr. CASTILLO. I had several interviews with the IG.

Mr. FASCELL. Do you know how many other members of the agency went to the IG with regard to this investigation?

Mr. CASTILLO. No, sir. I do not.

Mr. FASCELL. I am looking at a chronology, Mr. Castillo, that was prepared by the agency. I don't see any date on it and I don't know who prepared it. Do you have any idea?

Mr. CASTILLO. I saw it together with counsel yesterday for a few minutes for the first time.

Mr. FASCELL. You did not participate in the structure or the construction of this particular chronology?

Mr. CASTILLO. No, sir.

Mr. FASCELL. Who is responsible, to your knowledge, is it in the agency to prepare a chronology?

Mr. CASTILLO. I don't know.

Mr. FASCELL. Do you know whether or not this is an original or an amended one?

Mr. CASTILLO. I have no idea.

Mr. FASCELL. Was there a working group in the CIA which was—a restricted working group to which you had any access?

Mr. CASTILLO. In relation to what matter, sir?

Mr. FASCELL. Central America?

Mr. CASTILLO. Yes, sir, the Central American Task Force and I was on that task force officially from February of 1983, until July of 1984, and [deleted] is under that task force.

Mr. FASCELL. Who chairs it?

Mr. CASTILLO. At the present time it is [C/CATF].

Mr. FASCELL. Were you Station Chief when [deleted]?

Mr. CASTILLO. I would like to consult with counsel for a moment. [Witness conferring with counsel.]

Mr. WILSON. Mr. Fascell, our concern is only a source and methods concern and presumably the people who review the transcript will take care of that.

Mr. FASCELL. I am sure the agency will strike out [deleted] or any information with regard to the fact that [deleted].

[Deleted.]

That is all, Mr. Chairman. Thank you.

Chairman HAMILTON. Senator Rudman.

Mr. RUDMAN. I wonder if Mr. Barbadoro might get exhibit TC-15, just give a copy of that to counsel.

Mr. Castillo, a few moments ago, and I will refer to the exhibit in a moment, a few moments ago, you talked about Mr. Owen, that he might be an ideal member of the clandestine service. Was that your statement or somebody else's statement?

Mr. CASTILLO. No, I was repeating [C/CATF] statement.

Mr. RUDMAN. Did you agree with that?

Mr. CASTILLO. Yes.

Mr. RUDMAN. I want you to look at the TC-15. The statement gives me trouble because it is in conflict with your testimony. I am not drawing any conclusions as to who is right or wrong.

The first four paragraphs—it is to "William"—that is North—from TC, the courier—Owen—dated April 7, 1986. The investiga-

tive team was headed by Jeffrey Feldman, Assistant U.S. Attorney, Southern District of Florida. He had with him a special agent from Panama and two from Miami. They are Kevin Currier and George Kzynski, who is with the antiterrorist task force.

In the past he had followed and been assigned to watch [deleted]. According to [Castillo]—I assume that is you—Feldman looks to be wanting to build a career on this case. He even showed [Castillo] and the Ambassador a diagram with your name at the top, mine underneath and John's underneath mine, then a line connecting the various Resistance groups in Costa Rica.

Feldman stated they were looking at the "big picture" and not only looking at a possible violation of the Neutrality Act, but at possible unauthorized use of Government funds—which if I were Colonel North getting that memo it would make me decidedly personally nervous.

Now you have testified that you did not say anything whatsoever to Mr. Owen.

Mr. CASTILLO. That is correct, sir.

Mr. RUDMAN. That is not what this says.

Mr. CASTILLO. I know that is not what it says, and I stand by what I said, to the word. I don't know where he got this from. I don't recall ever saying—if I said anything about building a career on this case, it is—it was not in any way—does not in any way resemble that.

I do not recall ever seeing a diagram. He may well have shown a diagram to the group, but it made no impression on me and I don't ever recall saying anything to Rob Owen about that meeting in any way, shape or form.

Now I have a pretty good memory, and I admit that I have forgotten some things, and will forget, but I have absolutely no recollection of talking to Rob Owen about that meeting.

Mr. RUDMAN. We accept your testimony. We accept everyone's testimony.

Mr. CASTILLO. Certainly you are doubtful, sir.

Mr. RUDMAN. You are reading something into my question. I like to clear up conflicts in testimony.

Mr. CASTILLO. I apologize.

Mr. RUDMAN. I am not casting doubt on you, saying I believe you or don't believe Owen. I am trying to find out the truth. We are not prosecuting anybody here.

Did you talk to Owen about anything to do with Mr. Feldman?

Mr. CASTILLO. I don't recall mentioning anything about Feldman to Owen.

Mr. RUDMAN. [Deleted]?

Mr. CASTILLO. Who [deleted]?

Mr. RUDMAN. Yes.

Mr. CASTILLO. No, sir, I did not. I wasn't about to interfere in a U.S. Federal investigation [deleted]. That was up to him to resolve by himself.

Mr. RUDMAN. See the problem reading your testimony and your deposition and looking at this statement, Mr. Castillo, I haven't had any trouble with your testimony. The only time I had a problem is when we got to this terrible conflict.

If you look at the situation as existed, you would agree with me that at the time April 7, 1986, you had an ongoing relationship in an official capacity with Colonel North?

Mr. CASTILLO. Yes, sir.

Mr. RUDMAN. You got to know Owen pretty well?

Mr. CASTILLO. Yes.

Mr. RUDMAN. [Deleted]?

Mr. CASTILLO. Yes.

Mr. RUDMAN. And these three feds come flying in from Miami brandishing badges and are about to launch investigations against three of your friends. It is not illegal that meaning no harm you would say to Owen or to North, "You fellows better watch what you are doing because there are people who think you are doing something wrong." That wouldn't be unnatural, and it might not even be wrong.

Mr. CASTILLO. Correct.

Mr. RUDMAN. You want to stick by your testimony?

Mr. CASTILLO. Absolutely. Let me explain to you, first of all—because I happened to have this relationship with Colonel North doesn't mean that I run to him and tell him about the three feds flying in. Secondly, Owen, for the most part, didn't meet with me after the fall of 1985, or so. He met with one of my officers.

When he was in [deleted], he would occasionally drop in. We would chat and he would be on his way, but he met with one of my officers, because I simply didn't have the time to deal with him. So to be specific about this particular thing, I know that I just never talked to him about it.

Mr. RUDMAN. Do you know who did tell him, because somebody obviously told him.

Mr. CASTILLO. Somebody told him and I don't know who it was. My officer wasn't present, wouldn't have seen Feldman—it could have been somebody in the Embassy, I don't know, but it wasn't me.

Mr. RUDMAN. It is a fair assumption it was somebody in the Embassy?

Mr. CASTILLO. It could have been the Ambassador—I don't know.

Mr. RUDMAN. Well, you have already told us who was at the meeting and I believe you said the Ambassador, yourself, and several other people, counsel down there—

Mr. CASTILLO. The Consul General—

Mr. RUDMAN. He was there. There were a number of people but Mr. Owen doesn't say that any of those people told him, he says you told him.

Mr. CASTILLO. There was another aspect to this case. I don't think this thing amounted to a hill of beans anyway because they were talking about people who were sitting in jail and would change their testimony, from what I heard second hand from others, they would change their testimony depending on whether or not they felt like it.

Mr. RUDMAN. You may not think it amounts to a hill of beans, but I assume if anybody showed you a diagram with Oliver North's name on it and told you it was a subject of a Federal investigation, that would amount to a considerable hill of beans, I would think.

Mr. CASTILLO. They were telling us about allegations that people in jail in Miami or in jail in San Jose were telling them. That doesn't give, in my view, any authenticity or substantiation to an allegation.

Colonel North was constantly being dragged into the press as being one of the poobahs involved with the Contras.

Mr. RUDMAN. I couldn't agree more that allegations don't amount to anything, but the reason I asked the question is we are going to write a report. The report is going to become public. If I have anything to do with writing the report, I am going to make sure of one thing, the substantial conflicts of testimony that are unresolved will be clearly shown in our report.

We have an obligation and I thought you would have an ample opportunity—

Mr. CASTILLO. If I could remember if this happened, I would tell you. I have no recollection of ever saying this to Rob Owen.

Mr. RUDMAN. I would say, Mr. Chairman, that the reason this is terribly important is because as this investigation goes on and as we get into other witnesses in Phase II, this is going to be important, not particularly as to Mr. Castillo, but it is going to be important generally as to our investigation into who knew and what they knew and what they did, which Chairman Rodino referred to.

I think Mr. Castillo is giving an honest recollection, but it will all come together as we look at other factors involved.

Thank you, Mr. Castillo.

Mr. CASTILLO. Thank you. I apologize.

Mr. RUDMAN. Don't apologize, it is a closed hearing and you are an animated man and I am a little animated myself. That doesn't have to be in the record, but I suspect that it may be.

Chairman HAMILTON. [Deleted].

Mr. Courter.

Mr. COURTER. Thank you, Mr. Chairman.

I don't have a whole lot. To your knowledge, was the Hasenfus flight that went down the only resupply airplane that was shot down inside Nicaragua?

Mr. CASTILLO. Yes, sir.

Mr. COURTER. When you communicated—if you would elaborate on the substance of your communications with the private individuals, the PBs, if you would, I know that you had contacts at least through the operation of giving logistic information, but how about the private network? What type of communications did you have with them?

Mr. CASTILLO. The private network? I only communicated with Rafael Quintero.

Mr. COURTER. He was the only individual that you communicated with—how many times or how often would you communicate with him?

Mr. CASTILLO. Well, it would be one or two messages before a flight and one message or so after a flight.

Mr. COURTER. What would the substance of those messages before and what would the substance of those messages after be?

Mr. CASTILLO. It concerned the geographic coordinates, time, date, from the private benefactor side, number of bundles, what they contained.

From the commanders' side it would be receipt of the bundles or the information that the commanders had given me concerning the receipt of the bundles or the non-receipt, as it was.

But there were messages which anticipated a flight and they were later aborted.

Mr. COURTER. Would you characterize your communications with the private benefactors as one of a conduit of information or would you be giving advice with regard to the operation?

Mr. CASTILLO. It was a conduit, sir.

Mr. COURTER. How did you communicate to the private benefactors? How was that done?

Mr. CASTILLO. Using the KL-43 and a telephone line.

Mr. COURTER. And were those messages transcribed?

Mr. CASTILLO. I did not know that any of these messages were transcribed until they were shown to me by the Tower Commission.

Mr. COURTER. When they were shown to you by the Tower Commission, did it appear as if all the messages were transcribed or were some left out?

Mr. CASTILLO. I was only shown a sample and I still don't know how many messages or what were transcribed.

Mr. COURTER. And your testimony is that the contacts you had with the private benefactors were more in relationship to a conduit of information rather than the participation in planning activities?

Mr. CASTILLO. Yes, sir, with Mr. Quintero.

Mr. COURTER. With Mr. Quintero.

Were you, Mr. Castillo, shown any legal opinions by anybody during the time you were assigned [deleted] as Chief of Station, that would be legal opinions on your activity vis-a-vis congressional mandates, Boland Amendment, revisions of same—

Mr. CASTILLO. Not that I recall.

Mr. COURTER. Did you not testify a while back that the—an individual that assured you that your activity and contacts with the private benefactors and contacts with the Contras—that Oliver North assured you that your activity was within the law?

Mr. CASTILLO. Yes, sir, in response to my question.

Mr. COURTER. Did you ask anybody else besides Oliver North or did anybody else give you an oral opinion as to the legality of your participation besides Oliver North?

Mr. CASTILLO. On several occasions when we had Chiefs of Station meetings, we would discuss it and the understanding that headquarters officers had would be conveyed to us.

Mr. COURTER. Who was the headquarters officer that would participate in that meeting which would convey to you basically an oral legal opinion as to the legality of your actions?

Mr. CASTILLO. [C/CATF].

Mr. COURTER. Was it only [C/CATF]?

Mr. CASTILLO. To the best of my opinion.

Mr. COURTER. Did he read from a written opinion or was it basically an oral statement?

Mr. CASTILLO. An oral statement within the context of a discussion.

Mr. COURTER. Was this something that you would solicit or did he spontaneously assure you that your activities were within the law?

Mr. CASTILLO. Both ways. We would ask questions.

Mr. COURTER. Was his legal opinions or repetition of legal opinions, was it ever transcribed or any contemporaneous memorandum written by you or anybody else with regard to those opinions?

Mr. CASTILLO. No, sir, no recollection and that wouldn't be the way we work anyway.

Mr. COURTER. Thank you.

Chairman HAMILTON. Senator McClure.

Mr. MCCLURE. Thank you, Mr. Chairman.

Mr. CASTILLO, do you know Felix Rodriguez?

Mr. CASTILLO. Yes.

Mr. MCCLURE. I suppose you know that he was involved down there, may still be?

Mr. CASTILLO. Yes.

Mr. MCCLURE. Did you have contact with him with respect to his operations there and what he was doing?

Mr. CASTILLO. I made a telephone call to him in Miami, from Miami, to express a sense of camaraderie with him, but no discussion of his operation or mine.

Mr. MCCLURE. Did he speak to you about Mr. Quintero?

Mr. CASTILLO. No, sir.

Mr. MCCLURE. So his opinion of Mr. Quintero was never transmitted to you?

Mr. CASTILLO. No, sir. I knew him when he was an agency officer and it was just a good-will call, there was no business discussed.

Mr. MCCLURE. Did he discuss with you any question with respect to the private efforts of the people that were involved in it, General Secord, the various people who may have been at one time associated with Mr. Wilson?

Mr. CASTILLO. No, sir. There was no discussion or no talk about this at all.

Mr. MCCLURE. Did you know anything about Mr. Wilson and the—his involvement with Qadhafi in Libya?

Mr. CASTILLO. Only what I have read in a book. The *New York Times* magazine, a Sunday magazine, I think, had something on that.

Mr. MCCLURE. It must be an unimpeachable source. Were you aware of the persons who were associated with Mr. Wilson by name that might have shown up or did show up in connection with these private contributors?

Mr. CASTILLO. The only two people that I knew that I had any contact with were Mr. Quintero and General Secord.

Mr. MCCLURE. And there was never expressed to you by anyone the concern over the coincidence of personalities?

Mr. CASTILLO. I raised that concern with Colonel North about General Secord after I had read the reference in the book to him, and as I testified earlier, Colonel North assured me that the matter concerning General Secord's relationship with Wilson had been resolved.

Mr. MCCLURE. Thank you very much, Mr. Chairman.

Chairman HAMILTON. Mr. Foley?

Mr. FOLEY. Thank you, Mr. Chairman.

I believe you testified, Mr. Castillo, that it was your suggestion that the airstrip be considered. You were the first person who suggested it; is that correct?

Mr. CASTILLO. In an evolutionary way in my discussions with Ambassador Tambs, yes, sir.

Mr. FOLEY. And it was your—it was [deleted] who suggested the site?

Mr. CASTILLO. Yes, sir.

Mr. FOLEY. And facilitated the cover for the airstrip?

Mr. CASTILLO. Yes, sir.

Mr. FOLEY. And agreed to provide the continuing circumstances under which the airfield would be operated?

Mr. CASTILLO. Yes, sir.

[Deleted].

Mr. FOLEY. When you testified about being up late trying to help coordinate and plan these airdrops—

Mr. CASTILLO. Not coordinate and plan, sir.

Mr. FOLEY. What were you doing?

Mr. CASTILLO. Passing information.

Mr. FOLEY. Do you have to remain up to 2:00 or 3:00 in the morning to pass information?

Mr. CASTILLO. Given the nature of the telephone service in Central America to get through one message would take several hours.

Mr. FOLEY. There wasn't anybody else that could do this work?

Mr. CASTILLO. And then wait for the response from the communications center that the flight had actually made the delivery and that—

Mr. FOLEY. Isn't that a fine line between passing information and planning and coordinating?

Mr. CASTILLO. Planning and coordination is when you, when I, if I had control over the timing, the flight, the area where it is to be received, having the people in that area, that is correct. That would be coordination or planning.

I had no control. We were told when a shipment would come.

Mr. FOLEY. Were you the only person in the station who was authorized to provide this information?

Do you have anybody in the station that could assist you in any way with this?

Mr. CASTILLO. I had officers who routinely went to the communications centers.

Mr. FOLEY. I guess, my question is I don't quite understand why it took you, the Station Chief, to 2 or 3 o'clock in the morning to pass routine information that dealt with weather, vectors, and so forth, when any officer of the station could have done so.

Was any judgment involved in passing that information or was it just the passing of information?

Mr. CASTILLO. No, sir, just the passing of information.

Mr. FOLEY. Let me ask you if you were so busy that this was a requirement that kept you up to the early hours of the morning, wouldn't you pass it off to an officer?

Mr. CASTILLO. Because I had the KL-43.

Mr. FOLEY. And that you alone could utilize that instrument as far as you were concerned?

Mr. CASTILLO. As far as I was concerned, I was the only one that—it was given to me.

Mr. FOLEY. As a person and not as a CIA Station Chief?

Mr. CASTILLO. As—well, I don't think I ever saw it in that light, but—

Mr. FOLEY. My time is up.

Did anybody else in the station know about the device?

Mr. CASTILLO. Others may have seen it because they might have—it was next to my desk in the back or—

Mr. FOLEY. But you didn't tell anybody else about it?

Mr. CASTILLO. Not purposefully, no.

Mr. FOLEY. Thank you.

Chairman HAMILTON. Senator Sarbanes.

Mr. SARBANES. Mr. Castillo, just to followup on Congressman Foley's questioning, how many messages did you send over your KL-43?

Mr. CASTILLO. On the low side, 30; on the high side, maybe 35-40. Well, around 30.

Mr. SARBANES. To whom did you send them?

Mr. CASTILLO. To either Colonel North or to Mr. Quintero.

Mr. SARBANES. So your communications on your KL-43 were to either North or Quintero, is that correct?

Mr. CASTILLO. Yes, sir.

Mr. SARBANES. How many messages did you receive on your KL-43?

Mr. CASTILLO. About the same number.

Mr. SARBANES. And from whom?

Mr. CASTILLO. Mr. Quintero and Mr.—Colonel North.

Mr. SARBANES. Only?

Mr. CASTILLO. Only.

[Deleted].

Mr. SARBANES. Who was at that meeting with the President?

Mr. CASTILLO. The President, of course, Mr. Regan; Admiral Poindexter, Colonel North, [deleted], my wife, the photographer and myself.

Mr. SARBANES. Did the President address Admiral Poindexter at that meeting as you recall?

Mr. CASTILLO. No, sir.

Mr. SARBANES. Or Colonel North?

Mr. CASTILLO. No, sir.

Mr. SARBANES. Now, on the airstrip, you said in response to a question, earlier, that it was never used in a regular resupply operation, as I recall your testimony.

Mr. CASTILLO. That is correct.

Mr. SARBANES. How much was it used, however?

Mr. CASTILLO. As far as I know, it was only used for that emergency landing when the plane got stuck in the mud.

Mr. SARBANES. That was the only time it was used?

Mr. CASTILLO. For a resupply plane, that is correct.

Mr. SARBANES. Was it used for other purposes?

Mr. CASTILLO. As I testified earlier, I think that they brought in some construction material, wood planks, or wood board, boards of wood, gasoline drums to operate a generator, and a generator. I

think that is—that may have been one flight, one construction supply flight.

Mr. SARBANES. I take it you would have known if it was being used, would you not?

Mr. CASTILLO. Well, there is no guarantee, because I didn't have any control over these people.

Mr. SARBANES. Well, that was part of your intelligence gathering. Didn't you regard it as a responsibility to know what was happening at that airstrip?

Mr. CASTILLO. Well, I would like to think that my intelligence gathering was at a satisfactory level, but there obviously are times when we have gaps.

Mr. SARBANES. Do you think we can take your statement as to how much it was used and by whom as an accurate statement of what happened at that airstrip?

Mr. CASTILLO. I would hope you can.

Mr. SARBANES. Now, just as a matter of curiosity, because it was raised by the Ambassador, was this room 310 at the hotel there?

Mr. CASTILLO. I have no idea.

Mr. SARBANES. You have no idea?

Mr. CASTILLO. I have no idea. I heard it, and I wondered what he was talking about. I don't know.

Mr. SARBANES. Now, would you say that the Ambassador was giving you direction and orders in all of this matter about establishing a Southern Front?

Mr. CASTILLO. No. No, sir.

Mr. SARBANES. Were you doing it on your own? Were you working as an independent operator from the Ambassador?

Mr. CASTILLO. Sir, the Ambassador had his own concept of what he would like to have accomplished in terms of a political unification and military activity in the south. His desires and his expectations were, of course, limited by what was possible, and while he may have desired something, it was not possible to accomplish it because of the restrictions.

I followed the restrictions. I think the Ambassador followed the restrictions. I can't speak for the Ambassador, and he has to speak for himself, but if he said something, as in the case of the Pastora-Singlaub agreement, that I felt was wrong, I told him, and I told him it was wrong in that case.

Mr. SARBANES. All right. My final question: Since you have been back, where have you been located and what have you been doing?

Mr. CASTILLO. I was officially recalled to Washington to serve on a promotion panel. I did so for approximately 2½ weeks of the 4 or 5-week length of the panel. At the end of 2½ weeks, because of circumstances I described earlier, I was placed on administrative leave. I have done nothing—excuse me—I have had no activity, no work activity.

Mr. SARBANES. Thank you Mr. Chairman.

Chairman HAMILTON. Mr. Stokes.

Mr. STOKES. Thank you, Mr. Chairman.

Mr. Castillo—

Mr. CASTILLO. Yes, sir.

Mr. STOKES. During the 20 years you have been employed by the CIA, on how many occasions have you worked with the National Security Council?

Mr. CASTILLO. This is the only occasion, sir.

Mr. STOKES. Being familiar with the term "chain of command," did you consider that a Colonel, such as Colonel North, being a staff member of the National Security Council, was inside or outside of your chain of command?

Mr. CASTILLO. He was outside the chain of command, sir.

Mr. STOKES. If a case officer working under you were to be secretly in touch with the National Security Council staff would he be inside or outside the chain of command?

Mr. CASTILLO. He would be acting improperly.

Mr. STOKES. Now, you were interviewed by the OIG and also the Tower Commission, were you not?

Mr. CASTILLO. Yes, sir.

Mr. STOKES. And in the case of the OIG, when you were first interviewed by them, were you entirely truthful with them?

Mr. CASTILLO. No, sir.

Mr. STOKES. And in the case of the Tower Commission when they first interviewed you, were you——

Mr. CASTILLO. Pardon me?

Mr. STOKES. The Tower Commission, when they interviewed you, were you entirely truthful with them?

Mr. CASTILLO. No, sir, I was not.

Mr. STOKES. OK.

Mr. CASTILLO. However, I was acting within the guidelines that I understood both with the IG and with the Tower Commission, concerning my participation in the resupply activity.

Mr. STOKES. You say you were acting within the guidelines that you understood. You mean you understood from whom?

Mr. CASTILLO. That is correct. I understood it from the division chief, [C/LA], and I believe I also discussed it with a staff officer of the Central American Task Force, and it was my understanding that the Deputy Director of Operations had negotiated with the IG that I would be questioned only about my participation in the air supply activity. And when I was queried by both the IG and the Tower Commission, I responded in that, within those parameters.

Mr. STOKES. But no one ever told you, did they, that you were not to tell the truth?

Mr. CASTILLO. Pardon me?

Mr. STOKES. But no one ever told you, did they, that you were not to tell the truth?

Mr. CASTILLO. Oh, no, not to—no.

Mr. STOKES. No one told you that you should be deceptive, did they?

Mr. CASTILLO. That is correct, sir.

Mr. STOKES. Now, they did ask you—the IG did ask you whether or not you had any contact with Quintero?

Mr. CASTILLO. I don't remember the questions that they asked me but they may have.

Mr. STOKES. Do you recall them asking you about the nature of your communications with North?

Mr. CASTILLO. Yes.

Mr. STOKES. What did you tell them?

Mr. CASTILLO. That it was limited to political matters.

Mr. STOKES. Did they ask you about the airstrip?

Mr. CASTILLO. No.

Mr. STOKES. They did not ask you about the airstrip?

Mr. CASTILLO. I don't believe they did, no, sir.

I believe the only question—of course that is January and a lot has happened since then—but to the best of my recollection they only asked me about the resupply flights and the passing of information and how I did it.

Mr. STOKES. Did they ask you about General Secord and whether you knew him or not?

Mr. CASTILLO. No, sir, I don't recall that question.

Mr. STOKES. Well, I want to read to you from the OIG in your interview and ask you this question: In his first OIG interview, [Castillo] was not entirely truthful about the extent of contact with Quintero and the nature of his communications with North. In regard to construction of Potrero Grande, he was at least evasive and probably misleading when he said that the airstrip was a Costa Rican initiative, they had only monitored its progress.

When asked to describe his contacts with General Secord in 1965, he responded, "I never had any."

Was that correct?

Mr. CASTILLO. Sixty-five through—sir, I don't remember that question ever.

Mr. STOKES. I am sorry, 1986. I am sorry. My mistake.

Mr. CASTILLO. If they asked me, I don't remember that they asked me. Obviously if they wrote it down then they did ask me, but I don't remember it.

Mr. STOKES. Well, did they?

Mr. CASTILLO. I am giving you what I recall, to the best of my ability.

Mr. STOKES. Well, did the Tower Commission come back to you a second time and confront you with the KL-43 traffic between you, North and others?

Mr. CASTILLO. Yes, sir.

Mr. STOKES. And when you were then confronted did you then tell them the truth?

Mr. CASTILLO. Yes, sir, immediately.

And subsequently, when I appeared before the Tower Commission, apologized for the misstatements and corrected any impression that I may have left with them concerning my testimony before their investigators.

Mr. STOKES. So whatever you now finally told both of them would be the truth, is that correct?

Mr. CASTILLO. That is correct.

Mr. STOKES. Thank you.

Thank you, Mr. Chairman.

Chairman HAMILTON. Senator Inouye.

Chairman INOUE. Senator Boren.

Mr. BOREN. Thank you very much.

Following up on what Congressman Stokes has just asked you, why, again, did you not indicate the true nature of the communica-

tions between yourself and Colonel North when you were first asked about it?

Mr. CASTILLO. Well, I can't recall now exactly how the conversation went with [C/LA], but he essentially said something like, look, all they are going to ask you about is the air resupply flight. They wanted to go into the whole thing of the Nicaraguan program, but it has been worked out so that all they are going to ask about is the question of the resupply flights, and that is what I—when they asked the question that is what I answered.

Mr. BOREN. So you—

Mr. CASTILLO. Stupidly, sir.

Mr. BOREN. You answered only about that, but obviously the questions ranged beyond what you expected to be asked.

Mr. CASTILLO. I was—

Mr. BOREN. Did you make a decision on your own?

Mr. CASTILLO. Yes, sir.

Mr. BOREN. That you felt you should only stay within the bounds of what—

Mr. CASTILLO. That is correct. It was my decision. Nobody told me to do something or not do it. I decided then and there when asked the question that I wasn't going to allow the thing to go any further.

Mr. BOREN. Now, why didn't you? Again, going back to what Congressman Stokes just asked you, why didn't you—or did you report to [C/LA] or [C/CATF] or others within your own chain of command the nature of your contacts with Colonel North; the fact that you were communicating with him separately?

Mr. CASTILLO. In political—on political matters I felt that some of the—some of my views, some of the developments among the political people in the south such as Alfonso Robelo and Arturo Cruz and some of the others were not being fairly represented at the RIG level.

I felt—and this in no way should reflect on [C/CATF]. We had professional disagreements. I respect him fully. I think he is a very professional officer, but we did have difficulties. He was inclined more towards the FDN and the military, and I was inclined more to the political and the broader spectrum that they represented.

So I frankly enlisted Colonel North as an advocate for my views at the RIG level.

Mr. BOREN. I understand that, but now officially he enlisted you in his operation more than you enlisted him.

Mr. CASTILLO. Oh, no, sir. I had contact with him from 1984 until—well, throughout this period, and the balance between political and military was much greater on the political side. The contacts that we had, as I said, it was one-tenth of 1 percent of my time involving the air resupply and even of that concerning the military side was infrequent.

Mr. BOREN. Did you assume [C/LA] knew about your contacts with Colonel North; is that the reason—

Mr. CASTILLO. Certainly, [C/CATF].

Mr. BOREN. [C/CATF] knew?

Mr. CASTILLO. And [C/LA] didn't come into the division until May 1st of 1986 and on the previous—2 weeks before when he had

visited [deleted] I had told him at least about the military side, and he knew that I had a relationship with Colonel North.

Mr. BOREN. You mentioned the DOD, Mr. George. That part of your anticipation of the range of the questions, the kinds of matters about which you would be expected to respond, you said that you understood that the DOD also had indicated that that would be the range of the questions.

Mr. CASTILLO. That is what [C/LA] told me.

Mr. BOREN. [C/LA] told you that?

Mr. CASTILLO. Yes. George—I had not seen Mr. George I don't think since August of 1984.

Mr. BOREN. So that was a representation purely from [C/LA.]

Mr. CASTILLO. That is correct.

Mr. BOREN. Let me ask, in essence you have indicated that you did not feel you were breaking any laws, but you were staying within the bounds of communication and intelligence and the other things that you were authorized to provide. But it was your understanding when you were asked to stand down that it was for policy reasons and/or political reasons primarily. And I presume that partly that is because the Intelligence Committees were being told that no one in the agency was having coordinated contact with the private beneficiaries among other things; is that correct?

Mr. CASTILLO. That is what that cable says. I didn't know that of my own personal knowledge.

Mr. BOREN. Did anyone indicate to you or did you have any knowledge about who it was in the agency that was making these representations to the committees?

Mr. CASTILLO. No, sir, but I understand that [C/CATF] is the one who regularly came down and briefed the committees, as well as the director. And I don't know who else in the in between.

[Deleted].

Mr. BOREN. [Deleted] from nine to noon during which time you met with Colonel North and General Secord [deleted].

Did you know you were going to have those meetings at that time?

Mr. CASTILLO. No, no, [deleted].

Mr. BOREN. You met with General Secord and Colonel North during that period of time, though, did you not?

Mr. CASTILLO. But it was 3 o'clock in the afternoon.

Mr. BOREN. Oh, it was three in the afternoon.

Mr. CASTILLO. Yes, sir. At the Four Seasons Hotel.

Mr. BOREN. I see. So you knew you were meeting with them. [Deleted].

Mr. CASTILLO. We didn't know until that morning.

Mr. BOREN. OK. [Deleted].

What about this message which I presume you sent, here is this message February 26, talking about the flight [deleted], with pilots [deleted], and the anti-narcotics unit and the civil airplane, and DEA called in before we knew anything, [deleted], suspected the planes and asked DEA to check, et cetera--is that your message?

Mr. CASTILLO. Well, yes, it was shown to me and it is obviously my message but again I have a mental block about those two names. I don't ever recall writing those two names, but I guess I did. It is my message.

Mr. BOREN. Was this sent to Colonel North?

Mr. CASTILLO. I don't know. It may have been sent to Quintero. I just—I would have to see the message again and I am not—maybe that would give me a hint.

Mr. BOREN. [Deleted] is aware of the foregoing, told me some of the details. So on.

Mr. CASTILLO. Let me explain what happened.

The private benefactors had these Maule airplanes, fabric-covered little airplanes.

Mr. BOREN. Yes.

Mr. CASTILLO. And the Southern Front commanders inside were begging us to find a helicopter for them so that they could immediately evacuate their wounded. Of course, the helicopter is out of the question. But they did have a very serious need to bring out the wounded, especially those with stomach wounds and other life-threatening wounds because the overland [deleted] was 10, 12 days.

Quintero said they had one of these Maules at [deleted] and he suggested that at some time in the future they would send one of these Maules down on a test flight to see if it could at least make it to [deleted].

Without knowing it—without my knowing it, he went and made arrangements with [deleted], the fellow handling construction of the airstrip for [deleted] to be at the airport, not the airstrip, the airport, at [deleted].

So this plane came in and it landed there. [Deleted] wasn't there to clear it, the authorities at the airport stopped the plane and asked them for registration and so forth and apparently they didn't have the right kind of documents, didn't have an insurance certificate, et cetera, so the authorities told them to fly the plane to [deleted].

When it got to [deleted], they called, they called Quintero and Quintero called me but in any case, I got involved and apparently there had been, because here is a strange plane showing up, they thought it had to do with drugs.

So I asked the DEA office to investigate these fellows, the two people because we didn't know who they were, and to assure the authorities if, in fact, they had nothing to do with drugs which was the case.

Anyway, this misco ended with these two fellows getting back into the airplane, cranking it up and flying it back to [deleted] and that is the last we saw of any Maule.

Mr. BOREN. Thank you, Mr. Chairman.

Chairman HAMILTON. Mr. DeWine.

Mr. DeWINE. Thank you, Mr. Chairman.

Mr. Castillo, thank you very much for your testimony today. The last couple of days we have been talking a lot about the Southern Front. We have been using this term Southern Front. It strikes me that that may not be the most accurate way to describe—what did you understand by the use of the term Southern Front? Was this really a front in its classical warfare sense?

Mr. CASTILLO. This was a term that came about out of a hope that again Pastora and the other units, including the Creoles and the Indians and the Blacks and the Chamorro group, could all eventually come into a single military effort.

Now, that Southern Front concept came about during the period of the 24 Mil—that was the first I think—no, the second incarnation or the Boland Amendment—in hopes that through unification that the Congress would be more understanding and that this was a unified Nicaraguan effort.

But it never came to pass until a month ago.

Mr. DEWINE. You have testified about the problems you were having with Eden Pastora, about your goal to get him and the people that were with him [deleted] into Nicaragua and to fight. I understand and appreciate the testimony.

Weren't there also though a good number of Nicaraguan Freedom Fighters who were actually inside Nicaragua who you were concerned about and you were concerned that we would break faith with them if we were not able somehow or somebody somehow wasn't able to supply them? As you made your daily or weekly decisions and questions came up about this situation as you testified, didn't that affect you in some way and weigh on your decision process?

Mr. CASTILLO. Yes, sir. There were approximately [deleted], perhaps as high as [deleted] people inside who never came [deleted], who were true guerrillas in that they obtained their supplies by attacking the Sandinistas, who received the help of the peasants inside, who survived by their wits and their bravery.

There were communications with these people and they included Indians, Blacks, as well as Pastora's people, and a few others that Chamorro claimed. These people maintained communications by runners, by open radio, and we learned of their—what was happening inside as well as through refugees.

We found, by the way, and I think you may be interested, Congressman, a definite correlation between the lack of supplies and increased Sandinista activity against the civilian population and a lot of human rights abuses.

As things got worse for the people inside, human rights abuses increased because that was the time that—I am saying as things got worse for the military people inside, the Sandinistas increased their repression of the population, because they knew that these people were supporting through food and whatever little medicine they could find, and some money, they were supporting these people inside. So as we received our intelligence of what was happening inside, obviously it had a great deal of effect on us, and our concerns for what was happening and there were some very, very serious problems.

Mr. DEWINE. What were you hearing, what did you know and how did it affect you?

Mr. CASTILLO. Well, the Evangelical Church, the Moravian Church, and small fundamentalist denominations were being decimated by the Sandinistas. We have documented evidence of a case of an Evangelical minister and his family being tortured, decapitated, because the Sandinistas said they had evidence that they were supporting [deleted] that they were supporting the Resistance fighters inside. Of course this situation achieved its worst period during 1985 because that was the period that they had already been deprived of assistance for almost 1 year.

As resupply went in the repression was reduced and, of course, it was an on-again-off-again thing as supplies lasted or resupplies were received. So we saw the benefit or the good that came from resupply, and we saw the results, which they didn't have enough, so it obviously became a very grave moral imperative for us to at least on the political side do everything possible to convince the decisionmakers that in fact these people needed the assistance that only we could give them.

Mr. DeWINE. Thank you very much.

Chairman INOUE. Mr. Castillo—

Mr. CASTILLO. Yes, Senator.

Chairman INOUE. If my recollection is correct, in response to a question by Senator Boren just a few minutes ago as to why you were less than candid in your interview with the Tower Commission, you said, among other things, that [C/LA] told you that "arrangements have been worked out with the Tower Commission."

Mr. CASTILLO. No, sir, I don't think that that is what I said.

[C/LA] was only referring to the questions that I would be asked by the Office of the Inspector General concerning my participation, and obviously I'm paraphrasing what he said, but that is what I recall, that the questioning would be limited only to the matter of resupply, and that it had been worked out that they wouldn't go into all the other matters concerning the Nicaraguan situation. And I acted accordingly in responding to the questions that they asked, and when they asked a question which was beyond it, I made the decision, personal decision, to be—not to tell them the full—all the details. And it had nothing to do with the Tower Commission, sir.

Chairman INOUE. Who worked out the arrangement with the OIG?

Mr. CASTILLO. As I understood [C/LA], that Mr. George had worked it out that the questions would be limited to the air resupply.

Chairman INOUE. In looking over your deposition, and I am trying to refresh my memory on that, I gather that from the time of your arrival as Chief of Station [deleted] you felt that your most important job was to convert this ragtag army in the Southern Front into some effective group.

Mr. CASTILLO. No, sir. My—I don't recall now just what I said in the deposition, but if I said that, then I misspoke. My most important job, and I always thought it was, was the development of a unified Nicaraguan political organization and political program, which as—which the military would be obviously an adjunct of, but because of the constraints on us we could do nothing in terms of developing this ragtag military grouping, these groups into anything. So where we could do our work was in the political action area, and that is what I concentrated on, as well as in the intelligence collection related to it.

Chairman INOUE. During this time I believe the CIA was [deleted] against Pastora. Can you explain that to us?

Mr. CASTILLO. Sir, that is an unfortunate—it is an unfortunate term to use, [deleted]. What we essentially—

Chairman INOUE. That was your term I thought.

Mr. CASTILLO. It was my term, but it is an unfortunate term. There are some things that I can explain well and others that I can't.

This is one of those. As I testified earlier, it was very important, in our view, to establish this unified opposition to the Sandinista regime and to have that opposition credible to the Western world; Latin America as well as Europe. We had done everything possible to bring Pastora into that unified opposition and he rejected all of our efforts. [Deleted].

Chairman INOUE. So you began to—

Mr. CASTILLO. Well, you all decided on cutting him off as far as the money was concerned. As far as the political side of it was concerned, since every effort had been made to bring him in, and he had rejected it, then we found ourselves in a situation where we had no choice except to diminish his political influence, and at the same time increase or work to increase the political stature of the other democratic Nicaraguans such as Arturo Cruz, Alfonso Robelo, Adolfo Calero, Joaquin Chamorro and other legitimate leaders of the Nicaraguan Resistance.

Chairman INOUE. And in that process the CIA began to disseminate information on his drug trafficking?

Mr. CASTILLO. No, sir, that was never the case. We attempted to diminish his influence by showing other political leaders that he was an irresponsible person and so forth, but never did we ever use narcotics or even the rumor of narcotics trafficking or anything like that as a means of bringing about this diminishment. Whenever we did, however, hear, and there were certainly substantiated cases, and we can name names, if you wish, of people in his coterie of supporters and his lieutenants that did have connections with drug traffickers and, in fact, he himself received funds from a person who was known to be affiliated with drug traffickers. And I think who may even be under indictment in the southern district of Florida.

Chairman INOUE. Are these men still serving in the Contras—I mean with the Resistance fighters?

Mr. CASTILLO. No, sir. That was one area that we took—that we dealt with very carefully. As soon as anyone had even an allegation of drug trafficking—the allegation of drug trafficking existed, we no longer had any contact with them, and they were separated from the movement. There was, in my recollection, only one exception to that, and that was a matter of higher authority over me. But in almost every other case, we reported it immediately to DEA, and we separated contact with them.

Chairman INOUE. You were the Chief of Station [deleted] and the chief gatherer of intelligence. I am certain you must have looked into the assassination attempt on Mr. Pastora.

Mr. CASTILLO. Yes, sir, we did.

Chairman INOUE. Who do you suspect?

Mr. CASTILLO. We spent months trying to track down the leads that we had, [deleted], we were never able to identify the individual that we felt was the leading suspect.

Chairman INOUE. [Deleted].

Mr. CASTILLO. [Deleted].

Chairman INOUE. [Deleted].

Mr. CASTILLO. Yes, sir. He is a suspect. There is a great deal of circumstantial evidence.

Chairman INOUE. Is he a Nicaraguan?

Mr. CASTILLO. [Deleted] our efforts have led us all over Western Europe, Latin America, and as it stands now, the case is still open, and we have been unable to identify who this individual is.

Chairman INOUE. Who was the high authority that overruled you on that drug case?

Mr. CASTILLO. For political considerations, there were two individuals who were associated with Pastora who had allegations against them for drug involvement, and [C/CATF] wanted [deleted].

I objected to it in cable traffic, in person, and it was deemed necessary [deleted], at least since these were only allegations and not proof, and so I was overruled, and we proceeded to do it, and we did it.

Chairman INOUE. But in your mind, it went beyond allegation, didn't it?

Mr. CASTILLO. Yes, sir, in my mind. [Deleted] there were indications that our suspicions might be more well founded than—

Chairman INOUE. [Deleted].

Mr. CASTILLO. [Deleted].

Chairman INOUE. Are they still Freedom Fighters?

Mr. CASTILLO. Oh, no, none of Pastora's people have any relationship [deleted]—either they have come over and have declared themselves to be within the Nicaraguan Resistance organization, or they have dropped out completely.

Chairman INOUE. I thank you very much.

Mr. CASTILLO. Yes, sir.

Chairman HAMILTON. Without objection, TC-15, exhibit TC-15 will be made part of the record.

[Mr. Castillo], we thank you very much for your appearance. You have had a very long day before the two Select Committees, and the information you have provided is most helpful to us. We thank you for it.

Mr. CASTILLO. Thank you, sir.

Chairman HAMILTON. The committees will stand in recess until 9:30—

Mr. CASTILLO. Mr. Chairman, I would like to express my appreciation, counsel's appreciation for the excellent cooperation of the Sergeant at Arms, Jack Russ, and the very effective, at least until now, and efficient way in which we have been brought in and out of this building. I sincerely appreciate that, and the committee's interest in my personal security.

Chairman HAMILTON. Thank you very much, sir.

Senator Rudman.

Mr. RUDMAN. I just want to make one comment. It is my understanding that the transcript is going to be made available sometime tomorrow to the press?

Chairman HAMILTON. That is correct.

Mr. RUDMAN. It is also my understanding that under the rules of Congress and the Intelligence Committees that it would be inappropriate for any members or staff or anyone else to comment on these proceedings without specific permission in some way from the chairman.

Chairman HAMILTON. That is correct. Under the rules of the House Committee at least, you cannot release classified information without a vote of the committee, and in the Senate my understanding is it is a comparable procedure.

Chairman INOUE. That is correct.

Chairman HAMILTON. The committees stand in recess until 9:30 Tuesday morning.

[Whereupon, at 4:20 p.m., the Select Committees were recessed, to reconvene at 9:30 a.m., Tuesday, June 2, 1987.]

APPENDIX A: EXHIBITS

EXHIBIT TC-1

UNCLASSIFIED

C 1261 - C 1263
WERE PART OF Doc # 618
3 pages withdrawn

Done in Fall

REVIEWED 5/10/87
Col. REMANN classified
in its entirety.

Exhibit
"TC"-1

UNCLASSIFIED

(EXHIBIT TC-3)

UNCLASSIFIED

3/6

5291

VELOCITIES-VECTOR INFORMATION:

Letters received four requests for resupply drop flight information from UNO/SOUTH between early April and mid July. Message traffic in the CAT7 chrono files indicated that three were responded to. All requests were routed through our station in [redacted]. In no case was information provided directly to the beneficiaries, instead it was delivered to the UNO/SOUTH Communications Center (USCC). That UNO/SOUTH did with the information, in turn, is only speculation.

Information included within the responses included entry points and checkpoints, true and magnetic course headings, speed and altitude data, drop schedules, approaches, etc... All but one of the requests dealt with support mission planning. One request, however, (for which there is no record of a response) specifically states that the vector information was intended to support the flight of a C-123 aircraft arranged with "sources other than the FDM."

In addition to the flight plan vector data, Headquarters responded to three requests for weather data to support flight operations. The weather data included generalized aviation forecasting and moon-sun data. The air defense order of battle and the disposition of ground force units in the areas of concern were provided.

STATIONS HELP IN CLEARING AIRCRAFT

On at least one occasion, our station in [redacted] was instrumental in securing a flight clearance for one of two Caribou aircraft from [redacted]. The aircraft at that time was on official HNAO business and not carrying lethal supplies.

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REVIEWED FOR RELEASE

Date 15 APR 87

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EXHIB

TC-3

(EXHIBIT TC-4)

UNCLASSIFIED

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IN OUTSIDE

TOR: 06 APR 86

VICTORY OF APR 86 STAFF

CITY

ME 06 08835

TO: IMMEDIATE DIRECTOR INFO

SUBJECT: REQUEST FOR VECTORS/FLIGHT

1. ACTION REQUIRED: SEE BELOW.

2. UNO/TAM IS EXPECTING A RESUME OF LETHAL MATERIAL TO THE HACS DURING THE WEEK OF APRIL 8-12. THAT THE DROP POINT (DP) IS LOCATED AT COORDINATES [REDACTED] THE AIRCRAFT IS SCHEDULED TO ENTER HUNGARY FROM THE SOUTH. IT IS REQUESTED THAT HOS PROVIDE VECTORS AND FLIGHT PATH FOR USE BY FLIGHT CREW. THIS BE BE LOCATED SEVERAL KILOMETERS FROM AND SLIGHTLY SOUTH OF THE BE USED DURING THE HOS-LETHAL 6 MARCH DROP. PLEASE ADVISE PRIOR TO COB 8 APRIL.

3. FILE [REDACTED] DOW CASE DRY HEN 4-82.

END OF MESSAGE

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END OF MESSAGE

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TEMPORARY WORKING COPY -- DESTROY AFTER USE

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EXHIBIT

TC-4

C11N 3616

REVIEWED FOR RELEASE
DATE 18 MAY 86

HSC/HSC

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LADORECORD
OUTGOING06 ON 0000 150 PAGE 001
TOT: 0000 APR 00 DIRECTOR 017001STAFF C 017001
TO: IMMEDIATE IMMEDIATE

SUBJECT: UNKNOWN LETHAL DROP TO HAC'S

REF: 01000 0470048

1. PER REF. FOLLOWING ROUTE INFORMATION FOR HAC DROP IS
PROVIDEDS. FILE: 01000 0470048 DECL GADR DRV NUM 5-82. ALL
SECRET. 3
ORIG: LA
C/LA: 01000 0470048
END OF MESSAGE
REL: SECRET.Partially Declassified/Released on 20 May 1982
under provisions of E.O. 12356
by B. Reger, National Security Council

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*1014 FLASH DIRECTOR INFO IMMEDIATE

SUBJECT: REQUEST FOR INTELLIGENCE UPDATE

REF: DIRECTOR 017001

1. UNO/SOUTH FORCES ARE EXPECTING A LETHAL RESUPPLY AIRDROP AT 0030 HOURS LOCAL 11 APRIL. REQUEST MOS ADVISE ANY INTELLIGENCE AVAILABLE WHICH WOULD EFFECT DROP PER REF FLIGHT PATH INFORMATION. REQUEST RESPONSE BY 1700 HOURS LOCAL THIS DATE.

2. FILE:

DECL OADR DRV MUN 4-82.

END OF MESSAGE

UNCLASSIFIED

Partially Declassified/Released on 30 May 1997
under provisions of E.O. 12356
by J. Roger, National Security Council

REVIEWED FOR RELEASE

Date 03 Oct 01

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CITE

TO: IMMEDIATE DIRECTOR INFO

SUBJECT: UNO/SOUTH REQUEST FOR VECTORS/FLIGHT PATH AND INTEL
ON HOSTILE FORCES

1. ACTION REQUIRED: SEE BELOW

2. UNO/SOUTH IS EXPECTING A RE
ITS COMBAT FORCES DURING THE TIME/FRA
ZONE IS LOCATED IN THE
CENTED (USCC) IS CURRENTLY ATTEMPTING
COORDINATES. IN THAT CONTEXT UNO/SO
SUGGEST VECTORS, FLIGHT PATH INFORMATION
PRESENCE/CAPABILITY OF EPS FORCE ALSO
VICINITY OF 02. IF POSSIBLE, PLEASE

GROUP OF MATERIAL
30-31 MAY. THE UNO
SOUTH SUBMITTIONS
ALREADY TWO THOSE
QUESTS THAT ARE
AND INTELLIGENCE ON
CITY ROUTE AND
BY 008 20 MAY.

3. FILE [REDACTED] DECI [REDACTED] RV MUN 6-02.

END OF MESSAGE

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Partially Declassified/Released on 30 May 1987
under provisions of E.O. 12958
by S. Rogers, National Security Council



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24 May 86

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TOT: 27 MAY 06

DIRECTOR 000302

STAFF 000302
TOT: 11 MAY 06

SUBJECT: INFORMATION FOR GHO/SOUTH RESUPPLY DROP

REFS: A. [REDACTED]
B. [REDACTED] 021537
C. [REDACTED]1. FOLLOWING IS FLIGHT ROUTE, SUGGESTIONS AND INFORMATION
ON EPS FORCE PRESENCE CAPABILITY ALONG FLIGHT ROUTE AND IN
VICINITY OF DROP ZONE, AS REQUESTED.Partially Declassified/Released on 10/14/97
under authority of E.O. 13526
by 2. Regor, Philip, Security C

Location Registry 8869

CJIN 3363

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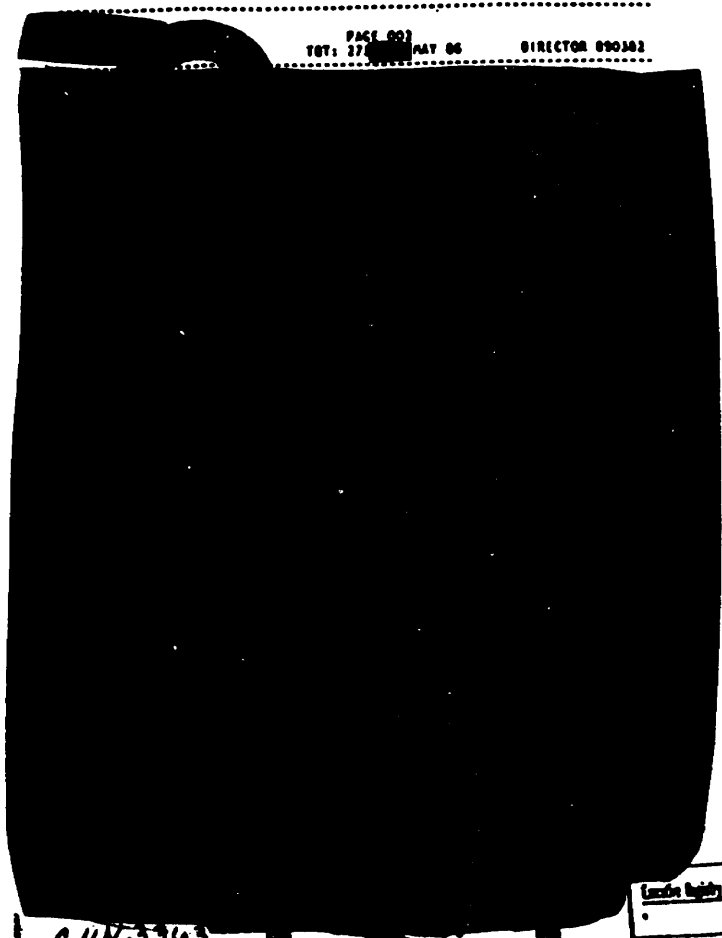
27 May 06

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TOT: 37 MAY 86 DIRECTOR 890302

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 TOT: 22 MAY 06 DIRECTOR 090302

SECRET
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 FILE: [REDACTED]
 DECL: [REDACTED] ORY MM 4-82. ALL
 AUTH: [REDACTED] COOR:
 BY: [REDACTED]
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Excluded Entry 8871

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LADORECORD
OUTGOINGPAGE 001
TOT: 2000000 MAY 86 DIRECTOR 881406STAFF 2000000 DIRECTOR 881406
TO: IMMEDIATE INFO

SUBJECT: INFORMATION FOR UNO/SOUTH RESUPPLY DROP

REF: A

C. DIRECTOR 880383

1. FOLLOWING IS WEATHER REPORT EXPECTED 29-30-31 MAY
UNO/SOUTH RESUPPLY DROP REF: CHECK WEATHER THROUGH GLOBAL
WEATHER CENTRAL INDICATES THAT A TROPICAL STORM IS DEVELOPING
ALONG EASTERN NICARAGUAN COAST. FOR 29-30-31 MAY
CALLS FOR THUNDERSTORMS DEVELOPING IN THE AFTERNOONS AND
EVENINGS. 1/5TH OF AREA TO 1/5TH OF AREA COVERED BY
THUNDERSTORMS FROM 1,500 FT TO 80,000 FT. 4/5TH OF AREA
COVERED BY STRATO CUMULUS CLOUDS 2,000 TO 9,000 FT. WINDS 070
TO 120 DEGREES TO 15 KNOTS WITH TURBULANCE NEAR
THUNDERSTORMS. SIGNS OF DIMINISHING ACTIVITY EXPECTED IN LATE
EVENINGS.

2. HEADQUARTERS CAN SEND DAILY UPDATED WEATHER REPORT IF
DESIRABLE.

3. FILE: [REDACTED] DECL OADR DRV HUM 4-82. ALL
SECRET: [REDACTED] AUTH: [REDACTED] COORD: [REDACTED] REL:
[REDACTED] CL BY [REDACTED]
END OF MESSAGE

SECRET

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under provisions of E.O. 12358
by 2 Regor, National Security Council

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28 MAY 86

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STAFF 12

TUT: 34

DIRECTOR 018041

STAFF 12

TO: 1962

INFO

NACI

Partially Declassified/Released on 30 May 2012
 under provisions of E.O. 12958
 by C. Reger, National Security Council

SUBJECT: VECTORS/FLIGHT PATH FOR UNO/SOUTH DROP

REFS: A. 1249080

FOLLOWING IS FLIGHT INFORMATION REQUESTED REF.

REVIEWED FOR RELEASE

Date 03-02-07

CIN 171

NAC SS

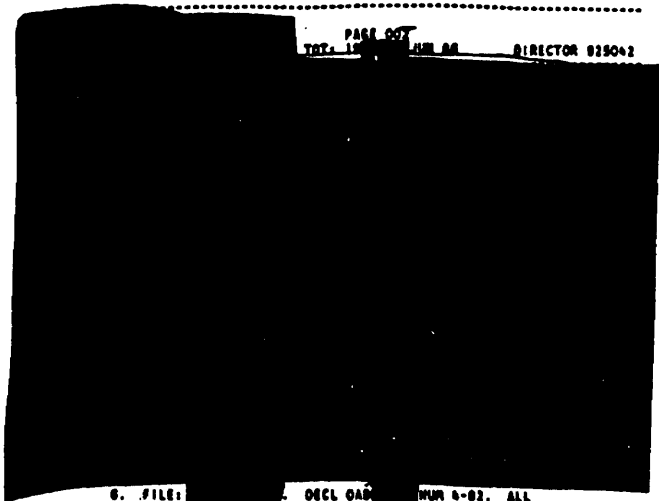
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PAGE 007
 TTY: 1-800-451-AM AM DIRECTOR 015042

6. FILE: [REDACTED] DECL OAD [REDACTED] HUM 4-02. ALL
 "SECRET" [REDACTED] ORIS: [REDACTED] AUTH: C/A [REDACTED] COORD: REL: [REDACTED]
 C/LACATP [REDACTED] CL BY [REDACTED] NO OF [REDACTED] SECRET

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DATE 03 APR 2002
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PAGE 0002

SUPPLIES, WHICH REACHED NICARAGUA

[REDACTED] HAD EIGHTEEN OF HIS TROOPS CARRY
[REDACTED] OVER [REDACTED] TWO DAYS LATER THEY WERE TURNED
[REDACTED] (SOURCE CURRENTLY COMMANDING
[REDACTED] IN THE VICINITY OF [REDACTED] AND COMPANIES
APPROXIMATELY [REDACTED] TROOPS WHO FUNCTION AS QUASI-AUTONOMOUS
COMBAT UNITS.)

2. THE KISAN/SOUTH [REDACTED] SAID THAT ANOTHER
[REDACTED] MISSION IS SCHEDULED TO DEPART [REDACTED]
[REDACTED] IN 1979 THAT THE LOGISTICS WOULD
INCLUDE TWO ELECTRIC GENERATORS; AN UNKNOWN QUANTITY OF
MORTARS; [REDACTED] AMMUNITION; AND
TWO MILLION [REDACTED].

ACQ: [REDACTED] (6 APRIL 1986). FIELD NO. <[REDACTED]>
DISSEM: FIELD, [REDACTED] (PRINCIPAL OFFICER)
SENT TO [REDACTED]

(PRINCIPAL OFFICER ONLY), US/ISSU.
WARNING: REPORT CLASS S-S-C-S S-S--WARNING NOTICE-INTELLIGENCE
SOURCES OR METHODS INVOLVED--NOT RELEASABLE TO FOREIGN
NATIONALS--NOT RELEASABLE TO CONTRACTORS/CONSULTANTS
--DISSEMINATION AND EXTRACTION OF INFORMATION CONTROLLED BY
ORIGINATOR.
DECL: OADR DRY NUM 8-82 BY RECORDED REPORTING OFFICER. ALL
PORTIONS CARRY CLASSIFICATION AND CONTROLS OF OVERALL DOCUMENT.
END OF MESSAGE

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by S. Rager, National Security Council

C11N 3850

CATF

23A

CIA 025696

~~SECRET~~ NOFORN NOCONTRACT ORCON UNINTEL

10: IMMEDIATE DIRMSA, DEPT OF STATE, DIA, TREASURY DEPT
WHITE HOUSE SITUATION ROOM, NATIONAL SECURITY COUNCIL STAFF,
USCINCSO ONTS PANAMA, ZEN/CIA OFFICE OF CURRENT OPERATIONS.

4211

SERIAL:
F22.

NSA FOR ZKZK OO OLC DE (FOR NSOC), STATE FOR INR

CENTRAL INTELLIGENCE AGENCY

WARNING: INFORMATION REPORT, NOT FINALLY EVALUATED INTELLIGENCE

REPORT CLASS ~~SECRET~~ UNINTEL NOFORN NOCONTRACT NOCON

OIST: 12 APRIL 1986
COUNTRY: NICARAGUA

SUBJ: UNO/FARN LETHAL AIRDROP TO COMBAT FORCES

001: 12 APRIL 1986

SOURCE:

TEXT:_____

UNIFIED NICARAGUAN

ON JUNE 11, 1968, A GROUP OF REVOLUTIONARY FORCES (UNIT/FARM) COMMANDER
HAD RADIOED THAT HIS FORCES HAD RECEIVED AN ATROCIOUS

APPROXIMATELY 20,000 POUNDS OF LETHAL SUPPLIES AT 2330 HOURS

LOCAL ON 11 APR 1968

2. UNO/FABO
THEY HAD BEEN EXPECTING THE AVERAGE OF 1.2% IN 1974. SAID

IT WAS TO HAVE BEEN COMPRISED OF EIGHTEEN LARGE BUNDLES WHICH

WERE TO HAVE INCLUDED THE FOLLOWING LETHAL SUPPLIES:

ROUNDS OF 2 1/2x5 APPLICATION: ROUNDS OF 7 1/2x7 1/2

GRENADE (C-10) H-763 2 8 PG-7 ROCK LAUNCHER H-763 GRENADE

LAUNCHERS [REDACTED] G-3 [REDACTED] RIFLES [REDACTED] G-3 MAGAZINES [REDACTED]
TRENCH KNIVES [REDACTED] COMPASSES [REDACTED]

TRENCH KNIVES, ETC. PASSPORTS

17-00000 AMONG OTHERS CONTAINED THE

QUANTITY AND CONDITION OF THE FOOTPRINT WHICH WAS DROPPED.
(SOURCE COMMENT: SOURCE AND MR. J. M. L. T. D. COMMANDERS (NACs))

AND NEWLY ARMED COMMANDERS (NACS) ARE CURRENTLY OPERATING IN THE VICINITY OF

MAO RAO

THOSE FORBIDDEN TO ENTER THE ONLY ZONE SITE
ACR: [REDACTED] (11 APR 71) 1944 FIELD NO

(11 APRIL 1968) FIELD NO.

DISSEM: FIELD, COMASSY AT PRINCIPAL OFFICERS

ONLY) SENT TO
(PRINCIPAL OFFICE) NO. 121130

~~WARNING: REPORT CLASS SECRET - WARNING NOTICE- INTELLIGENCE~~

SOURCES OR METHODS INVOLVED--NOT RELEASABLE TO FOREIGN

NATIONALS..NOT RELEASABLE TO CONTRACTORS/CONSULTANTS

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CIN 3849

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CATZ

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W. F. Reget, National Security Council

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 INFORMATION
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 PORTION CLASSIFICATION AND CONTROLS OF OVERALL DOCUMENT.
 ORIGINATOR
 END OF MESSAGE

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ADMIN: INFORMATION REPORT, NOT FINALLY EVALUATED INTELLIGENCE.
 REPORT CLASS S-S-C-T-S-T-UNINTL--HOFORS--HOOCONTRACT--ORCON

DIST: 8 MAY 1986

COUNTRY: NICARAGUA

SUBJ: <><>RESUPPLY<><> MISSION

DOI: 8 MAY 1986

SOURCE: [REDACTED]

254
8919

THE BOAT DEPARTED THE RIA, LEAVING BEHIND OF 6 MAY 1986, A
 BOAT DEPARTED [REDACTED] ON 6

<><> MISSION TO [REDACTED]

ON BOARD ARE [REDACTED] COMBATANTS AND
 WITH 10 OTHER INDIVIDUALS WHO WERE DESCRIBED AS BEING
 CADRES. IN ADDITION TO THE <><>RESUPPLY<><> OBJECTIVE, THE
 COMBATANTS WILL MAKE CONTACT WITH COMMANDER [REDACTED] IN AN
 ATTEMPT TO DETERMINE HOW MANY COMBATANTS [REDACTED] ACTUALLY
 WAS IN THAT AREA. [REDACTED] THESE

FIGURES, ONCE THEY ARE DETERMINED, WILL BE FORWARDED [REDACTED] IF THE

FIGURES ARE SUBSTANTIAL. [REDACTED] AND [REDACTED] WILL REQUEST AERIAL
 <><>RESUPPLY<><> OF EQUIPMENT WITH WHICH TO
 OUTFIT THE COMBATANTS.

2. THE BOAT CARRIED FOR DELIVERY TO THE INDIGENOUS
 COMBATANTS: COMPLETE UNIFORMS, PAIRS OF BOOTS,
 RUCKSACKS; AN UNDETERMINED NUMBER OF RIFLES AND PISTOL BELTS;
 S-S-C-T-S-T HOFORS HOOCONTRACT ORCON UNINTL

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 under provisions of E.O. 12356
 by B. Regan, National Security Council

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CIIN 3851

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Dist 17 SEP 86

8923

PAGE 0010

COUNTRY: NICARAGUA

SUBJ: ACTIVITIES OF THE UNIFIED NICARAGUAN OPPOSITION/SOUTH

DURING THE PERIOD 10 AUGUST - 16 SEPTEMBER 1986

REF: [REDACTED] - SEPTEMBER 1986

SUMMARY:

THE FOLLOWING COMBAT ACTIONS BETWEEN FORCES OF THE UNIFIED NICARAGUAN OPPOSITION/SOUTH (UNO/SOUTH) AND THE SANDINISTA POPULAR ARMY (EPS) OCCURRED FROM 10 AUGUST 1986 TO 16 SEPTEMBER 1986:

A. ON 10 AUGUST 1986, [REDACTED]

UNDER THE LEADERSHIP OF [REDACTED] ENGAGED A SANDINISTA CUBAN INFANTRY BATTALION (BLI) IN LAS SARDINAS, NEAR EL PARCO (NP1). THE COMBAT LASTED FOR FIFTEEN MINUTES.

B. ON 25 AUGUST 1986, AN EPS COMPANY FELL INTO A "CLAYMORE" AMBUSH IN AN AREA NEAR THE RIO ESCONDIDO (NP1). THE THIRTY MINUTE AMBUSH WAS SET UP BY COLUMN LEADERS [REDACTED].

C. ON 25 AUGUST AND AGAIN ON 26 AUGUST 1986, FORCES OF [REDACTED] UNDER THE COMMAND OF [REDACTED] ATTACKED AN EPS COMPANY IN LA CRIBA, FIFTEEN KILOMETERS FROM BUENA GUINIA (1193N, 8428W).

D. ON 29 AUGUST 1986, FORCES UNDER [REDACTED] AND [REDACTED] ENGAGED AN EPS UNIT FOR THIRTY MINUTES IN LAS LAYAS, SIXTEEN KILOMETERS NORTH OF BUENA GUINIA.

E. ON 1 SEPTEMBER 1986, TROOPS UNDER THE COMMAND OF [REDACTED] TRAPPED AN EPS BLI UNIT IN TWO CONSECUTIVE AMBUSHES AND, SUBSEQUENTLY, FURMELED THEM INTO A THIRD [REDACTED] CLAYMORE TRAP. THE COMBAT TOOK PLACE IN AN AREA KNOWN AS LA CRIBA (NP1). UNO/SOUTH UNITS RECOVERED TWO RPG-7 ROCKETS AND OTHER MILITARY MATERIAL.

F. ON 1 SEPTEMBER 1986, IN AN AREA KNOWN AS EL GUACINO IN THE CUCARAUBA JURISDICTION, AN EPS COLUMN FELL INTO A "CLAYMORE" AMBUSH. THE TEN MINUTE AMBUSH, DIRECTED BY COMMANDER [REDACTED] RESULTED IN THE SANDINISTAS DISMANTLING IN RETREAT.

G. ON 8 SEPTEMBER 1986, COLUMNS FROM THE [REDACTED] UNDER THE LEADERSHIP OF COMMANDER [REDACTED] MADE A SURPRISE, FIRST-LIGHT MORTAR AND SMALL WEAPONS ATTACK ON THE "JULIO SUITRAGO" EPS GARRISON. THE THREE HUNDRED MAN EPS GARRISON WAS LOCATED IN EL BILIRIO, THIRTEEN KILOMETERS FROM CUIDAD RAMA (1209N, 8415W). AMONG THE SANDINISTA DEAD WAS THE GARRISON'S SECOND-IN-COMMAND, ANTONIO ((SALAZAR)). THE UNO/SOUTH UNITS RECOVERED FOUR AE-57 ASSAULT RIFLES (SERIAL NUMBERS 3127, 4744, 6124, AND 3090); A RPE MACHINE GUN (LOCKHEED-3247) WITH 5,000 ROUNDS OF AMMUNITION; FIFTY UNIFORMS, TEN PAIRS OF BOOTS AND OTHER QUARTERMASTER GEAR.

H. ON 8 SEPTEMBER 1986, EPS TROOPS ATTACKED A UNO/SOUTH COLUMN OF [REDACTED] IN LOS TAJUELOS, TWELVE KILOMETERS FROM BUENA GUINIA. THE ENGAGEMENT LASTED FOR THIRTY MINUTES.

I. THERE WERE THREE <<>THIRTY<> OF SUPPLIES MADE TO UNO/SOUTH FORCES DURING EARLY SEPTEMBER IN THE AREA [REDACTED]

SIX OF THE EIGHT BUNDLES THAT WERE DROPPED IN THE FIRST <> SUPPLY RUN WERE RECOVERED. TWO SUBSEQUENT <<>AIR DROPS<> WERE MADE BUT,

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Original, Enclosed/Telexed on 10 Sep 86
Under 2000-1.5 of E.O. 12356
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FOR REASONS UNKNOWN, WERE MADE OUTSIDE OF THE AGREED UPON DROP ZONE (BZ). NO BUNDLES FROM THE SECOND DROP HAVE BEEN RECOVERED. ALL BUNDLES OF THE THIRD DROP, HOWEVER, WERE RECOVERED BY UNO/SOUTH

UNO/SOUTH REPRESENTATIVES HAVE DEVELOPED AN ORDER OF BATTLE FOR THEIR INTERNAL FORCES AND CLAIM APPROXIMATELY 100 MEN AT ARMS. (FIELD COMMENT: [REDACTED])

(SPECIFIC BATTLE OR ORDER OF BATTLE.)

ACR: [REDACTED] (MID-SEPTEMBER 1986) FIELD NO. [REDACTED]

DATE: [REDACTED] BY: [REDACTED] SENT TO: [REDACTED]

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MILITARYPAGE 111
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SECRET NOFORN NOCONTRACT ORCON HMINTEL
 01 OCT 86 CIA 000007
 TO: IMMEDIATE DIRNSA, DEPT OF STATE//FOR IHR, OEA, TREASURY DEPT,
 WHITE HOUSE SITUATION ROOM, ZEN/CIA OFFICE OF CURRENT OPERATIONS,
 USCINCPAC GHTS PANAMA.

SERIAL: [REDACTED]

PASS: NSA FOR IZKZ OO DLS DE (FOR NSOC).

CENTRAL INTELLIGENCE AGENCY

WARNING: INFORMATION REPORT, NOT FINALLY EVALUATED INTELLIGENCE.

REPORT CLASS SECRET--HMINTEL--NOFORN--NOCONTRACT--ORCON

DIST: 01 OCTOBER 1986

COUNTRY: NICARAGUA

SUBJ: UNO/SOUTH ACTIVITIES REPORT IN AUGUST AND
SEPTEMBER 1986

DOIS: LATE SEPTEMBER 1986

SOURCE: [REDACTED]

TEXT: 1
 THE FOLLOWING MILITARY ENGAGEMENTS TOOK PLACE BETWEEN FORCES OF THE
 UNIFIED NICARAGUAN OPPOSITION/SOUTH (UNO/SOUTH) AND THE SANDINISTA
 POPULAR ARMY (EPS) DURING AUGUST AND SEPTEMBER 1986:
 ON 18 AUGUST 1986 AT 1000 HOURS, FORCES FROM [REDACTED]
 UNDER THE COMMAND OF [REDACTED] ATTACKED THE
 GARRISON OF COLONIA EL BERRANO (NFI). THE COMBAT LASTED FORTY-FIVE
 MINUTES.

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 by J. Rupp, National Security Council

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MILITARY

PAGE 002
 TOTAL 01 OCT 66 CIA 006057

B. ON 05 SEPTEMBER 1986 AT 1900 HOURS, UNO/SOUTH FORCES UNDER THE COMMAND OF [REDACTED] AMBUSHED AN EPS PATROL IN THE STREETS (MPI) OF COLONIA EL BERRANO. THE COMBAT LASTED TEN MINUTES.

C. ON 06 SEPTEMBER AT 0800 HOURS, AN UNO/SOUTH DETACHMENT UNDER THE LEADERSHIP OF [REDACTED] AND [REDACTED] HAD TWO CONSECUTIVE ENCOUNTERS WITH A SANDINISTA PATROL IN THE AREA OF PUNTA GORDA (MPI). THE FIRST PHASE OF COMBAT LASTED FORTY-FIVE MINUTES AND THE SECOND FOR FIFTEEN MINUTES.

D. ON 12 SEPTEMBER 1986 AT 0500 HOURS, THE COMBINED FORCES OF UNO/SOUTH UNDER COMANDANTE [REDACTED] AND UNO/FOM UNDER COMANDANTE [REDACTED] AMBUSHED A SANDINISTA CONVOY ON THE ROAD FROM "LA GATEADA" (1260N-8447W) AND NUEVA GUINEA (1230N-8415W). THE AMBUSH DESTROYED ONE JEEP AND TWO "PIA" TRUCKS CARRYING AT LEAST FORTY PEOPLE. LIEUTENANT LUIS ((HUEYA)), LIEUTENANT FERNANDO ((BALTODANO)), AND CAPTAIN JOSE ADRAM ((CASTILLO)) CASTILLO WERE AMONG THE SANDINISTA TROOPS THAT WERE KILLED.

2. [REDACTED] UNO/SOUTH REPORTED THAT THEIR FORCES RECEIVED TWO AIR RESUPPLIES DURING THE LAST WEEK IN SEPTEMBER 1986. THE SHIPMENTS WERE COMPRISED PRIMARILY OF AMMUNITION AND HAND GRENADES. UNO/SOUTH TROOPS ALSO REPORTED THAT THEY WERE IN DIRE NEED OF COMPLETE RESUPPLY OF QUARTERMASTER GEAR.

ACFI (30 SEPTEMBER 1986) FIELD NO.

DISSEMI FIELD: (48857) AT [REDACTED] SENT TO [REDACTED]
 USCINCSO.

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CIN 3555

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28(4)

PAGE 0013

DIST: 23 SEPTEMBER 1986
 COUNTRY: NICARAGUA
 SUBJECT: ACTIVITIES OF THE UNIFIED NICARAGUAN OPPOSITION/SOUTH
 DURING MID-SEPTEMBER 1986
 SOURCE: [REDACTED]
 DATE: 23 SEPTEMBER 1986

THE FOLLOWING COMBAT ENGAGEMENTS OCCURRED BETWEEN FORCES OF THE UNIFIED NICARAGUAN OPPOSITION/SOUTH (UNO/SOUTH) AND THE SANDINISTA POPULAR ARMY (EPS) DURING THE PERIOD FROM LATE JULY TO 23 SEPTEMBER 1986:

A. ON 22 JULY 1986, UNO/SOUTH TROOPS AMBUSHED A SANDINISTA CONVOY ON THE ROAD BETWEEN ACOTAPA (1156N-8510W). AMONG THE SANDINISTAS KILLED IN THE BATTLE WAS SUB-COMANDANTE EUSTAGUIO ((VILLAZ)) SEQUEIRA, CARNET NUMBER 18803. UNO/SOUTH TROOPS RECOVERED ONE AK-47 RIFLE AND SOME QUARTERMASTER GEAR.

B. ON 08 AUGUST 1986, UNO/SOUTH TROOPS AMBUSHED A SANDINISTA CONVOY ON THE ROAD FROM SAN MIGUELITO ONLY THREE KILOMETERS FROM ACOTAPA (1156N-8510W). THE AMBUSH DESTROYED ONE SANDINISTA "IFA" TRUCK. SANDINISTA SUB-LIEUTENANT ROLANDO ((MADRIZ)) WAS AMONG THOSE KILLED.

C. ON 10 AUGUST 1986, UNO/SOUTH TROOPS MADE A SURPRISE ATTACK ON STATIONARY EPS PATROL IN THE COMARCA "JUANA CASTILLO," TEN KILOMETERS SOUTH OF ACOTAPA (1156N-8510W).

D. ON 18 AUGUST 1986, UNO/SOUTH TROOPS SPRUNG AN AMBUSH ON A SANDINISTA CONVOY ON THE ROAD BETWEEN SAN MIGUELITO AND ACOTAPA, TOTALLY DESTROYING TWO "IFA" TRUCKS.

E. ON 17 AUGUST 1986, UNO/SOUTH FORCES ENGAGED THE SANDINISTAS IN A NINETEEN-MINUTE COMBAT IN THE AREA KNOWN AS "PAISES BAJOS," EIGHT KILOMETERS FROM "LA GATEADA" IN CHONTALES.

F. ON 10 SEPTEMBER 1986, UNO/SOUTH TROOPS ENGAGED SANDINISTA FORCES IN A ONE-HOUR COMBAT IN AN AREA KNOWN AS "EL RESPIRAL."

G. ON 12 SEPTEMBER 1986 AT 0500 HOURS, UNO/SOUTH TROOPS AMBUSHED A SANDINISTA CONVOY ON THE ROAD BETWEEN "LA GATEADA" AND NUEVA GUINEA, TWO KILOMETERS FROM "LOS SANTOS." THE AMBUSH DESTROYED ONE "MATT" JEEP AND TWO "IFA" TRUCKS. NICARAGUAN ARMED OPPOSITION FORCES RECOVERED TEN AK-47 ASSAULT RIFLES; 5,000 ROUNDS OF AMMUNITION FOR THESE RIFLES; ONE M-79 GRENADE LAUNCHER WITH THIRTY GRENADES; FIFTEEN RUCK SACKS; TWO MEDICAL KITS; ONE 9MM PISTOL #1122; AND ASSORTED QUARTERMASTER GEAR. AMONG THE DEAD WERE TWO SANDINISTA OFFICERS: JOAN ((ABRAHAM)) CASTILLO AND LUIS ((SISTANO)) MONTI.

H. ON 13 SEPTEMBER 1986, THE COMBINED FORCES OF UNO/SOUTH COMMANDER [REDACTED] AND UNO/TON COMMANDER [REDACTED] ATTACKED A SANDINISTA GARRISON LOCATED FIVE KILOMETERS FROM "EL ALMORADO." THE ENGAGEMENT LASTED TWO HOURS.

IN THE LAST TWO WEEKS, UNO/SOUTH REPORTS THERE HAVE BEEN A TOTAL OF SIX AIR <>>RESUPPLY<>> FLIGHTS, FOUR OF WHICH HAVE BEEN FOUND. (SOURCE COMMENT: THE TWO DROPS NOT YET LOCATED HAVE A GOOD CHANCE OF BEING RECOVERED BECAUSE IN BOTH INSTANCES, UNO/SOUTH COMMANDERS

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 under provisions of E.O. 12958
 by S. Regier, National Security Council

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CLAIMED THAT THEIR TROOPS WERE IN THE AREA.)
 ADD: [REDACTED] (23 SEPTEMBER 1986). FIELD NO. 8926

EMBASSY AT [REDACTED] SENT TO [REDACTED]

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 SOURCES OR METHODS INVOLVED--NOT RELEASABLE TO FOREIGN NATIONALS--NOT
 RELEASABLE TO CONTRACTORS/CONSULTANTS --DISSEMINATION AND EXTRACTION
 OF INFORMATION CONTROLLED BY ORIGINATOR.
 DECL: OADR 88B 4-82 BY RECORDED REPORTING OFFICER. ALL PORTIONS
 CARRY CLASSIFICATION AND CONTROLS OF OVERALL DOCUMENT.
 ORIG/REL: [REDACTED]
 INFO: [REDACTED]

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CIN 3854

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C 8921 PAGE 0006

CIC

DIST: 19 SEPTEMBER 1986
 COUNTRY: NICARAGUA
 SUBJECT: ACTIVITIES OF THE UNIFIED NICARAGUAN OPPOSITION/SOUTH
 FROM 7 JULY TO 9 AUGUST 1986
 DATE: JULY-AUGUST 1986
 SOURCE: [REDACTED]
 TEXT: 1. COMBAT ACTIONS.

26(A)

THE FOLLOWING COMBAT ACTIONS BETWEEN MEMBERS OF THE UNIFIED NICARAGUAN OPPOSITION/SOUTH (UNO/SOUTH) AND THE SANDINISTA POPULAR ARMY (EPS) FORCES OCCURRED DURING THE PERIOD FROM 7 JULY TO 9 AUGUST 1986:

A. ON 12 JULY 1986 AT 1800 HOURS, TWO SQUADS FROM THE [REDACTED] COLUMNS ENGAGED AN UNIDENTIFIED EPS UNIT AT COMARCA EL DELERIO (NFI) IN A 30-MINUTE FIRE FIGHT.

B. ON 13 JULY 1986 AT 0922 HOURS, A SQUAD LED BY [REDACTED] FROM [REDACTED] WAS AMBUSHED BY AN EPS PATROL NEAR EL PROVENTA, NUEVA GUINEA, ZELAYA SUR. THERE WAS A FIVE-MINUTE FIRE FIGHT.

C. ON 13 JULY 1986 AT 1040 HOURS, A DETACHMENT FROM THE SAME COLUMN, THE [REDACTED] UNIT LED BY [REDACTED] AMBUSHED AN EPS PATROL NEAR EL PROVENTA, FIVE KILOMETERS FROM COLONIA SERRANO (NFI) AND ENGAGED THEM IN A 30-MINUTE FIRE FIGHT.

D. ON 19 JULY 1986 AT 0900 HOURS, A UNIT FROM [REDACTED] UNO/SOUTH COLUMNS, LED BY [REDACTED] AMBUSHED AN EPS UNIT AT COMARCA SANTA GOMEZ, FIFTEEN KILOMETERS FROM LOS CHILES, LA AZUCENA, ZELAYA SUR.

E. ON 19 JULY 1986 AT 1900 HOURS, A SQUAD LED BY [REDACTED] FROM THE [REDACTED] ATTACKED AN EPS HALLUCKS AT COLONIA SERRANO. THE COMBAT LASTED 30 MINUTES.

F. ON 20 JULY AT 1800 HOURS, A SQUAD LED BY [REDACTED] FROM [REDACTED] WAS SURPRISED BY A PATROL FROM THE SANDINISTA FRONTIER GUARD FORCE AT COMARCA SAN RAMON, RIO SAN JUAN, ZELAYA SUR.

G. THERE WERE THREE ACTIONS ON 22 JULY 1986 BY UNITS FROM [REDACTED] IN THE RUBEN DARIO AREA OF NUEVA GUINEA:

1. A UNIT LED BY [REDACTED] FOUGHT WITH ELEMENTS OF AN EPS BATTALION NEAR LAS ANTILLAS.

2. AT 1200 HOURS, A SQUAD LED BY [REDACTED] ENGAGED THE SAME EPS UNIT.

3. AT 1800 HOURS, THE SQUAD LED BY [REDACTED] AGAIN ENGAGED THE EPS UNIT.

H. ON 25 JULY 1986 AT 1730 HOURS, TWO UNITS COMMANDED BY [REDACTED] AND [REDACTED] FROM [REDACTED] AMBUSHED TWO SQUADS OF SANDINISTA FRONTIER GUARDS AT COMARCA EL TULITO, 20 KILOMETERS NORTH OF LOS CHILES.

I. ON 26 JULY 1986 AT 0930 HOURS, UNITS LED BY [REDACTED] AND [REDACTED] AMBUSHED ANOTHER FRONTIER GUARD PATROL AT COMARCA EL TULITO.

J. ON 1 AUGUST 1986 AT 0500 HOURS, [REDACTED] AMBUSHED AN EPS PATROL FIVE HUNDRED METERS FROM COLONIA EL SERRANO, LA FONSECA, NUEVA

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 under provisions of E.O. 12356
 by 2. Regier, National Security Council

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C/I/N 3852

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PAGE 0007

GUINEA, ZELAYA SUB.

ON 3 AUGUST 1986 AT 0830 HOURS, A SQUAD LED BY
 [REDACTED] ATTACKED AN EPS PATROL AT
 [REDACTED] AND ENGAGED THEM FOR 25 MINUTES.
 ON 4 AUGUST 1986 AT 1140 HOURS
 [REDACTED] ATTACKED AN EPS UNIT BY EL

JICARD

THE FOLLOWING <<<RESUPPLY>>> EFFORTS WERE CONDUCTED DURING THE
 PERIOD FROM MID-JULY 1986 TO MID-AUGUST 1986:

A. MARINE <<<RESUPPLY>>> EFFORTS: AS OF MID-AUGUST 1986,
 UNO/SOUTH HAD ACQUIRED [REDACTED] BOAT

THIS BOAT, ALONG WITH [REDACTED] BOAT, WILL BE USED TO
 PROVIDE MARITIME RESUPPLIES ON TO AID IN THE EVACUATION OF WOUNDED.

B. <<<AIR DROP>>> <<<RESUPPLY>>> EFFORTS:

A. ON 11 JULY 1986, FORCES [REDACTED] THESE SUPPLIES INCLUDED
 FOUR BUNDLES OF SUPPLIES. [REDACTED] ROUND OF AMMUNITION
 (M1) [REDACTED] MACHINE GUNS AND [REDACTED] HAND GRENADES.

B. ON 13 JULY 1986, FORCES [REDACTED]
 REPORTED THAT THREE OUT OF THE SEVEN BUNDLES OF SUPPLIES
 WHICH HAD BEEN <<<AIR DROPPED>>> TO THEM HAD BEEN LOST IN THE RIVER.
 ACCORDING TO [REDACTED] (MID-AUGUST 1986).

C. FIELD NO. <<<[REDACTED]>>> [REDACTED] SENT TO [REDACTED]
 DISSEM. FIELD: [REDACTED] AT [REDACTED] SENT TO [REDACTED]
 DISSEM. FIELD: [REDACTED] AT [REDACTED] SENT TO [REDACTED]

WARNING: REPORT CLASS S E C R E T--WARNING NOTICE-INTelligence
 SOURCES OR METHODS INVOLVED--NOT RELEASABLE TO FOREIGN NATIONALS--NOT
 RELEASABLE TO CONTRACTORS/CONSULTANTS --DISSEMINATION AND EXTRACTION
 OF INFORMATION CONTROLLED BY ORIGINATOR.
 DECL: OADR DRY NUM 4-82 BY RECORDED REPORTING OFFICER. ALL PORTIONS

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C11N3152

(EXHIBIT TC-6)

FM Goode

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~~(TOP SECRET)~~

The unit ~~to~~ which we wanted to drop in the southern quadrant of Nicaragua is in desperate need of ordnance resupply. We had planned to do a material drop from the supplies we are bringing into but the units - headed by cannot wait. Have therefore developed an alternative plan which has been briefed on and in which he concurs. The L-100 which flies from to on Wednesday should terminate it's MRAO mission on arrival at . At that point it should load the supplies at which - theoretically is assembling today at - and take them to . These items should then be transloaded to the C-123 after being properly rigged. On any night between Thursday, Apr 9, and Friday, Apr 11 these supplies should be dropped by the C-123 in the vicinity of . The A/C shd penetrate Nicaragua across the Atlantic Coast south of . Call signs freqs and zone marking light diagram to be provided to Ralph at by the new UNO Sur operator we are taking care of. Hope we can make this happen the right way this time. If we are ever going to take the pressure off the northern front we have got to get this drop in - quickly. Please make sure that this is retransmitted via this channel to Ralph, Sat and Steele. Owen already briefed and prepared to go w/ the L-100 out of if this will help. Please advise soonest.

Warm regards,

Goode

BT

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under provisions of E.O. 12958
by S. Roper, National Security Council
Exhibit TC-6

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#5

~~TOP SECRET~~

Copp: 3/27/86 1130

Part 1: 271555Z Mar 86. L-100 is returning to MIA fm [REDACTED]
 Apparently, Rob and you are trying to work up clean out of
 [REDACTED] but L-100 must come home. Too many cooks in this
 broth and Gadd and Sat very unhappy. Ralph talked to Romano at
 [REDACTED] -- not sure which -- yesterday at 1400L.
 Romano said FOM totally unaware of any agreement to send anything
 to Blackies troops. FOM needs all its stuff for itself. This
 whole mess is result of incompetence on CIA part or worse. [REDACTED]
 continues to express surprise. Meanwhile, my ability to sell
 this type MSM continues to erode because of lack of
 professionalism. This cannot be totally attributed to recent
 combat since [REDACTED] claims deal was put together long ago.

 N133
 121116
 KJ

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 under provisions of E.O. 12958
 by B. Regw, National Security Council

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092213Z Apr 86.

1. L-100 still not [REDACTED] at 17:55 ZST. C-123K and L-100 special drop crew in place at [REDACTED] and are prepared to make drop yet tonight, if miracle occurs and L-100 makes it into [REDACTED] in next few hours with chutes, rigging, and ordinance as well as good in-commission status. C-123K is ready and mission capable. Ralph is in good contact with me via KL-43.
2. [REDACTED] also in contact with Ralph via KL-43 and is passing current intelligence for drop crew.
3. Ralph reports they have solved [REDACTED] problem -- don't know whether they shot him, paid him, ejected him or what.
4. Mr. Moses fixed good recorder on my phone for [REDACTED] if and when he ever calls again. Allah Akbar. Dick. BT

2000
Apr 9-1968. Confirmed arrival [redacted] at 6:00 w/ load of
confirming over [redacted] United
Ferry # Apr 1968 [redacted] Commerce

Knows
Company
Boulder County
to Clark

7.62 x 31
7.62 x 39
7.62 mm
M-79 Ammo
QAC 7 Adz
m963
RPG 7 Launcher
M-79 Grenade
G-2 Launchers
m963

~~SECRET~~
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under provisions of E.O. 12958
by B. Rieger, National Security Council

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maritime deliveries WRAO supplies to same, WRAO air drop to UMO South, but w/certified air worthy aircraft, lethal drop to UMO South, [redacted] visit to UMO South Force with photos, UMO newspapers, caps and shirts, and transfer of 80 UMO/PARN recruits [redacted] carrying all remaining cached lethal material to join UMO South Force. My objective is creation of 2,300 man force which can strike northwest and link-up with quiche to form solid southern force. Likewise, envisage formidable opposition on Atlantic Coast resupplied at or by sea. Realize this may be overly ambitious planning but with your help, believe we can pull it off.

New subject. AFP story appeared in morning paper [redacted] on U.S. attorney south Florida investigation arms, drugs traffic involving insurgents and U.S. sympathizers. Terrell, CMA named. Focus on Mar 1983 shipment ft. Lauderdale [redacted] via [redacted]

New subject. Ref Crus split. Why not offer Crus provisional
presidency in secret agreement signed by principals?
Regards, DV. ST

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2124

Library/Distribution/Address on **5-19-87**
under direction of E.A. Wilson
by C. Davis, General Security Branch

~~TOP SECRET~~~~TOP SECRET~~

W

4/19/86 2000

Delivered to [REDACTED] by 707 yesterday is a plane load of ordnance for your friends. Ammo aboard includes [REDACTED] rds of 7.62 x 39 and a like amt of 51. Also have [REDACTED] M-26 hand grenades, ancillary items for the C-4 plastic explosives -- blastic caps, det cord, etc., and [REDACTED] light machine guns w/ [REDACTED] rds of linked ammo and a [REDACTED] anti-personnel mines for use in ambushes. When and where do you want this stuff. We are prepared to deliver as soon as you call for it. Is there an UNO/FARN communicator being placed in [REDACTED] If so, please have this guy coordinate with Ralph so that we have things wired together. Also wish to note my guys are flying without any intel. Can we do something about getting them the radar profiles of Mic AAA radars, etc. BT

5-19-87
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under provisions of E.O. 12356
by D. Regar, National Security Council

992

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Cc2p: 5/2/86 1845 This just received from Ralph. I understand it all, think you probably will:

May 02 1600 hrs. [REDACTED]

1. We have 20 men equipment from [REDACTED] No problem [REDACTED] delayed operation because lack [REDACTED] are being send here for us to take them to strip other than ours, then we proceed with cps.

2. All 90 drums transferred to west together with support equipment. C-123 made three successful runs without problem.

3. Successful in convincing [REDACTED] and [REDACTED] on need to keep [REDACTED] here, all we need now is the rifles and support weapons.

4. Agency here backed up on we controlling OMC commo man they want him at [REDACTED] with [REDACTED] and different pad but using [REDACTED] radio. [REDACTED] says not to fight it.

5. Request approval to send C-123 to [REDACTED] to work as we don't have any use for it here right now. Will keep caribu here for west support when needed. Advice.

6. U.S. LTCOL [REDACTED] nominated for mil group commander for [REDACTED] can open us the door there with [REDACTED] new military top. In very good relation with [REDACTED] If we or Ollie can help him he can be our Steele there. ST

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READER

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under provisions of E.O. 12958
by P. Rogers, National Security Council

(947)

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FM: RHP

April 27 1300 Costa Rica. Met with [redacted] this morning.

1- [redacted] Ops postpone, no future date yet.

2- Drop of 20 Indians in C. Rica reschedule for night drop but still for end of this week. Evaluate if possible giving range C7, distance to CA [redacted] and lack of illumination [redacted]

[redacted] Will need key lights for this.

3- Mule run test accomplish. No reports from air crew yet but ground reports success.

4- [redacted] and [redacted] officially dismissed from post as May 8th. Ambassador and [redacted] strongly working at it. Results might be sign of our future with new administration.

5- [redacted] Estimated time for big drop with L100 to Indians is 10 to 15 days after we accomplish the 20 Indians drop in C.R. phase.

[redacted] Intel contradict that of Goode. Example [redacted]

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by D. Regar, National Security Council

(EXHIBIT TC-7)

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SUBJECT: 1. The Disruptive Actions of Eden Pastora
2. Drug Trafficking Activities by Members of Pastora's Organization

1. From the time of his incorporation into the Nicaragua Project in 1982, Eden Pastora proved to be a destabilizing element within the Nicaraguan opposition movement. His actions, and particularly his public comments, frequently provided the Sandinistas with propaganda benefits, particularly his statements about alleged National Guard control of the FDN and FDN atrocities. While Pastora's objectives were never clear, his actions were probably motivated by a desire to become the overall military leader of the Nicaraguan opposition.

Many of the prominent Nicaraguan exiles who formerly supported Pastora have withdrawn such support, including Arturo Cruz and Alfonso Robelo, who charge that Pastora has wasted millions of dollars of U.S. funds without developing, much less implementing, a coherent military strategy or guerrilla program.

2. There is no firm evidence to link Eden Pastora directly to drug trafficking activities, but there is compelling information that members of Pastora's entourage were so involved. Reportedly, Pastora was aware of the drug trafficking activities of his subordinates.

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under provisions of E.O. 12356
by G. Regier, National Security Council

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REMOVED FOR RELEASE TXN18
1 May 87
HSC-SSC

FYE
This case is
Des from
6/1/87

(EXHIBIT TC-8)

UNCLASSIFIEDLADORECORD
OUTGOING

0781

PAGE 001
TOT: 25 APR 88 DIRECTOR 844764STAFF 28 DIRECTOR 844764
TO: IMMEDIATE INFO

SUBJECT:

REF:

DEA THE FOLLOWING INFORMATION MAY BE PASSED BY YOU TO
FOR THEIR GENERAL BACKGROUNDPartially Declassified/Released on 2/10/82
under provisions of E.O. 12356
by C. Roper, National Security Council

APPROVED FOR RELEASE

HSCJSSC

WHILE WE DO NOT HAVE FIRM EVIDENCE THAT FRS COMMANDER PASTORA
PASTORA HIMSELF WAS INVOLVED IN THIS TRAFFICKING, WE FIND IT
DIFFICULT TO BELIEVE THAT HIGH-LEVEL OFFICIALS OF THE FRS
COULD BE SO INVOLVED WITHOUT PASTORA'S KNOWLEDGE.
MOREOVER, WE HAVE INFORMATION THAT PASTORA TERMINATED HIS ASSOCIATION
FORMER DEPUTY COMMANDER OF THE FRS.**UNCLASSIFIED**3 5
25 Apr 86

"TC"

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C 0782

PAGE 002
 TOT: 22 APR 88 DIRECTOR 844764

WITH PASTORA PARTLY BECAUSE OF HIS BELIEF THAT PASTORA WAS INVOLVED IN NARCOTICS TRAFFICKING, ARMS SMOUGLING, AND DISHONEST AND CORRUPT HANDLING OF FUNDS. HOWEVER, WE DO NOT KNOW WHAT GROUNDS OR INFORMATION PASTORA WAS USING HIS STATEMENT



SECRET, FILE: [REDACTED] DECL GADR DRY HUM 4-82. ALL
 ORIG: C/LA [REDACTED] COORD: C/LA [REDACTED] REL:
 C/LACATY [REDACTED] CL BY [REDACTED]
 END OF MESSAGE [REDACTED] SECRET

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On: 21 March 88
 HSC + SSC

(EXHIBIT TC-9)

EXHIBIT 9

C 3048

Page denied in its entirety

(EXHIBIT TC-10)

C/LA
INCOMING

FAP: .2.

4708

PAGE 001
TOR: 02 MAY 86

IN 0262216

S-E-C-R-E-T ON MAY 86 STAFF

CITE

TO: INACTIVE DIRECTION INFO PRIORITY

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EXHIBIT

TC-10

SUBJECT: ALERTING WITH THE NAC'S

REF: DIRECTOR 652672

1. ACTION REQUIRED: PLEASE ENSURE THAT INFORMATION BELOW
IS BROUGHT TO ATTENTION OF

2.

3. THE MEETING IS BEST DESCRIBED AS FORTHRIGHT IN PRESENTING THE EXPANSION OF THE MILITARY CAPABILITY IN THE SOUTHERN FRONT AS AN EFFECTIVE COORDINATED FORCE. THE [REDACTED] WAS ADVISED MORE SPECIFICALLY, THAT THE OBJECTIVES OF [REDACTED] LEADERSHIP RE A SOUTHERN FRONT FORCE ARE TO SEE OFFENSIVE COMBAT ACTIONS GUARANTEED, VIA REGULAR LOGISTICS (LETHAL AND NON-LETHAL) RESUPPLY, RESUPPLY MISSIONS TIED TO EFFECTIVE OFFENSIVE COMBAT ACTIONS AND RESULTING IN AFTER-ACTION REPORTS AND RECOGNITION OF [REDACTED] IN SUPPORT OF [REDACTED] AS COORDINATOR FOR THE SOUTHERN

4. THE APPARENT SERIOUSNESS OF THE COMMANDER'S CONCERN

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NACS
3A

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HSC SSC

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by C. Regier, National Security Council

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PAGE 002
TOR: 0 000000 MAY 88 18 0703214

... 4709

THEIR "MISSION" WAS INDEED IMPRESSIVE. ALL AGREED THAT IT IS
TIME TO SETTLE THE MATTER OF POLITICAL ALLIANCE ONCE AND FOR
ALL.

PASTORA
POLITICS: RAISED THE ISSUE OF THE "MAY" AND MAY ASTIDE
POSSIBILITIES OF GOING INSIDE. WAS REMINDER OF
THE MANY TIMES THAT SUCH A POLICE ONLY TO BE BROKEN
OVER AND OVER: BEATING THE OFFER TO SUPPLY ANYONE
"FIGHTING FOR THE DEMOCRACY OF NICARAGUA" STILL APPLIES BUT
WILL NOT GET ANY SUPPLY OF MATERIAL IN
COSTA RICA. WILL NOT GET ANY SUPPLY OF MATERIAL IN
COMMANDERS NOT TO BE FOOL BY POLITICAL PROMISES AND DREAMS
IMPLICITLY REFERRING TO THE AND WERE NOT BUT
TO GO WITH ACTUAL OFFER FOR CONTINUED SUPPORT IN
AND OUT OF NICARAGUA. (PASTORA)

THE COMMANDERS WERE AVID LISTENERS. AND
WERE THE ONLY ONES WHO EXPRESSED CONCERN ABOUT
CONTINUED LETHAL AND NON-LETHAL BELIEVING IN THE NAME OF
A RESUME OF ADMITTION WASTED TO BE
AT A DROP OF DENIAL AT THE SAME TIME. THE BACK
TO THE BOYS THAT MORE OF THE UNWIPPER IN
WAS USEFUL DUE TO THE CRASHING EFFECT OF THE PAST FALL
DROP ON THE 80-GALLON DRUMS. THE ONLY SERIOUS CONCERN
VOICES WAS ON THE PREPARATION OF A DOCUMENT EXPRESSING
ALLEGING TO.

7. FILE
NUM 4-82.
END OF MESSAGE

INDEX: DECL OADR DR
SECRET

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Date 6/20/12

HSC SC

CUN1702

(EXHIBIT TC-11)

Exhibit "TC" - 11 [2 pages] denied in its entirety
C 0943-0944

(EXHIBIT TC-12)

MAINTENANCE

FRP: .2.

C/LAA
INCOMING

4694

PART 001-00
TOM: 000000 OCT 06 IN 245000

STAFF

CITY

TO: INTERSTATE DIRECTOR INP

SUBJECT: CONTACT WITH CREW OF DOWNED AIRCRAFT
REF: DIRECTOR 000740

1. ACTION REQUIRED: NONE, FYI ONLY.

2. [REDACTED] HAS VERIFIED THAT NO [REDACTED] PERSONNEL HAS EVER
COME IN CONTACT WITH INDIVIDUALS DESCRIBED IN REF. HOWEVER,
[REDACTED] DOES RECALL MEETING ONE,
POSSIBLY ONE OF THE CREW.3. ACCORDING TO [REDACTED] WALLACE (ISAP/11) HAD PREVIOUSLY
VISITED SAN JOSE AND WAS INTRODUCED TO [REDACTED] MMAD
REPRESENTATIVES. [REDACTED] BELIEVES THAT [REDACTED] (CALLS THE
NAME BUT NOT THE FACE.)4. FILE: [REDACTED] DECL OADR DIVISION 4-52.
END OF MESSAGE

SECRET

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under provisions of E.O. 12356
by 2. Roger, National Security Council

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EXHIBIT

TC-12

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FOR RELEASE
DATE 01-01-87

3 3A

CIN 1694

(EXHIBIT TC-13)

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OGC-87-50377
2 March 1987

MEMORANDUM FOR: General Counsel

FROM: George Jameson
Associate General CounselSUBJECT: Assistance to Military Resupply Activities
of the Nicaraguan Democratic ResistanceISSUE:

1. You have asked for an opinion on CIA's authority during Fiscal Year 1986 to provide assistance to the military resupply efforts of the Nicaraguan democratic resistance. The question arises because of allegations that a CIA officer during that time provided information to members of the resistance and to persons, the so-called "private benefactors," aiding them to enable the resistance to receive weapons, ammunition, and other supplies inside Nicaragua during the period of a congressional limitation on the expenditure of funds to support paramilitary operations in Nicaragua. This memorandum was provided to, and discussed with, you in draft on 21 January 1987. It is substantially identical to the draft, except that it incorporates editorial comments provided to me on 5 February 1987.

SUMMARY:

2. During Fiscal Year 1986, CIA was authorized to provide limited information and advice to support the effective delivery and distribution of military equipment to the resistance. It is both the degree of CIA's involvement and the nature of that involvement that is determinative. CIA is authorized to share intelligence with the resistance.

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by J. Regar, National Security Council

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including information that would have potential military significance. The congressional report language states that CIA could not, however, engage in activities "that amount to participation in the planning or execution of military or paramilitary operations in Nicaragua by the Nicaraguan democratic resistance, or to participation in logistics activities integral to such operations." In my opinion, the law provided authority for CIA to provide information involving safe delivery sites, weather conditions, hostile risk assessments, and the like to assist the Nicaraguan resistance in their resupply activities, where CIA's role did not amount to participating in the actual delivery of material or in planning, directing, or otherwise coordinating deliveries during the course of or in the context of specific military engagement.

LEGISLATIVE HISTORY:

3. The applicable statutory provision is found at section 105 of the Intelligence Authorization Act for Fiscal Year 1986 (P.L. 99-169, 4 Dec. 1985), which provides:

(a) Funds available to the Central Intelligence Agency, the Department of Defense, or any other agency or entity of the United States involved in intelligence activities may be obligated and expended during fiscal year 1986 to provide funds, materiel, or other assistance to the Nicaraguan democratic resistance to support military or paramilitary operations in Nicaragua only as authorized in section 101 and as specified in the classified Schedule of Authorizations referred to in section 102, or pursuant to section 502 of the National Security Act of 1947, or to section 106 of the Supplemental Appropriations Act, 1985 (Public Law 99-88).

(b) Nothing in this section precludes--

(1) administration, by the Nicaraguan Humanitarian Assistance Office established by Executive Order 12530, of the program of humanitarian assistance to the Nicaraguan democratic resistance provided for in the Supplemental Appropriations Act, 1985; or

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(2) activities of the Department of State to solicit such humanitarian assistance for the Nicaraguan democratic resistance.

The Joint Explanatory Statement that accompanied the conference report to H.R. 2419, which was the House version of this provision, stated:

The conferees note that under current law and the restriction contained in Section 103 of this Conference Report, the intelligence agencies may provide advice, including intelligence and counter-intelligence information, to the Nicaraguan democratic resistance. Section 103 does not permit intelligence agencies to engage in activities, including training other than the communications training provided for pursuant to Section 103, that amount to participation in the planning or execution of military or paramilitary operations in Nicaragua by the Nicaraguan democratic resistance, or to participation in logistics activities integral to such operations. H.R. Rep. No. 99-373, 99th Cong., 1st Sess. 16 (1985).

4. In his presentation of the bill, HPSCI Chairman Hamilton stated that "training, or any other activities--including advice--that amount to participation in the planning or execution of military activities by the Contras, or acting as military advisors to the Contras, is prohibited." Cong. Rec. H.10294 (daily ed. 19 Nov. 1985).

Section 103 represents a small step forward toward full support for the resistance by permitting cooperation in the areas of information sharing, advice, transportation, and humanitarian aid. Idem at H.10296.

The transportation assistance referred to, above by Chairman Hamilton was to be provided by the State Department.

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On 24 March 87

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CIA for delivery of humanitarian aid, and would constitute participation rather than mere provision of advice. It was in this context that Representative Bonior specifically addressed the restriction on CIA's participation in activities "such as training, or anything including logistical support, that would amount to participation in the planning or execution of paramilitary or military operations in Nicaragua." He drew the distinction between permissible and nonpermissible involvement as follows:

Thus, Mr. Speaker, the intelligence authorization conference report has drawn a clear line between, on the one hand, the sharing of intelligence information with the Contras, which U.S. agencies involved in intelligence activities are permitted to do; and, on the other hand, planning for, participation in, or providing advice on any paramilitary or military operations, which U.S. agencies involved in intelligence activities are expressly prohibited from doing. Id. at H.10297.

Congressman Hamilton agreed.

3. Two days later, Senator Durenberger, in presenting the bill to the Senate for passage, attempted to clarify the intent of the provision:

Clearly, the intelligence agencies will be providing information and advice on matters of concern to the Nicaraguan democratic resistance, such as information on Sandinista capabilities, resources and intentions, and advice on matters such as effective delivery and distribution of materiel. The conferees have, however, specified that the intelligence agencies are not to engage in activities that actually amount to participation in the planning or execution of military or paramilitary operations in Nicaragua by the Nicaraguan democratic resistance, or to participation in logistics activities integral to such operations. Cong. Rec. S.16074 (daily ed., 21 Nov. 1985).

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The legislative history, therefore, seems to draw distinctions between, on the one hand, participation, planning, and providing advice (which would not be permitted in support of paramilitary operations) and, on the other hand, information-sharing, including advice on the delivery of supplies. This information-sharing would be authorized even if it would have potential military significance so long as it did not amount to participation, planning, or military advice. There is no clear indication that Congress intended to prohibit CIA from giving advice on supply operations, and some indication that it did intend to distinguish between mere information-sharing and actual participation in such operations. Furthermore, there would appear to be a valid distinction between permissible, general military resupply operations and operations in the context of specific military operations, which were not authorized.

OGC VIEWS:

✓ 6. With this in mind, the Office of General Counsel, following enactment of the bill into law, took a forward-leaning although guided position on the provision of information relating to the supply of resistance forces. → Essentially, OGC interpreted the law not to distinguish between information or advice of a logistical nature and advice in general, except for advice on specific military operations. On 19 December 1983, then General Counsel Stanley Sporkin noted to the Director of Central Intelligence in the context of this congressional restriction that while advice on logistical matters not 'integral' to military operations would be acceptable, there is a fine line to be drawn and greater cause for concern the closer the CIA role approaches the provision of advice that supports specific military operations" (Tab A). In addressing the implications of any efforts for CIA to give advice on the effective delivery and distribution of military equipment, Mr. Sporkin seemed to say that OGC could legally defend CIA's authority to do so, although he thought that this would have to be worked out with the intelligence committees in order to maintain a consensus on the program. This cautionary note was given in the face of disagreement that arose between NSC Chairman Hamilton and SSC Chairman Durenberger, following

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the enactment of section 105 and in light of the latter's statement to the Senate.

NPSCI/SEC: DISAGREEMENT:

7. Chairman Hamilton, in a letter to the DCI on 4 December 1983, stated that the law intended to preclude advising the resistance on "logistical operations upon which military or paramilitary operations depend for their effectiveness" (Tab B). Senator Durenberger disagreed and, in a letter to Hamilton dated 5 December 1983, stated that he believed the law would preclude advice on logistics activities integral to the effectiveness of particular military or paramilitary operations if it would amount to "participation" in such activities, even if that participation were not "physical." However, he distinguished between "general logistical advice (or logistical advice related to humanitarian or communications assistance) and advice that amounts to participation in logistics activities integral to military or paramilitary operations" (Tab C). Clearly, Senator Durenberger, in responding to Congressman Hamilton, intended to permit a wider range of advisory activities than Chairman Hamilton. In a reply, on 9 December 1983 (Tab D), Chairman Hamilton expressed his continued disagreement. He also implied that this was because any logistical advice could be used to support paramilitary operations, and be seen as prohibited military advice:

It would ill serve the Agency to become embroiled in controversy at this juncture regarding a matter about which Congress has expressed such repeated reservations.

Setting aside for a moment the purely hortatory nature of this language, if Chairman Hamilton's view were adopted, it would mean that Congress intended that CIA provide no military-related information to the resistance. (See Tab E for OGC position on authority to share intelligence of potential military significance.) He does not differentiate between logistical advice and military advice, between information-sharing and participation in, or planning for military operations, and between activities integral to military operations and provision

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of information to support logistics activities in a more general context (that is, not involving a specific military operation or engagement as opposed to routine or periodic resupply). This Agency, in fact, adopted an interpretation more in line with the SSCI position.

CONGRESSIONAL BRIEFINGS:

On February 1986, Chairman Hamilton requested an interpretation of the phrase "effective delivery and distribution of material to the resistance," and asked how CIA would "ensure that advice you may give does not rise to training resistance forces in logistics activities." The Agency's response made it clear that it considered the provision of advice to support resupply efforts to be authorized, including "general advice that is not specific or essential to planning or executing military or paramilitary operations in Nicaragua" (Tab F). I believe the exchange indicates a clear NSCIC recognition that CIA would give resistance information and advice relating to resistance activities.

CONCLUSION:

9. In conclusion, in Fiscal Year 1986 CIA was authorized to provide information on the Nicaraguan resistance that could include intelligence information of potential military significance; for example, information on Sandinista capabilities, resources, and intentions. CIA also could provide advice on matters such as the effective delivery and distribution of military equipment, so long as this did not amount to participation in paramilitary operations in Nicaragua, either in their planning or execution, or in logistics activities "integral" to such operations. Advice could rise to the level of participation if CIA took an active part in planning or coordinating resupply missions for specific paramilitary operations. However, neutral passing intelligence on Sandinista gun or radar placements, weather conditions, flight vectors, and other information to assist in the delivery of supplies for general maintenance of the forces intervening would not rise to participation, nor would this constitute participation, and because this would not be integral to a paramilitary operation as contemplated by

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on 24 March 82

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Congress to adopt the more restrictive view of NSC Chairman
Sanitise would require a determination that all advice or
information bearing on logistics operations, even general advice
unrelated to a specific military effort, would be prohibited
except that, too, would be participation "integral" to military
operations in Nicaragua. Congress, in my view, was not intend
to go so far. Accordingly, the same kind of information-sharing
with the public-benefactors for various reasons/activities
activities for "integral" in assisting military or paramilitary
operations, but that this was prohibited by the statute, also
would not be prohibited by law. Of course, all relevant facts
would have to be reviewed in order to determine whether the
activities of a specific CIA employee were consistent with the
statute during the applicable period.

Attachments, a/s

W. George Peterson
 W. George Peterson

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REMOVED FOR RELEASE

Date *2/27/87*

HSC + SSC

(EXHIBIT TC-14)

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CSC7549

LADORECORD
OUTGOINGPAGE 001
TOT: 12 JUL 66 DIRECTOR 050273SECRET
STAFF 12 DIRECTOR 050273
TO: IMMEDIATE

SUBJECT: NEW UNO SOUTH COMVO LINK

REF: DIRECTOR 060421

1. FURTHER TO REF, HEADQUARTERS HAS REVIEWED OUR COMMITMENT TO PROVIDE SECURITY COMMUNICATIONS BETWEEN UNO/SOUTH COMMUNICATIONS CENTER AND [REDACTED] WITH THE HOUSE PASSAGE OF THE PROPOSED PROGRAM OF ASSISTANCE TO THE NICARAGUAN RESISTANCE. WE HAVE TAKEN A SECOND LOOK AT THE COMVO LINK. TO DATE WE HAVE MAINTAINED OUR DISTANCE FROM THE PRIVATE BENEFACTORS (PB'S) WHO ARE PROVIDING ASSISTANCE TO THE RESISTANCE AND HAVE REPEATEDLY STATED IN CONGRESS THAT WE DO NOT HAVE ANY RELATIONSHIP WITH THE PB'S. THE PROPOSED PROGRAM OF ASSISTANCE WOULD CHANGE OUR POLICY WHILE THERE IS UNDENIABLE BENEFITS TO PROVIDING THE PB'S WITH SECURE COMVO TO UNO/SOUTH. THEY ARE OUTWITTED BY THE FACT THAT THE PB'S WOULD BE RECEIVING ASSISTANCE IN HELPING THE RESISTANCE. AS AIDES ARE AWARE THERE HAVE BEEN NUMEROUS ALLEGATIONS OF VIOLATIONS OF LAW BY PB'S. WE DO NOT HAVE A FIRM HANDLE ON WHETHER ALL OF THE ALLEGATIONS FLOATING AROUND ARE FALSE; CONSEQUENTLY, WE DO NOT WISH TO HAVE [REDACTED] PROVIDED ASSISTANCE TIED INTO AN ENTITY THAT MAY OR MAY NOT BE BAD. WE HAVE COME TOO FAR AT THIS TIME TO LET THE SOLID OPERATIONS THAT [REDACTED] HAS BUILT BE JEOPARDIZED BY ELEMENTS WHICH WE ARE UNABLE TO CONTROL.

2. FILE: NO FILE. DECL 0400 DRY WMD A-02 ALL SECRET.
ORIG: C/CAT/PP [REDACTED] REL: C/CAT/ [REDACTED] CL BY [REDACTED]
END OF MESSAGE

Partially Declassified/Released on 28 Aug 1997
under provisions of E.O. 12356
by B. Regier, National Security Council

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CIN 3367

[RECORD COPY]

EXHIBIT
TC-14

Exhibit 8874

(EXHIBIT TC-15)

TO: WILLIAM
FROM: TO
SUBJECT: RECENT TRIP

APRIL 7, 1964

0 W 0231

INVESTIGATION

The investigative team was headed by Jeffrey Feldman, Assistant U.S. Attorney, Southern District of Florida. He had with him a Special Agent from Panama and two from Miami. They are Kevin Currier and George Kisynski, who is with the Anti-Terrorist Task Force. In the past he has followed and been assigned to watch [REDACTED]

According to [REDACTED] Feldman looks to be wanting to build a career on this case. He even showed [REDACTED] and the Ambassador a diagram with your name at the top, mine underneath and John's underneath mine, then a line connecting the various resistance groups in C.R..

Feldman stated they were looking at the "big picture" and not only looking at a possible violation of the neutrality act, but at possible unauthorized use of government funds.

They went several times to the prison to question the five in jail. They tried to talk with John, but he was advised not to talk with them unless he had a lawyer present. John arrived in the U.S. on Saturday, so they will probably try to track him down.

Attached are several letters John has received from the people in jail. There also is a motorized statement by one Steven Carr, who has done most of the talking. In it he states Martha Honey and Tony Avirgan told him what to say. These two "reporters" are nothing more than disinformation experts, and they are after me and you.

If and when I am contacted by the FBI I will not answer any questions without an attorney present. Even then, I will not answer any questions. It is the only way I can see to stem the tide.

Perhaps it is time I retire from this line of work and focus on another part of the world and against another group of Godless communists.

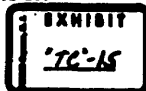
UNO POLITICAL SITUATION

Had a lengthy discussion with Alfonso. He and Arturo are going to give it one last try for meaningful reform in UNO. If some changes are not made, they both see no reason to continue.

Among the changes, and these he considers minor, are the removal of [REDACTED]. If these cannot be accomplished, he believes all is lost.

He is furious with [REDACTED] and believes there must be some action taken. Don't believe he'll demand his removal, but will want some response to the Front Line report. Believes [REDACTED] must go, or at least his power considerably diminished.

He arrives in Miami on Tuesday and then there is a meeting in Miami on Wednesday with all the boys. Both he and Cruz would like something positive to come from it.



William
April 7, 1966
Page 2.

big concern he voiced is the problem with corruption. On two separate occasions he said "I believe Adolfo Calero is an honest man. I don't believe he would steal or that he is corrupt." He did not say the same about [redacted]. He asked a number of questions regarding what I know about possible corruption, and what is going on at HMAS.

On last Tuesday, Adolfo sent Carlos Elvert a press release he had written as a response to Senator Hartke's accusations. Adolfo wanted it released under UNO. According to Carlos, the first paragraph stated something to the effect: "The United Nicaraguan Opposition takes full responsibility for the distribution of all humanitarian aid provided by UNO." Carlos did not release it as Justice said so, and because Adolfo had not cleared it with Cruz and Robalo. Don't know what happened to it.

My only observation is: unless some viable changes are made and Adolfo enforces them amongst the FOM, UNO will fall apart. It also should be kept in mind that there is speculation Adolfo and [redacted] have been talking and may strike a deal on the side so that if Robalo and Cruz jump ship, Adolfo and [redacted] will join together.

SOUTHERN MARITIME OPERATIONS

On Friday, the third, successful trip into Nicaragua was made by our maritime group.

A cover operation has been established [redacted] and we soon will be able to send in several trips a week. One boat is fully operational, another should be ready in 15 to 21 days and a third 31 days later.

The operational part is being run strictly without Nicaraguans, except for the boat operators on each trip. [redacted] providing they don't get caught with arms and there are not a number of Indians running around.

[redacted] suggested it might be time to send down Bill Kenney as we are moving into the operational mode. It would be better to get him situated now rather than later.

The boats we are having built are [redacted]

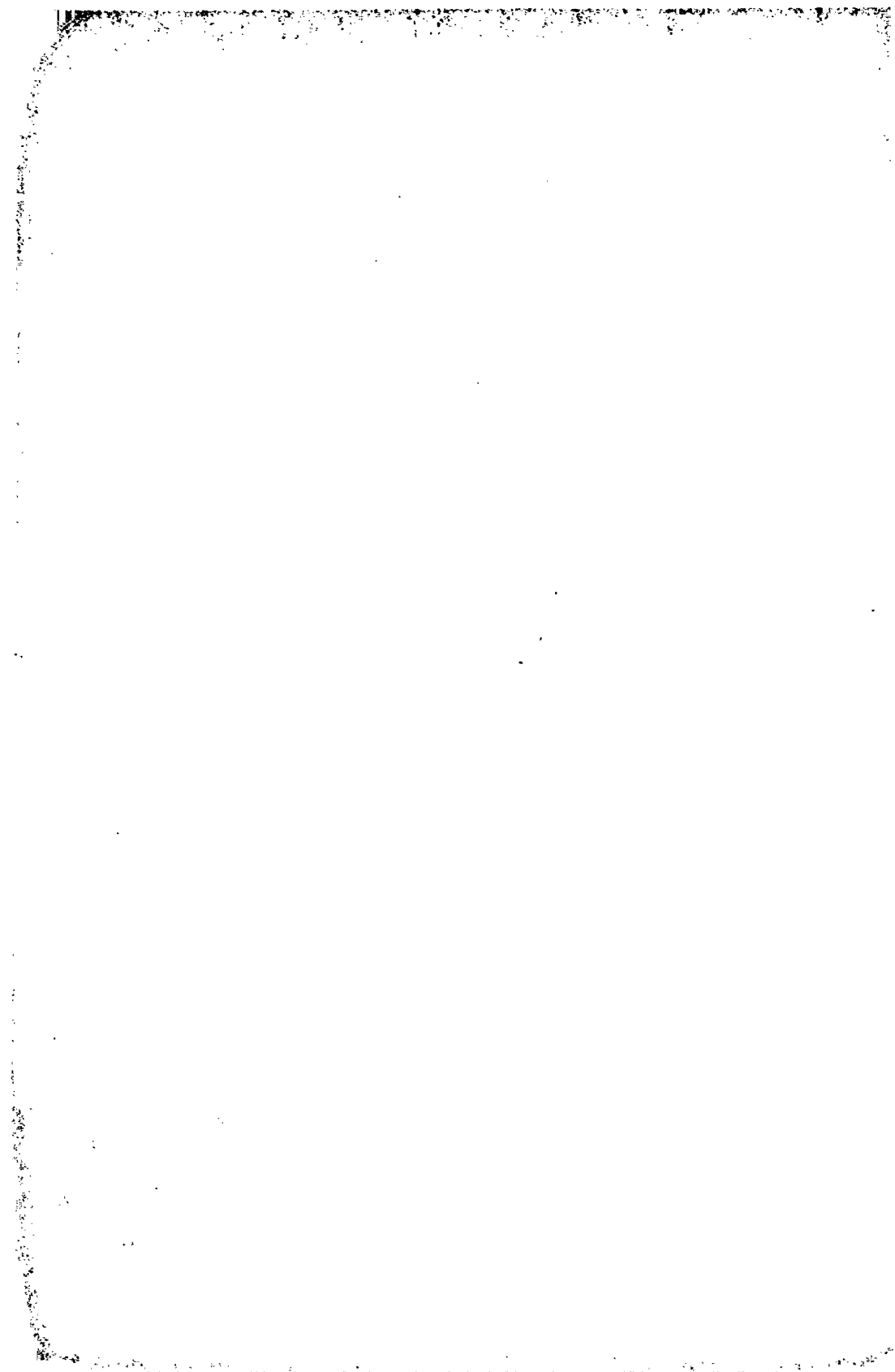
Under the new company that has been formed to act as a cover, we will be able to bring in Jack's boats duty free and legally. Not bad.

IS

Am good at where I am for another 45 days or so. Have thought about resigning from there because of all the heat, but will stick it out if you think it appropriate. I do not want to do anything that will end up causing you problems, but that time has probably already come and gone, and as some would say "We're in too deep now to turn back."

No question, I am a hot property, as even people on the Hill are asking questions about me. I want to see this through, but not at the cost of jeopardizing it, as I am the only one out on a limb with a genuine safety net or fall back position.

WHERE TO NEXT?



APPENDIX B: PREPARED STATEMENT

Partially Declassified / Released on 21 May 1987
under provisions of E.O. 12356
by B. Roger, National Security Council

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BEFORE THE
SENATE SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE
TO IRAN AND THE NICARAGUAN OPPOSITION
AND THE
HOUSE SELECT COMMITTEE TO INVESTIGATE
COVERT ARMS TRANSACTIONS WITH IRAN

WITNESS (W)

Statement of [REDACTED]

May 28, 1987

Mr. Chairman and Members of these Select Committees, I have exercised my Constitutional privilege not to testify without benefit of immunity concerning my participation in the matters which are under investigation by these Committees. I have done so on the advice of counsel and because I became persuaded that it was the only way in which I could be accorded every possible measure of fairness under the law. Media speculation which has been grounded on few facts and an extraordinary amount of entirely misguided and irresponsible supposition has convinced me that my decision was both prudent and correct. Having said that, I appear before you today with a sense of peace that I have been true to my conscience and to my profession. Accordingly, I am fully willing, indeed eager, to testify as to the facts of my participation in the matters under inquiry.

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I hope I will be able to convey to each of you a clear understanding that I and the other men and women of the CIA's Clandestine Service, both those under my command at the Station in [REDACTED] and those at CIA Headquarters who supported our efforts, performed our duties in the best tradition of the Service. To the best of my recollection, neither they nor I ever intentionally violated any law of the United States, in spirit or otherwise. To the contrary, the deliberate, persistent and resourceful efforts over a two-year period of my superiors, as well as the officers who served under me, in particular given the constraints and changing national policies under which we were required to operate, are a testimonial to the high standard of conduct which this country expects of its intelligence officers. If there were any lapses, they resulted from decisions made under the pressures of fast-moving events, from the characteristic "can do" attitude of Clandestine Service operations officers, or simply from emotional concerns for patriotic Nicaraguans, whom the United States has supported, albeit intermittently, in their efforts to pursue the ideals of peace and freedom which we in this country not only enjoy, but often take for granted.

I believe that it would be grievously harmful to the morale of the CIA officers who were [REDACTED] working with the Southern Front of the Nicaraguan Resistance to suppose without any basis in fact that they ever engaged in a conspiracy to violate the laws of the United States. These honorable men and

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women were placed in an extremely difficult situation which was not of their own making. Specifically, they were required as an integral part of their duties as intelligence officers to gather intelligence and to carry out political action operations in order to hold together the many diverse, even opposing, factions within the Resistance. The very fact that the Resistance [REDACTED] is more focused and politically and militarily viable than it ever has been is a remarkable accomplishment [REDACTED]
[REDACTED]

You may question whether my officers and I understood the legal constraints of the Boland Amendment. Of course we did -- or we thought we did -- notwithstanding the fact that there were no lawyers assigned to my Station and the cable guidance from Headquarters on these matters was understandably terse and narrow and did not pretend to address every eventuality. The application of the Boland Amendment in humane, rather than legal, terms in the field operational environment led us to feel we were in the middle of a minefield with each step becoming a critical decision. My officers and I diligently tried to adhere to the constraints of the Boland Amendment as we understood them, and I believe we generally were successful.

In addition, we in the field were impacted greatly by the political considerations which attended the various incarnations of the Boland Amendment -- considerations arising

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out of political sensitivities here in Washington which were difficult for us to appreciate. While we were doing our best to keep faith with the legal constraints of the Amendments and at the same time carry out our duties with respect to the Nicaraguan Resistance, we were faced with the political dimensions of the broad issue of support for the Nicaraguan Resistance. Those dimensions adversely affected our operations on several occasions. It often seemed to us that the next upcoming vote in the Congress on support for the Resistance was the most important consideration governing the perceptions of what activities were permissible, regardless of the urgency or necessity of a beneficial operational action. I can recall CIA Headquarters disapproving certain operational activities which were acceptable under the terms of the Boland Amendments themselves because of a possibly negative political impact at home. You can imagine my difficulty in trying to reconcile such decisions with the duties of my office. Regardless, as Chief of Station, I was directly and specifically involved in all of the operational activities concerning the Nicaraguan Resistance, and the officers under my command followed my guidance and direction. Therefore, I am fully and unequivocally responsible for all of their actions.

As you will learn from my testimony today, my association with Lt. Col. Oliver L. North came about as a result of our respective positions, and because of the coincidence of our interests concerning the political and

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military status of the Nicaraguan Resistance. Throughout this relationship, Col. North never asked me to undertake any unlawful activity. Nor did he ever inform me of any sale of arms to Iran or any diversion of funds to the Resistance. Given the events of recent months, I am eternally grateful that he did not. I hold Col. North in high esteem because, in my judgment, he has been faithful to his country, his duty and his word, and loyal to his beliefs and his comrades. I admire his intellect and his commitment to the human beings who comprise the Nicaraguan Resistance. He is my friend and, whatever happens, he will so remain.

The press has speculated extravagantly concerning my possible involvement with Director William Casey in connection with the Nicaraguan Resistance. I met with Director Casey on a few occasions during my tenure as Chief of Station [REDACTED]. I briefed him, as did my officers, on Station operations as it was our duty to do. That is all. During those briefings, Mr. Casey never suggested or implied -- nor did I ever infer-- that he expected me to undertake activities which would violate in any way the laws of the United States.

I wish to close this statement on a personal note. Since my return to Washington in January, I have experienced some of the worst moments of my life. [REDACTED]

[REDACTED] Their absence, the imposed isolation, the interruption of my command, the unfounded press and media

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speculation about my participation in possible violations of the law, and the possibly irreparable damage to a career I cherish and have dedicated the last twenty-years of my life to are all factors which have made the last few months very difficult. On the basis of my actions as Chief of Station [REDACTED] over the last two year, it should not have been so.

Thank you Mr. Chairman. I look forward to responding to your questions.

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