

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS

UNITED STATES,)
)
v.) Case No. 86-323-K
)
THE LAROUCHE CAMPAIGN, ET AL.)
)

STATEMENT ACCOMPANYING NOTICE
PURSUANT TO THE CLASSIFIED INFORMATION
PROCEDURES ACT (CIPA), 18 U.S.C., APPENDIX III

SUBMITTED UNDER SEAL TO JUDGE KEETON

The accompanying CIPA notice and attachments are submitted pursuant to Section 5 of CIPA, 18 U.S.C., Appendix III. The notice and attachments are submitted under the statutory compulsion of CIPA and are not to be used by the Government as statements or admissions of any defendant. No waiver of any privilege is intended or caused by this filing.

The sole purpose of the filing is to comply with the pre-trial procedural provisions of CIPA to permit the Government to determine what information may be classified and to reach a pre-trial procedural decision as to the security procedures necessary to handle such information. For that reason the filing is to be treated by the Government as is information provided by the Defendants in motions to suppress.

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NOTICE PURSUANT TO THE CLASSIFIED INFORMATION
PROCEDURES ACT, 18 U.S.C. APPENDIX III

SUBMITTED UNDER SEAL TO JUDGE KEETON

COME NOW the Defendants other than Roy Frankhauser and inform the court that they reasonably expect to cause the disclosure of classified information in connection with the trial of this case. The following is a description of the information reasonably believed to be classified:

1. The identity of a Central Intelligence Agency covert agent will be disclosed at trial, Monroe N. Wenger. Mr. Wenger served as CIA controller for Forest Lee Fick and Roy Frankhauser at times relevant to the indictment, and may still serve in that capacity. Mr. Wenger is currently assigned to a ship said to be operated by the Army Corps of Engineers, the McFARLAND, Stationed in Philadelphia, Pennsylvania. Defendants believe the McFARLAND may be presently engaged in covert intelligence operation for the U.S. Government. Defendants believe Mr. Wenger to be associated with Duane Claridge, CIA Director of Courterterrorism programs. Mr. Wenger resides in Reading, Pennsylvania.

2. The contents of a briefing book which may contain classified information may be revealed at trial. The document is a copy of a 1983 U.S. intelligence community document provided to Defendant LaRouche by U.S. Government agents. The document contains an analysis of the U.S. Strategic Defense Initiative and Defendant LaRouche's suggestions and feedback on the proposal, all prior to the program's adoption as U.S. policy.

The document also contains information related to back channel communications between the U.S. and Soviet Union conducted through Defendant LaRouche at U.S. Government request. The document was provided by Roy Frankhauser and Forest Lee Fick with the knowledge and approval of Monroe N. Wenger.

3. Defendants will seek to introduce into evidence entry records for Roy Frankhauser regarding his visits to CIA facilities. CIA has refused access to any such records pursuant to a Freedom of Information Act Request (see Attachment 1).

4. Defendants believe the information contained in the Proffer attached as Attachment 2 will be disclosed during this trial, and that such information is classified information.

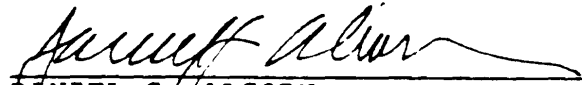
5. Defendants will introduce into evidence at trial the existence of a TOP SECRET COINTELPRO-type investigation of Defendants previously revealed by the National Security Agency and the FBI. Defendants will additionally introduce

specifics of said investigation as they may become known between now and the trial.

Respectfully submitted,

THE LaROUCHE CAMPAIGN,
INDEPENDENT DEMOCRATS FOR
LaROUCHE, MICHAEL GELBER,
RICHARD SANDERS, CHARLES PARK,
MICHAEL BILLINGTON, PAUL
GOLDSTEIN, JEFFREY STEINBERG,
ELLIOTT GREENSPAN, CAUCUS
DISTRIBUTORS, INC., RICHARD
BLACK, CAMPAIGNER PUBLICATIONS,
INC., NATIONAL CAUCUS OF LABOR
COMMITTEES, EDWARD SPANNAUS,
JOHN SCIALDONE, ROBERT GREENBERG
and LYNDON H. LaROUCHE, JR.

For the above,



DANIEL S. ALCORN
PENSTERWALD & ALCORN
1000 Wilson Boulevard, Suite 900
Arlington, Virginia 22209
(703) 276-9297

CERTIFICATE OF SERVICE

I hereby certify that on this 21st day of August 1987 I caused to be delivered to John J.E. Markham, II, Assistant U.S. Attorney, United States District Court, 1107 J.W. McCormack P.O. & Court House, Boston, MA 02109 and to be mailed by first class mail, postage prepaid, a copy of the foregoing NOTICE PURSUANT TO THE CLASSIFIED INFORMATION PROCEDURES ACT, 18 U.S.C. APPENDIX III to all counsel of record.



Washington D.C. 20505

Bernard Fensterwald, III
Fensterwald & Alcorn
Suite 900, USA Today Bldg.
1000 Wilson Boulevard
Arlington, VA 22209

24 JUL 1987

Reference: F87-0840

Dear Mr. Fensterwald:

This is in response to your letter of 8 July 1987 on behalf of your client Paul Goldstein. You requested, under the provisions of the Freedom of Information Act (FOIA), "copies of agency records which relate to the physical entry of Mr. Roy Frankhauser a/k/a Bill Clay into buildings owned, occupied or leased by the Central Intelligence Agency (CIA) for the purpose of visits with CIA employees or any other purpose."

The information you are asking for must be denied to you since such records, if indeed any exist regarding Mr. Frankhauser, would be classified under the provisions of Executive Order 12356. The information also relates directly to intelligence sources and methods which, in accordance with subsection 102(d)(3) of the National Security Act of 1947 and section 6 of the CIA Act of 1949, the Director of Central Intelligence has the legal responsibility and authority to protect from unauthorized disclosure. Exemptions (b)(1) and (b)(3) of the FOIA apply. An explanation of these exemptions is enclosed.

We trust you can appreciate the necessity for an intelligence organization to protect such information. The CIA official responsible for this determination is James R. Pittman, Information Review Officer for the Director of Central Intelligence. The need for a search was obviated because the information you sought was specifically exempt from disclosure by statute.

You may appeal this decision by addressing your appeal to the CIA Information Review Committee, in my care. Should you decide to do this, please explain the basis of your appeal.

Sincerely,

A handwritten signature in black ink, appearing to read "Lee S. Strickland", followed by a horizontal line.

Lee S. Strickland
Information and Privacy Coordinator

Enclosure

EXPLANATION OF EXEMPTIONS

FREEDOM OF INFORMATION ACT:

- (b)(1) applies to material which is properly classified pursuant to an Executive order in the interest of national defense or foreign policy;
- (b)(2) applies to information which pertains solely to the internal rules and practices of the Agency;
- (b)(3) applies to the Director's statutory obligations to protect from disclosure intelligence sources and methods, as well as the organization, functions, names, official titles, salaries or numbers of personnel employed by the Agency, in accord with the National Security Act of 1947 and the CIA Act of 1949, respectively;
- (b)(4) applies to information such as trade secrets and commercial or financial information obtained from a person on a privileged or confidential basis;
- (b)(5) applies to inter- and intra-agency memoranda which are advisory in nature;
- (b)(6) applies to information release of which would constitute an unwarranted invasion of the personal privacy of other individuals; and
- (b)(7) applies to investigatory records, release of which could (C) constitute an unwarranted invasion of the personal privacy of others, (D) disclose the identity of a confidential source, (E) disclose investigative techniques and procedures, or (F) endanger the life or physical safety of law enforcement personnel.

PRIVACY ACT:

- (b) applies to information concerning other individuals which may not be released without their written consent;
- (j)(1) applies to polygraph records; documents or segregable portions of documents, release of which would disclose intelligence sources and methods, including names of certain Agency employees and organizational components; and, documents or information provided by foreign governments;
- (k)(1) applies to information and material properly classified pursuant to an Executive order in the interest of national defense or foreign policy;
- (k)(5) applies to investigatory material compiled solely for the purpose of determining suitability, eligibility, or qualifications for Federal civilian employment, or access to classified information, release of which would disclose a confidential source; and
- (k)(6) testing or examination material used to determine individual qualifications for appointment or promotion in Federal Government service the release of which would compromise the testing or examination process.

ATTACHMENT 2

PROFFER PURSUANT TO THE
CLASSIFIED INFORMATION PROCEDURES ACT, SECTION 5,
TITLE 18, UNITED STATES CODE, APPENDIX III

During 1974-75, Roy Frankhauser, claiming to be working on behalf of the CIA, established contact with the NCLC. In approximately June 1975, Frankhauser submitted to three days of intensive debriefings, during which time he provided details of his employment with the National Security Council on a special assignment to penetrate a Canada-based cell of the Palestinian terrorist Black September organization, and other aspects of his CIA career dating back to his involvement in the Bay of Pigs. Frankhauser said he served as the "babysitter" for Garcia-Kholy, one of the Brigade leaders who was to have a high government post in a post-Castro Cuba. Subsequently, NCLC researchers found a brief reference in PRAVDA citing a 1962 expulsion from the Soviet Union of one "R. Frankhauser" from a lowlevel post at the U.S. Embassy in Moscow on charges that he was spying.

1. Beginning in the first week of November 1976 - within hours of the 1976 general election, Frankhauser contacted Jeffrey Steinberg and Paul Goldstein and informed them that the CIA intended to dramatically upgrade the contact with LaRouche and the NCLC.

2. From that point on, Frankhauser, occasionally augmented by other CIA cutouts who were usually identified by

code names only, maintained daily contact, usually via telephone. ("BLUE LIGHT" was the code name for a variety of agents of the Directorate of Operations who established telephonic contact with Steinberg and Goldstein. Steinberg's code name was "PURPLE HAZE" and Goldstein designated code name was "HONEYWELL").

3. Frankhauser's daily communications were of three levels. (a) Personal messages communicated from a particular group of top CIA officials ("THE SOURCE", "E" or "N"). These messages were often very operational in nature - ie. proposing particular joint intelligence operations, some of which were code-named, or providing specific requests for information or detailed responses to inquiries by NCLC and LaRouche; (b) Duty Officer ("D.O.") daily reports, probably coming from the Office of Security, and covering all facets of current developments. On a regular basis, Frankhauser would receive new call numbers and codes permitting him access to the duty officer briefings. He maintained these access codes almost uninterrupted from 1977 through at least 1984 and probably beyond; and (c) "Shop talk" reflecting Frankhauser's informal discussions and off-the-record -- ie. unofficial -- transmissions from Duty Officers and other Agency personnel with whom he maintained personal contacts.

4. In approximately June-July 1977, Attorney General of the United States Griffin Bell issued a report determining that

the NCLC-ICLC were not under foreign control. "Foreign operations are run from New York ... small cadre groups maintained abroad are financed from here and not vice versa..." This report was in part the result of U.S. intelligence agency monitoring of bank transactions, overseas telecommunications, etc.

5. However, on July 8, 1977, Frankhauser reports that there is concern that the ICLC in Western Europe is penetrated by foreign agents, and that all travel by ICLC members is monitored and known to NATO intelligence.

6. On or about July 20, 1977, Frankhauser reports that a high-level CIA official, "E", succeeded in establishing the channel of contact with NCLC and LaRouche on the basis of U.S. Labor Party's dealings with certain Republican Party circles, with favorable view expressed by then-CIA director George Bush, and due to LaRouche-NCLC recognized expertise in anti-terrorist intelligence.

7. In an undated communication from Frankhauser in approximately the last days of July 1977, LaRouche, then temporarily in Wiesbaden, FRG, was informed of the potential threat of terrorist assassination by the same Baader-Meinhof Gang circles who just assassinated West German banker Juergen Ponto. "E's man said in the last year, four individuals who have met with Lyn [LaRouche] have been hit: an Italian was

poisoned, a Frenchman was hit by an automobile, another was kidnapped and a German assassinated. They said this speaks for itself in terms of potential operations against Lyn at this moment." By August 2, 1977, a follow-on communication by Frankhauser described LaRouche as "at the top of the list". An official security screen ("STEEL SHIELD") was put up around LaRouche and the Wiesbaden offices of the ICLC. On August 3, 1977, Frankhauser communicated the evaluation that "LaRouche may be being used as bait by BRD factions close to E". He explained that the "STEEL SHIELD" would be retained in place until the arrival of a two-level security assistance directed by Mitchell L. WerBell III: Larry Cooper used as "cause celebre" while the real security screen was directed by Col. Lew Millett, then directing counterinsurgency operations in El Salvador.

8. On August 3, 1977, Frankhauser informed NCLC channels that "CROCODILE" (referencing Soviet intelligence channels maintained by "E" networks in CIA) was assisting in Wiesbaden screen. Requested a "Lessons Learned" memo from LaRouche once alert status for assassination was down. LaRouche document "Basic Facts About Terrorism" in response. This initial back and forth activated a several month intensive communications regarding evaluation of origins of the current terrorist threat and formulation of an initial policy for neutralization of terrorist infrastructure.

9. During this same period (approximately August 7, 1977), Frankhauser reports that a renewed effort to slander NCLC and LaRouche as "KGB controlled" is being circulated within the intelligence community. He references intelligence data base being maintained on the NCLC using the corporate computer data bases of Xerox and Exxon. The implication is that the "KGB" allegation is being used as a cover for running financial warfare and psychological warfare against the group. Frankhauser also provides a detailed profile of "OPERATION FIST AND SWEEP", a domestic intelligence program.

10. In an undated INTELMEMO from Frankhauser sometime in August 1977, the first explicit reference appears to "E" passing LaRouche's written material into official Soviet government channels. This reference deals with the difficulties involved in assuring that certain LaRouche writings get into the proper hands in Moscow due to intense hostility from Georgi Arbatov of the US/Canada Institute.

11. In September 1977, Frankhauser provided first of a series of detailed briefings on the 1967 Israeli sinking of the U.S.S. Liberty, the role of Moshe Dayan, and the overall threat of a renewed instability in the Middle East leading to the bustup of OPEC. From this point forward, the Middle East and Persian Gulf situations become an area of major policy and intelligence evaluations collaboration, similar to the official collaboration, already ongoing at this time, with respect to

formulation of an effective anti-terrorism policy. One feature of this Middle East project is the systematic leaking into the press of the story of how Israel obtained the atomic bomb. during the Johnson administration, with the full complicity of the governments of the United States, Great Britain and West Germany. On October 24, 1977 (approximately), Rolling Stone magazine publishes a detailed version of this story, apparently leaked from CIA channels hoping to contain Israeli activities in the eastern Mediterranean.

12. On December 19, 1977, LaRouche provides to "E" via Frankhauser, a copy of a proposed training manual for new CIA and FBI recruits, a "classified production on our side."

13. In an undated transmission through Frankhauser "from N", (approximately late December 1977), request is made for NCLC-ICLC to provide tapes or transcripts of all discussions held with representatives of Begin and Sadat "as soon as possible" to assist in updated evaluation of breaking developments in the Middle East. On January 10, 1978, "E" formally requested that LaRouche serve as diplomatic back channel for negotiations with Israeli and Egyptian governments. "Secret and quiet private initiatives" are required to counter efforts by the liberal press, especially the London Times, to create grave tensions between Israel and Egypt. Frankhauser reports that both Barbara Walters and

Walter Cronkite will also play a "back channel" role in smoothing out this dangerous situation.

14. Also, on January 1, 1978, LaRouche transmits, via Steinberg and Goldstein, to Frankhauser that high-level French diplomatic sources have expressed concern regarding threats to the life of President Jimmy Carter during his pending visit to Paris. Response from "E/N" is immediate: "preventive action", no public acknowledgement of the threat, but enhanced security procedures due to the threat warning. Secret Service also responds at high level to NCLC reporting of the potential threat to the president.

15. February 1978, Frankhauser from "E" provides briefing on "ELBOW", the code name of a 25-year, still-ongoing British plan for assuring survival in the event of a nuclear war between the United States and the Soviet Union. This briefing reflects an already ongoing dialogue regarding reassessing the case of H. Kim Philby, in that "ELBOW" centers around separate secret negotiations between London and Moscow in which the British assure that they will never allow U.S. nuclear weapons housed in England to be used.

16. March 20, 1978, in response to the Israeli invasion of southern Lebanon, Frankhauser contacts Jeffrey Steinberg and Paul Goldstein on behalf of "E", proposing a combined effort to neutralize the intensive mobilization of the Israel Lobby inside the Congress and the media. Frankhauser reports that a

member of the U.S. Senate is about to introduce a bill that would cut off all military aid to Israel until such time as Israel withdraws all troops from Lebanon. 24 hours later, Sen. James Abourezk introduces such a bill. Subsequent messages from "E" transmitted by Frankhouser assess success of the joint mobilization: "Our total effort involved elements within State and the rest of the intelligence community..." On March 23, 1978, Frankhouser reports the "E" is looking the Ezer Weitzman as a possible reasonable force inside the Israeli cabinet. References "top secret documents through intercepts" that show level of Israeli atrocities inside southern Lebanon. In evaluating the successful mobilization to counter Israel Lobby efforts, "E" requests LaRouche memorandum evaluating prospective view of Ezer Weitzman as a force to be supported inside Israel.

17. During the late spring 1978, Aldo Moro is kidnapped and eventually assassinated by Italian Red Brigades. In this context, LaRouche-NCLC renew already ongoing communications through Frankhouser regarding counter-terror program, relationship between terrorism and international drug trafficking.

18. November 16, 1979 Frankhouser warns that the FBI is conducting anti-LaRouche operations via agents inside the Communist Party USA aimed at blocking transmission of LaRouche material via "E" channel to Soviet "CROCODILE".

19. During late November 1979, in the context of emerging hostage negotiations with the Iranian government of Khomeini, Frankhauser proposes the LaRouche and Executive Intelligence Review refrain from continued strong attacks on the Muslim Brotherhood internationally due to "sensitive negotiations". Offer is made to trade this holding back for information on Paul Volcker, head of the Federal Reserve. During the same period of October 22, 1980 through late December, Frankhauser transmits a series of messages regarding imminent release of the hostages in Tehran. Following the November 1980 election of Ronald Reagan and George Bush, Frankhauser passed official "E" message regarding an operation that was successfully conducted to block the hostage release until after election day, thereby assuring that the Carter-Mondale forces would not capitalize on such events.

20. Within weeks of the election of Reagan-Bush, Frankhauser claimed he was personally visited in Reading, Pa. by James Baker III, on behalf of the transition team. Frankhauser solicited from NCLC-LaRouche a list of recommendations for nominees to key cabinet and sub-cabinet posts including CIA director. Baker, according to Frankhauser, submitted a list of names of individuals under consideration, including William Casey, and asked LaRouche's view on their

qualifications. LaRouche and NCLC prepare extensive memorandum in response to this request and pass it in through Frankhauser.

21. July 10, 1981, Frankhauser reports that "E" personally collaborated with Ronald Reagan to structure containment of Menachim Begin. Referencing "inner-office White House memos" concerning the pressuring of Israel via threat of delay in delivery of F-16 jets as means of getting through the sale of AWACS to Saudi Arabia. Detailed description of the creation of U.S.-Israeli joint dummy companies in Egypt to control the delivery of equipment, including weapons, to Sadat, as specified under Camp David.

22. During summer 1981, Frankhauser also begins providing details of illegal FBI operations directed against the International Brotherhood of Teamsters to limit IBT influence on the Reagan White House. Ultimately, NCLC receives FOIA material showing that such an FBI program extending through at least late 1981, is code named "PROBEX".

23. July 22, 1981, Frankhauser transmits message from "E" regarding use of NCLC material alerting possible security stripping of President Reagan during his summit visit to Ottawa, Canada. In the first week of March 1981, Jeffrey Steinberg and Paul Goldstein transmitted via Frankhauser grave concern regarding potential threat to the life of President Reagan. Frankhauser reluctantly transmitted this information to official channels. After the Hinckley attempt on President

Reagan's life, Frankhauser stated that he was immediately visited by director of the Secret Service Knight and thoroughly debriefed on his source of information.

24. On the same date, July 22, 1981, Frankhauser communicates an official request from "E" that NCLC, ICLC and LaRouche initiate an overall upgrading of analysis and coverage of military-strategic matters relating to balance of forces between NATO-Warsaw Pact, etc. It is also officially requested that all channels of contact with Soviet and Soviet bloc journalists and other contacts in the USA be reopened.

25. This formally establishes the already-ongoing development of LaRouche as "back channel for war avoidance into Moscow." This aspect of the CIA channel through Frankhauser goes by a number of code-names which actually reflect larger intelligence community operations that subsume the LaRouche efforts. These code-names include: "METAL", "GOLD", "CROCODILE", "OPERATION HOLY COW", "ZHIVAGO" ("ZHIVAGO" was a code designation of a special project initiated during approximately 1985-86. According to Frankhauser, this was a joint CIA-NCLC effort in which funds were in part provided by entities with which the defendants are associated. From time to time, similar funds were provided on request for other such joint CIA-NCLC projects. Under these various project headings, LaRouche and other NCLC personnel involved in the back-channel effort are incorporated on "National Security" status list, according to

frequent explanations by Frankhauser. Included features of this National Security status are that all international travels by LaRouche plus all major public events in the United States to be attended by LaRouche are placed under special screening. Frankhauser provides advanced security threat assessments reflecting access to government computer data base drawing information from all intelligence services plus INS, U.S. Customs, etc.

26. On July 28, 1981, first reference in Frankhauser communication from "E" regarding LaRouche proposal for beam weapons defense (ref. "lasers for peace"). In response, Frankhauser states that "any proposals from LaRouche will be given serious attention within the national security establishment and the White House." At the same time, Frankhauser passes official request that NCLC linked publications defend CIA director William Casey against the media assault. Describing the defense of Casey as the "Alamo".

27. During this same approximate time frame, Frankhauser describes special project being conducted by "E", centered around securing the nomination of a particular associate to the post of Ambassador to Philippines. Proposal is that NCLC designate an intelligence specialist to become expert on Pacific Rim affairs, and specifically Philippines economic situation. NCLC staffer will be placed on the staff of the new

ambassador in Manila. Subsequently, Secretary of State Alexander Haig intervenes to block the nomination put forward by "E" via George Bush. Highly unusual for a CIA-designated ambassador to be rejected by a Secretary of State.

28. Earlier, John Gavin's nomination as ambassador to Mexico had been praised by Frankhauser and "E". They urged a direct LaRouche-Gavin meeting, given already well-known LaRouche friendship with Mexican President Lopez Portillo, and given Gavin's past use by CIA. In fact, a Gavin-LaRouche meeting did occur in New York City just days before Gavin reported to Mexico City to assume his ambassadorial post.

During the transition period, through transition team channels, and through ICLC channels into the Mexican government, LaRouche policies had been heavily drawn upon in a pre-inauguration meeting between Lopez Portillo and incoming President Reagan.

29. On August 15, 1981, Frankhauser provided an official message from "E" regarding "METAL" project. First, "E" reported personal meeting with President Reagan to pass in LaRouche information on Brezhnev's desire to hold a summit discussion with President Reagan. In the midst of this process, Alexander Haig moved to shut down all "back channels" into Moscow that were not directly run by and controlled by his office. This meant that the official sanctioning of all NCLC-ICLC contacts with the East had been temporarily pulled. As the result, we were told by Frankhauser that all NCLC

related international communications links were being heavily monitored by NSA and FBI. These maneuvers by Haig were preparatory to a Haig-Gromyko meeting in Moscow during the first week in November 1981. Frankhauser messages during November reflect the intercepting of cable traffic from Haig in Moscow back to Washington. Overall favorable characterization of Haig's performance with the Soviets as compared with the earlier Carter administration.

30. November 12, 1981, formal request from "E" via Frankhauser for LaRouche to direct preparation of a detailed intelligence assessment of the Sadat assassination for urgent circulation in CIA. Eleven formal questions are submitted and NCLC intelligence personnel prepare detailed memorandum in response.

31. On November 27, 1981, Frankhauser reports that the Vatican has placed its security on alert status regarding possible assassination attempt against John Paul II, based on intelligence provided by NCLC to CIA, then passed on to the Vatican.

32. In late December 1981, as the result of large-scale defections from NCLC in the Midwest due to an intelligence operation in part run through the office of James Baker III at the White House, Frankhauser makes an official proposal from "E". In return for LaRouche not exposing the domestic CIA operations that contributed to the defection, LaRouche and

NCLC will be given immunity from any federal prosecution for any events occurring prior to January 1982. According to Frankhauser, this immunity status is part of a regular secret procedure carried out personally between the Director of Central Intelligence and the Attorney General. The status is renewed again in January 1983 and in January 1984. When Edwin Meese replaces William French Smith as Attorney General, this status is lifted in December 1984 as a reflection of the overall deterioration of cooperation between CIA and the Attorney General, according to Frankhauser.

33. On January 28, 1982, LaRouche accepts "two-step assignment" proposed by "E" via Frankhauser. This involves "METAL" project and specifically the escalation of efforts to implement the Strategic Defense Initiative and facilitate and define an effective American strategy for a summit between the President and the Soviet premier.

34. August 28, 1982, Frankhauser warns that recent slanders of LaRouche "cult" may be part of effort to have NCLC-ICLC placed on special CIA anti-cult unit target list. Unit was set up in the aftermath of the Jonestown massacre. In the same context, Frankhauser reports that a thorough check of the Secret Service computers shows no flag on Jeff Steinberg. Therefore, recent incident of Jeffrey Steinberg being prevented access to White House for meeting with Richard Morris of NSC,

was an operation run personally by someone on the White House staff. Subsequently, Steinberg learned that Roy Godson was, at that time, coming into the NSC as staff consultant, and running massive libel campaign of "LaRouche=KGB" all over the NSC.

35. June 11, 1983, LaRouche activates, with INTELMEMO to "E" via Frankhauser, a new feature of the "METAL" project that LaRouche code-names "OPERATION HOLY COW". This is part of an evaluation project vis Soviet response to Reagan's March 23, 1983 SDI speech. Essentially, LaRouche proposes serious flaws in U.S. intelligence units assigned to evaluate Soviet intentions based on failure to grasp "Third Rome" mission.

36. On July 3, 1983, the pattern of Soviet response to Reagan's SDI offer prompts LaRouche INTELMEMO on "U.S. Launch on Warning" doctrine to prevent a preemptive Soviet strike.

37. Other areas of activity via the Frankhauser-"E" channel that would be reflected in classified files include the following:

- a. Philippines situation: on or about Thanksgiving Day of 1985, when Paul Goldstein returned from fact-finding trip to Manila at which point he uncovered U.S. program to overthrow Marcos, Frankhauser set up a personal telephone conversation between Goldstein and director Casey. Phone conversation took place just moments before Casey was to attend a planning session on the Philippines situation at the National Defense University. At a later phase,

detailed information was provided regarding Laxalt trip to Manila as personal emissary of President Reagan. This incident provoked severe tensions between NCLC and CIA over NCLC opposition to the overthrow of Marcos. Official investigation was conducted regarding the source of leaks to NCLC damaging to overall anti-Marcos program.

b. Summer 1984 kidnapping of ICLC member Patricia Londono in Bogota, Colombia. Official channels through the U.S. Embassy, DEA, CIA personnel were activated through Frankhauser to provide hour by hour status reports. Through other official channels, a rescue mission was carried out to secure her safe transit to the United States.

c. Frankhauser, immediately following the bombing of the U.S. Embassy in Beirut, passed official message regarding the role of David Belfield, aka Daoud Sallahudin, in planting the bombs that blew up the compound. Belfield had escaped from the United States after carrying out the July 1980 assassination of Ali Akbar Tabatabai, a leading anti-Khomeini figure in Washington, D.C. area. After spending brief time in Tehran, he was sent to Bekka valley to work under Syrian Military Intelligence supervision. FBI, which was complicit in the Belfield escape from the U.S., had a special team on the ground in Beirut

investigating the embassy bombing. Frankhauser reported that the official verification of the Belfield role would be covered up by the FBI.

d. "OPERATION CONCORD", during the Carter period. This was a program to contain the decommissioning of key U.S. military commitments globally and the dismantling of U.S. intelligence. Overall operation involved the surfacing of General John K. Singlaub as the initial spokesman for military networks. Originally as many as 170 other active duty officers were anticipated to join Singlaub in protesting Carter-Mondale policies in grave damage to national security.

e. During autumn 1982, Frankhauser and Fick traveled to Western Europe on behalf of the NCLC. The stated purpose of the trip was to open up certain channels of communication in Western Europe for the ICLC with individuals known by Frankhauser and Fick and through their CIA connections. Frankhauser stated at the outset of the trip that the CIA would be sharing the costs of the tour in return for Frankhauser carrying out certain side operations specified by the CIA. Subsequently, Frankhauser reported that these CIA assignments included a trip to East Germany, during which time he made contact with East German military officials. As the result of

this visit, Frankhauser reported on the great interest among DDR military of the reunification of Germany.

A second feature of this European trip was the assistance in establishing adequate physical security for the October 1982 founding conference of the Club of Life in Rome, Italy. Frankhauser reported that he was in direct communication with "Nat", who was in Rome working with the CIA station chief to secure cooperation from Italian government security agencies, and to assess the threat level to LaRouche emanating from Red Brigade terrorists and other potential adversaries.

f. On January 31, 1984, Frankhauser informed NCLC that, in response to a series of INTELMEMO communications from LaRouche, CIA director Casey had established a special CIA unit to evaluate the "Third Rome" profile of the current Soviet leadership. This special unit was to do a reassessment of the history of Russian secret services from the Okhrana through to the current KGB-GRU. In this connection, Frankhauser referenced conversations with BETTY MURPHY, a staff official in the office of DCI Casey, and STANLEY MOSKOWICZ.

g. As part of the continuing METAL project, Frankhauser informed NCLC on February 5, 1984 that the Soviet embassy in Washington, D.C. had shipped several copies of the

the Mexican government to cooperate with the United States.

38. Beginning in July 1982, in response to repeated requests, verbal and written, for upgrading of the Reading station, Frankhauser introduced Paul Goldstein and later Jeffrey Steinberg to a senior CIA official named "NAT" (later identified as "Nat Regnew", now known to be MONROE N. WENGER). Initial meeting occurred in a motel in Reading, Pa. in July 1982 with Goldstein and Frankhauser. Subsequent meetings involved Frankhauser, Wenger, Steinberg in Baltimore, New York City and other locations. At an ICLC conference in Riverdale, New York in late 1982, Wenger was briefly personally introduced to LaRouche. Wenger was involved in the CIA domestic division's handling of the MOVE incident in Philadelphia, and was later involved in the mining of Managua harbor that led to the passage of the Boland amendment. Many months prior to the Managua mining, Wenger had informed LaRouche that this effort was in the offing. Wenger was described by Frankhauser as a high-ranking CIA covert operations specialist, holding equivalent of GS-15 or GS-16 rank.

One later (approximately March 1984) feature of the Wenger-directed "upgrading" was that P. Lee Fick, who had been earlier brought in as a full-time assistant to Frankhauser, was to assist in the reviewing of written material that was to now be regularly provided to the Reading team through Wenger and

other CIA channels. This material was to be summarized and submitted to NCLC as background intelligence on a regular basis in the form of COMSTA-C.

Wenger was also involved in the CIA's ongoing program to penetrate agents into Libya for the purpose of gathering on the ground intelligence on Qaddafi. On February 14, 1984, Lee Fick informed Steinberg that "Nat" was preparing him to spend three months inside Libya as part of a CIA covert operations program. Fick stated that "Nat" was grooming him to be brought into the CIA as a full-time employee of the covert operations section and that he had been cultivating Libyan contacts for a long time in anticipation of this opportunity. Fick began providing Steinberg with handwritten reports on various aspects of the Libyan situation. These reports appeared to be drawn from documents provided by the Libyan government. Fick intimated on several occasions that he had developed contacts into the Libyan Peoples Bureau in London. This contact may have been established in autumn of 1982 when Fick and Frankhauser spent several months traveling in Western and Eastern Europe. Fick's anticipated summer 1984 Libya operation was, according to Fick, shortcircuited when he developed a serious back problem that restricted his physical movements for weeks at a time.

During approximately summer 1984, Fick informed NCLC that "Dragonfire" newsletter was a CIA operation that he was publishing and distributing under the immediate supervision of "Nat". This newsletter circulated internationally.

39. Other CIA and/or national security classified operations involving LaRouche and NCLC-ICLC, did not necessarily directly involve Frankhauser and "E" channel directly. WILLIAM CASEY maintained other direct channels to LaRouche-NCLC which involved other specific national security projects. Among these that may be raised during the course of Boston litigation are:

a. Security screen against possible Jewish Defense League assassination attempt against LaRouche during December 1981 ICLC year-end conference at the Roosevelt Hotel, New York City. Extensive physical security screen was in place throughout this event and intersected cooperation from New York Police Department Intelligence Division with known ties to CIA.

b. GUATUSA I, a joint U.S.-Guatemalan anti-narcoterrorist pilot program conducted during October 1985. Jeffrey Steinberg active participant in this effort, which was officially debriefed by CIA, Department of Defense, Department of State, Drug Enforcement Administration, Joint Special Operations Command, Fort Bragg, N.C. and an official of the Vice President's National Narcotics Border

Interdiction Service (NNBIS) who introduced himself as "WALTER SORENSEN".

c. Unnamed project to facilitate Algerian cooperation for U.S.-French joint effort against Qaddafi and Libya. Paul Goldstein played a direct role in facilitating this channel, which may have been under the personal supervision of William Casey. This channel involved travels in Western Europe (Brussels, Paris) and Algiers during 1985.

d. In 1981, NCLC established contact with COL. FRANK SALCEDO, a high ranking official of the Federal Emergency Management Agency (FEMA), who was in charge of FEMA's counter-terrorism program. A series of meetings occurred, including a day-long intelligence briefing in approximately autumn 1981 at the New York City offices of Executive Intelligence Review. As well, Salcedo received from NCLC a series of proposals for the establishment, under FEMA, of a special governmental intelligence organization at the direct service of the President to cross check information and evaluations coming into the White House from the State Department, CIA, FBI and other channels.

e. Between 1981-1984, LaRouche-NCLC maintained a number of regular channels of policy and information input into

the National Security Council. This information concerned, among other issues, the emerging Ibero-American debt crisis and a LaRouche proposal, "Operation Juarez", for solving that crisis without jeopardizing the American banking system; the Strategic Defense Initiative; ongoing U.S.-Soviet summit negotiations on a wide range of strategic issues; overall U.S. science and technology policy; and international terrorism. Among the NSC personnel who maintained these channels of contact were: RICHARD MORRIS, NORMAN BAILEY, RAYMOND POLLACK, MICHAEL-DANIELS. At various points during 1982-1983, NSC director of security Richard Morris received written material from LaRouche and NCLC as part of the METAL project referenced above. Written reports and paraphrase transcripts of meetings with Soviet officials were provided to Morris as well as Frankhouser as per guidelines transmitted through Frankhouser from "E".

40. In late August 1986, DOMINICO LOMBINO, an Italian attorney residing in Brooklyn, New York, contacted Jeffrey Steinberg requesting the assistance of the Schiller Institute in securing the release of three of the American hostages in Beirut: Anderson, Jacobson and Sutherland. Lombino stated that through contacts in Switzerland, he had been approached by a representative of the Iranian government and representatives of the Hezbollah, offering the release of the three Americans

in return for non-lethal assistance in the form of food shipments to Lebanon and assistance getting the son of the Iranian official into the United States to attend a university. Lombino's source informed him that one motive for the approach was the fact that one of the hostages, Terry Anderson, was seriously ill and the Hezbollah did not wish to have him die while in their hands. Independent sources familiar with the hostage situation not only confirmed Anderson's illness, but emphasized strongly that only a very limited number of people were aware of that fact.

In the interest of pursuing this humanitarian initiative, Frankhauser was contacted and requested to pursue the opening through his CIA channels. According to subsequent reports, Frankhauser contacted a CIA official named ROGER WICK, who informed him that the entire hostage matter was being handled at the National Security Council. Frankhauser, using either his real name or the name "BILL CLAY", and Mark Bablin, using either his real name or the name "CHRIS WINTERS", initially contacted FAWN HALL, who referred them to COL. ROBERT EARLE, an active duty U.S. Army officer on loan to the NSC staff under LT. COL. OLIVER NORTH. In some capacity, a State Department official named CASEY was also brought into the inquiry. Through the NSC channel, Lombino's contact in Switzerland was interviewed in either France or Belgium by a Regional Security Officer from the U.S. Embassy in Paris. According to Lombino,

his contact was treated rather harshly by the RSO and effectively told to get out of these negotiations because the hostage matter was being handled "through other channels". These remarks were made in the first week of September, more than two months before the Iran-Contra scandal broke publicly.

41. Upon information and belief of the defendants, the U.S. Attorney's office in Boston possesses, or has reviewed approximately 30 editions of COMSTA-C reports (averaging 20 pages each), authored by Frankhauser and F. Lee Fick. Several sentence-long excerpts from COMSTA-C reports of the December 1984 period have been introduced by the U.S. Attorney. Upon information and belief of defendants, the other sections and editions of COMSTA-C contain some classified information, and will be used by defendants in their defense.

APPENDIX TO
PROFFER PURSUANT TO THE CLASSIFIED INFORMATION
PROCEDURES ACT, SECTION 5
TITLE 18, UNITED STATES CODE, APPENDIX III

Defendants have reason to believe that the individual whom Roy Frankhouser, Monroe N. Wenger and F. Lee Fick referred to as "THE SOURCE" and "E", is in fact E. HENRY KNOCHE, the former Deputy Director of the Central Intelligence Agency.