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[Re: Compromised: Clinton, Bush and the CIA: How the Presiden](#)

by [admin](#) » Sun May 22, 2016 9:18 am

CHAPTER 6: AMERICA'S BANANA REPUBLIC

The black C-130 military cargo plane banked into a perilous 60-degree descending turn as the pilot maneuvered to align the giant transport for the final approach to Mena.

The craft went full flaps as the pilot pushed full left rudder, putting the plane into a right forward slip, descending rapidly toward its target, the threshold of the 5,000-foot runway 17.

It was an unorthodox maneuver for a plane of that size and as Terry Reed kept his vision locked on the approaching craft, he remarked to Joe Evans who was standing nearby, "This damn July temperature is just like Southeast Asia. The hotdog pilot in the 130 better watch the density altitude at this elevation. He's flying like he was trained by Air America!"

Though Terry didn't know it at the time, that was precisely the case. He did not recognize the elderly pilot initially. It had been 14 years since their farewells in Thailand. He was about to be reunited with Bill Cooper.

When the cargo ramp descended and the shrill whine of the turbines spooled down, neither Terry nor the other three waiting instructors were quite prepared for the 20 ragtag Nicaraguan "Freedom Fighters" who walked down to the tarmac. By this time in the afternoon on July 8, 1984, the ramp had been heated to frying-pan temperatures by the sun over Arkansas.

Evans turned to Terry. "Yeah," the mechanic with the weather-beaten face said. **"Barry tells me most of these pilots they're gonna use down there in Central America are ex-Air America cowboys. I guess your job is to lasso these young mavericks and teach them how to fly heavy iron. I sure don't envy you guys. Just look at 'em."**

Terry was shocked. Somehow, he had expected to see soldiers with bloused pant legs, combat boots and berets. Instead what straggled off the C-130 were men in blue jeans, mismatched colors and Adidas and Nike sneakers. They looked like they had just left a blue-light special at K-Mart.

The only commonality in their "uniform" appeared to be their Levi jeans, some stonewashed, some not, and their Sporty's Pilot Shop private pilot flight kits. Rayban sun glasses adorned their faces, as if they were hoping to emulate the look of the stereotypical super-macho Latino pilot. **It triggered in Terry's "stress syndrome" a flashback to Vietnamization where Laotian men stood wearing Raybans and brand new flight suits while picking their noses up to the second knuckle.**

"Fuck," exclaimed Evans. "I don't even have Raybans!"

The arriving students were quickly moved out of the Sunday afternoon's heat and into the Rich Mountain hangar while the plane's other occupants sat about their assigned tasks. **Although Terry would not learn [Richard Brenneke](#)'s name -- or the purpose of his trip -- until later, he appeared to be a member of the crew and the person responsible for the skid-mounted cargo that was offloaded into another Rich Mountain hanger. What the crates contained was not discussed, but seemed to be important nevertheless. ***

Why had they all come to Arkansas?

Because of the Boland Amendment -- or to be precise, the **three Boland Amendments passed in varying form. The legal force of these amendments, attached to Congressional-approved appropriation bills that Reagan was forced to sign into law, is still being debated by scholars. They were intended to bar direct military aid to the Contras training in Central America by U.S. government personnel. But by dissecting the fine print, North and Agency attorneys apparently decided that having the military loan the equipment to this operation -- run by contract employees in the United States -- was not a violation.**

Why North and the CIA undertook this operation in Arkansas to circumvent the Boland Amendment was clearly because they were barred by law from doing it themselves. But before they could establish when and where they wanted to set up the operation, they first had to define what they wanted to do there. They then had to decide who would be their proxy. And implementing the "how" would depend on their skewed legal interpretation, that use of non-government personnel, or contract employees, would not be a Boland violation.

The CIA knew what had to be done. The Nicaraguans desperately needed skilled flight crews that could resupply ground troops engaged in a highly-mobile guerrilla war where resupply can be accomplished only with air drops. This was being done with American contract crews who were at great risk of being exposed if they were shot down and captured.

In deciding where to locate the training base, a map of the United States is needed. Initially, all perimeter states, or border and coastal states, must be eliminated because of the concentration of federal law enforcement and coastal defense agencies such as the Coast Guard, the Air Force, the Navy, the FBI, the Drug Enforcement Administration and U.S. Customs.

From what is left, a state must be chosen. It has to be rural, under-populated and have terrain similar to Nicaragua's. It should also be a state with a political mind set similar to the banana republics that the CIA operates so successfully in. It must possess the right political environment and political power base that would view the Agency as a "welcomed industry'" and a way to enrich itself while picking up a "political marker'" from Washington for a future favor. In short, an accomplice.

Arkansas was the only state that qualified perfectly in each category. And the icing on the cake was the fact that Arkansas already had become the dumping ground for federal facilities no other state wanted, such as the U.S. Army chemical weapons plant in Pine Bluff and the nuclear storage area in Pea Ridge.

So here they were, finally, in Mena. As the students dragged their B-4 bags into the sweltering hangar, the whole scene was reminiscent of in-processing procedures at Don Muang International Airport in Bangkok, Thailand, where all GIs first arrived for their in-country tour of duty in Southeast Asia. **The only thing missing was a bevy of oriental hookers waving through the fences** at this latest load of "raw meat" arriving from "the world."

Mohamed Atta and sidekick and bodyguard Marwan Al-Shehhi were the ones identified as having been flight students there. Then it was reported -- in a strangely muted tone for what was big news -- that others of the terrorists had been in Venice as well, including Siad Jarrah, said to have been at the controls of the plane that went down in western Pennsylvania.

Three of the four 9/11 pilots learned to fly at two flight schools at the tiny Venice Airport. A terrorist trifecta out at the Venice Airport. Venice, Florida is the biggest 9/11 crime scene that wasn't reduced to rubble. But it hasn't been treated that way. And no one has offered any reason why.

Both flight schools were owned by Dutch nationals. Both had been recently purchased, at about the same time. A year later terrorists began to arrive, in numbers greater than we have so far been told. All of this must be just a freak coincidence, according to the FBI.

We call it their "Magic Dutch Boy Theory."

How had the FBI known the exact identities of the hijackers less than 24 hours after the attack? If their files had been so readily in hand, why hadn't they apprehended them before they killed thousands? And when conscientious FBI agents did try to raise alarms about known Al Qaeda sympathizers at U.S. flight schools, why were they ignored?

The only answer ever given by the FBI to why the terrorists came to the U.S. to learn to fly was 'because flight training is cheaper in the U.S.'

But Atta and Marwan ended up paying more than double what flight training costs elsewhere, according to aviation experts. So price was apparently not the object. And besides, in Florida alone there are over 200 flight schools.

What inducements led them to the two in Venice?

Flight school owner Rudi Dekkers inadvertently released paperwork showing that Atta and sidekick Marwan Al-Shehhi paid \$28,000 each for what the chief flight instructor at a nearby flight school, Tom Hamersley of Jones Aviation, explained to us was available at his school -- as well as dozens of others -- for a fraction of this price.

Were the inflated prices Atta and his minions paid some kind of 'terrorist surcharge?'

[-- Welcome to Terrorland: Mohamed Atta & the 9-11 Cover-up in Florida, by Daniel Hopsicker](#)

The arriving "Freedom Fighters" dropped their gear and were drawn immediately to the white Cessna 404 up on jacks, with its cowlings and inspection plates removed. They were peering with awe and curiosity into the plane's crevices, realizing that, if they "made the grade", this would be the type of plane they'd be flying.

The sleek, twin-engine craft was exposing its internal engineering marvels inherited from the factory in Wichita, Kansas. The plane was considered a "cabin class" aircraft since it had an "air-stair" or clam-shell door on the left rear side that allowed passengers to board by climbing the self-contained staircase. The seating arrangement in this particular plane had six seats in the rear and a "cabin" up front for the pilot and co-pilot. With the large internal cargo area and "potty" in the aft area, this plane appeared gargantuan compared to the light single-engine aircraft in which the students had been trained. It must have made them feel unsure of ever having the ability to master such a large craft.

The instrument panel, which contained a full set of gauges for both pilot and co-pilot, housed twin air speed indicators showing the plane capable of speeds of up to 237 knots. The fuel-injected and turbo-charged Continental engines could propel the plane to altitudes above 25,000 feet. To them this was the ultimate challenge.

Terry entered the hangar along with Emile Camp and the other two flight instructors, pseudonymed "Nebraska" and "Oklahoma."

The man who appeared to be in charge called the wandering group together for in-processing. It was not unlike that first day in Bangkok, filling out forms listing next-of-kin and being briefed on the essentials such as mail deliveries from Central America.

The majority of the briefing was conducted by an Hispanic dressed in fatigues and known only to the flight instructors as "Diego," the "temporary field commander" on loan from Panama who had the bearing and attitude of an experienced military drill instructor and professed to be an ex-helicopter pilot.

"Take those fuckin' sunglasses off, soldiers!" he shouted at the motley crew of trainees, who appeared to be worn out from their flight. He informed them that the four men standing behind him were the "contract instructors" who would teach them advanced flying techniques, and, in particular, aerial resupply procedures they would use in combat -- if they measured up and didn't wash out.

Diego then joined the students as the instructors were asked to introduce themselves and recap briefly their individual aviation backgrounds. The students were then given copies of the Cessna 414 information manual, which, for the purpose of their classroom work, would become their "bible." They were told to memorize it from cover to cover and be prepared at any time to answer questions based on its content.

A brief outline of the aviation curriculum was discussed and they were told that it would be the instructors' job to upgrade them to multi-engine aircraft, giving them the ability to fly safely in the more advanced 400 series-style aircraft.

Once that was accomplished, they would be taught aerial delivery procedures and how to apply these techniques in a hostile environment, meaning when someone was shooting at them from either the ground or air with a combination of both small arms fire or missiles or, even worse, from interceptor aircraft.

The four instructors, who by now knew each other fairly well, were working from lesson plans they had developed which capitalized on their particular expertise and strengths.

A key lesson learned from Vietnam was the need for an expert ground controller at the infantry-company level, whose job was to coordinate the delivery safely from the ground. In other words, he became "air traffic control" in the field and in many cases the success of a mission depended on him.

In this first class of 20, four men were there to become these ground controllers. The U.S. Army had developed this joint training technique where controllers train with flight crews to learn what a pilot has to contend with during these maneuvers.

By now, the skid-mounted cargo containing the field equipment and weapons had been brought into the hangar and each man was given his issue and told to board the white, one-ton Chevy grain truck presently backing into the hangar. The six-foot high sideboards of the truck would shield the occupants from view as they headed for nearby Nella. **The only thing that might have seemed odd to the local residents that day occurred when Ramon Vanardos, the truck driver and the man assigned to be the local "supply sergeant," stopped later at a local fast-food joint and ordered 60 cheeseburgers and 60 orders of fries -- "to go."**

Terry and the other instructors followed in his S-10 Chevy Blazer as the truck turned off U.S. Highway 71 nine miles north of Mena and west of what is called "Y" City. The truck could barely negotiate portions of the narrow dirt road maintained for the U.S. Forest Service to fight fires in that area of the Ouachita National Forest.

The students were being tossed about the truck bed as the vehicle forded Clear Fork, one of the creek beds running off the Belle Fourche River. "Oklahoma," one of the flight instructors in Terry's blazer, noted, "God, I wish we could take pictures of all this. No one's ever gonna believe this happened after it's all over. Surely the government's gonna invade Nicaragua before we get these guys trained, don't ya think?"

Terry answered, "Yeah, I'm sure you're right. Based on what I've seen we have to work with, we're only gonna need five years to get these guys up to speed." Everyone laughed. The worst was yet to come.

What is called Nella is nothing more than a wider place in the dirt road, an intersection in the woods six miles from the highway. About a mile and a half east from the intersection, after passing the Shiloh Country Church, was the 109-acre property to be used for the practice drop zone and training base.

Local property records show that the land had been purchased in October, 1982, at about the time Barry Seal first arrived in Mena and set up his operational headquarters at Rich Mountain Aviation. Though Seal put up most if not all the money for the land, about \$50,000, Fred Hampton and his wife were listed as the nominal purchasers. Hampton, the fixed base operator at Rich Mountain, suddenly began to deposit large amounts of cash in his bank during this period, after being on the verge of bankruptcy only a few years earlier.

The land was an ideal training site. It bordered huge reserves of heavily-forested federal land to the southeast and northwest. Just about anyone could operate with impunity. Forest rangers were told by their superiors to stay out of this area except in extreme emergencies and to ignore activities that were military related. **Terry was told by Seal that U.S. Army Special Forces personnel stationed 30 miles to the north at Fort Chaffee, who were on continuous maneuvers in the area, provided security by "shadowing" the site. The soldiers, unofficially, would "co-mingle" with the students during maneuvers and war games and be bivouacking near enough to fend off any wandering campers or peering eyes. What Seal had neglected to tell Terry, but he would later learn, was the "shadows" had shadows -- in the form of the FBI.**

The only thing that would have seemed strange to anyone wandering into the area was the new and expansive barbed wire fencing, anchored to steel posts, strung around the site. The poverty-stricken farmers in the area used only homemade wooden fence posts that they cut themselves from the surrounding forest.

There was other "security," too -- in many ways the best that money could buy. Seal confided to Terry that the people who lived in the area had been "purchased," and would be getting "government subsidies" that didn't originate from the Agriculture Department. In other words, they were paid to see, hear and speak no evil of the Agency's operation.

As Varnados' truck made a right turn and headed south into the property, it passed the dilapidated old farm house that had been converted to mask a training headquarters and command post. This was Varnados' home. He told anyone who might ask that he was living there as a caretaker. Behind the house was a satellite dish and a steel mast supporting an antenna similar to what a ham radio operator would use. Via satellite, Akihide Sawahata in Little Rock could talk to this facility on a secure frequency, as could the training aircraft.

"This is neat. Who would guess this old farmhouse is packed with state-of-the-art communications gear?" said Nebraska, a former Special Forces officer, as Terry's Blazer slowly went by and angled down a hill behind the house toward three brand new Butler-style, pre-fabricated chicken houses.

These weren't your normal gabled roof, sheet metal chicken houses, a common site in Arkansas, home of Tyson's chicken. However, the scene captured the image that prompted H. Ross Perot to call it "the Chicken State" when he was running for the Presidency. These were actually high-tech portable barracks. Camouflaged to look like chicken houses, two were living quarters and one was used for a classroom. One of the two used for quarters also housed the latrine and mess hall. All consumables, such as food, were government issue and supplied from Fort Chaffee.

In addition to having plumbing and electricity, they were fully insulated and built on temporary wooden foundations, not the usual concrete. They were heated and cooled by portable military climate control units, which were mounted externally. An equipment shed behind the farmhouse sheltered the portable military generators and lighting equipment that would be used to guide the aircraft toward the field for simulated night airdrops. Also housed there was the Ford Cub tractor that towed the military trailer containing a 400-gallon tank where fuel for the generators was stored.

Within view of the complex, farther down the hill, one could see that what had been a pasture was now a usable landing strip. The 2,300-foot north-south runway area had been sodded and additional drainage provided to carry off the water resulting from the expected summer torrential rains. Varnados had recently mowed the strip with a belly-mower attached to the tractor's undercarriage and the hay that had been planted along the edges of the strip was ready to be harvested. On the west side of the field was a camouflage netted area suitable for aircraft parking.

Truly, the CIA had thought of everything. The Agency had at its disposal all the modern, air-transportable equipment similar to the type that the American public would discover years later as it watched "Operation Desert Storm" unfold on television. Nothing had been left to chance. They were bivouacked!

The students had been told to dig in for a four-month intense training program. It would not only include flight training, which they looked forward to with excitement, but a continuation of basic ground combat training to transform the trainees into spit-and-polish soldiers. This they hated.

"Diego" was the drill instructor. His job was to continue basic military training and discipline. After debarking from the truck's cab, and in typical military fashion, he ordered the men out of the truck and into their "barracks". They were instructed to "return looking like soldiers" for a briefing in the "classroom."

The four instructors waiting in the classroom were now somewhat taken aback as the students were transformed

by having shed their slovenly civilian attire and replaced it with military-looking, sanitized GI jungle fatigues.

The students, they had been told, were the children of the Central American elite, people who had seen their property and businesses seized by the Sandinistas. To them, the Sandinistas were simply communists taking orders from Moscow and Havana.

"Boland es un Comunista," [Google translate: Boland is a communist] the students would chant while double-timing in formation, a phrase to be taught to them by their permanent drill instructor who had not yet arrived from El Salvador.

It was apparent to Terry that whatever else the U.S. government and others might have been doing, they had certainly taken the trainees' blind hatred of communism to a new level. They had gotten their "minds right" on the issue of motivation. Having studied the psychology of learning in the Air Force's Leadership Academy and again during FAA Flight Instructor training, Reed considered them over-hyped and, therefore, overconfident and dangerous, considering the training they were facing.

The first thing he would have to do was, just as the flight instructors manual said, "gain their confidence." He realized in order to accomplish that objective he would initially be forced to show them what they didn't know about flying. He had to convert them from their "overly confident state" and return them to one of "being receptive to the learning process." In other words, the instructors decided, they would scare the hell out of the students once they were in the air.

The trainees seated themselves at the metal tables placed in rows in front of the four instructors.

What ensued was a classified, detailed briefing of the training program and what was expected of the students to successfully complete the course. Each instructor, in turn, told the students what aspect of the aviation program he was responsible for and why he had been recruited for this covert program.

They were made aware of the fact that **"Oklahoma" was actively involved with an international flight training school licensed by the Federal Aviation Administration and would train them from the same FAR 141 curriculum.** The students appeared elated and honored that they would have to meet stringent American "airman-check" procedures and would be learning something that they could use the rest of their lives -- if they lived through the dangerous multi-engine training.

"Oklahoma" addressed them: "I don't speak Spanish. And I hope that's not a problem. But my first task will be to test all of you on basic single-engine and FAA regulation knowledge in order to determine your level of proficiency before advancing to the multi-engine course. In other words, view me as your hurdle to flying the twin-engine plane you saw in the hangar today. I will be your check pilot as you advance throughout your training."

It was clear Oklahoma was by-the-book and brought to the program the necessary FAA "attitude." The students, recently graduated from their single-engine instrument curriculum conducted elsewhere in the U.S., knew what a check-pilot was. They immediately identified Oklahoma as "Mr. Chicken Shit." He would allow no deviation from the rules.

Nebraska was next. He produced the training materials prepared for Phase I of their flight training. A realization of the written work that would be involved brought a collective groan. As he distributed the stacks of booklets, he briefed them in a very military, monotone voice.

"I taught helicopter flying for the U.S. Army during Vietnam. My style is to pretty much follow the Army's method of instruction. If you don't stay up with your ground school work, you're fucking grounded.

Diego will administer all ground material to you and I fully expect all assignments to be completed on schedule or you simply don't fly. If you do not maintain the required 70 percentile passing grade for each phase, you are permanently grounded and you will be sent home. Any questions?"

From his military bearing and emotionless style of his delivery he was readily identifiable. He was Chicken Shit No. 2 in both the air and on the ground. Emile Camp was next. His Louisiana drawl wowed them.

"I just want y'all to be good pilots and the kind of students that I'm proud to sign off as havin' schooled under me. I'm sure ya'll will work hard so we can getcha flyin' that twin-engine Cessna on one engine in bad weather and full of bullet holes, with proficiency. My job, besides flyin' with ya and gettin' ya up ta multi-motor speed, is ta keep ya in good airplanes. And as ya know, we've selected the 400 series Cessna to be the airplane ya'll be 'type-rated' in for the purpose of graduation. After that, you'll be upgraded to the Beech 18 if we have one available, and if ya can handle a tail-dragger."

By his laid back style, it was obvious that Camp was a likeable guy, a noticeable dichotomy between him and the previous two men they had heard.

Then came Terry. He initially spoke in Spanish, which they clearly enjoyed.

"La solamente cosa que yo amor a mas de avuelta es una muchacha bonita sin ropas y con pequenas nalgas." ([The only thing I love more than flying is a beautiful, young, naked woman with a small ass](#)). This evoked cheers and catcalls.

"Do you guys think you have the 'right stuff'?" Terry asked, once the macho commotion settled down. "Well I'm your primary night instructor, and I'm going to teach you all about the 'fright stuff.'" Some of those who hadn't yet mastered the subtleties of the English language required a moment of interpretation from fellow students. Then, again there was laughter. Terry continued.

"But, in all seriousness, I like flying at night, which is how I trained for the majority of my ratings. Therefore, I have volunteered to be your nighttime instructor. That does not mean I am loco. Multi-engine flying is demanding, but it should also be fun. This course will be very dangerous, especially the night training, and I will demand nothing short of excellence from all of you. But, it is my style to let you fly the airplane from hour one. You will learn nothing by me flying the plane for you. I already know how to fly it. My job is to teach you. I admire your motivation for volunteering and I will do my best to help you liberate your country. Any questions?"

The student nearest the front of the class, who had been focusing on the "prosthesis" Terry had built to keep from using crutches, asked, "What happened to your foot?"

"I crashed an airplane on April Fool's Day and almost killed myself. I'll try to prevent you from doing the same." They thought he was joking at the time, but they would learn the truth later. But he had lied about being crazy, he was a little loco.

It was dusk outside and time for taps. The students had taken note of the difference in the men who would teach them. A flight schedule was passed out covering the next two weeks of scheduled activities. From the looks on their faces, the trainees were aware of the complex task ahead. As the four instructors left the room, Diego announced.

"Reveille is at 0430 hours, fall out in full flight gear behind the barn after breakfast at 0530."

You could hear the moans in the darkness outside over the sounds of the crickets and the lowing of animals.

After returning the other instructors to Mena that night, and while driving back to Little Rock on the darkened

Highway 270, Terry used the time to meditate upon what seemed like the strange, dual... yes, surrealistic, life he was leading.

How many other "Nellas" are there out there? And how many other guys out there are living a dual existence? A few? Many? Is this what America has become, having to go underground to do what its leadership thinks is right? Is this the government I'm dealing with? Am I working for the government? Or is there more than one government? If so, how many? Should I feel honored or ashamed to be singled out for this? Am I a traitor or a patriot?

Has democracy broken down, as Lenin said it would? Is it dead? Or is this its rebirth? Or has it always been like this and I was just never involved? Is the CIA right? Is Congress right and really reflecting the people's will this time? Is there such a thing as the "people's will?" Is this how we got into the Vietnam war, or how we got out?"

The haunting questions raced through his mind.

Then, he thought about the hospital, lying there and talking with Barry Seal. He had almost died that day, needlessly. He felt he had been given a second chance ... a chance to die right. How you die, he then realized, is something a person does have a degree of control over.

Had the American Colonists sneaked off to covert camps where foreigners would teach them how to fight the British? Had the countries who trained the Colonists debated the morality of it all? He began to feel like a dog chasing his tail. There's no place to go for these answers, he decided. You just have to live it out, he decided, and see if you die right. Who is John Cathey, really? How did Barry Seal fit into all of this? Who is Seal -- really?

Terry became so engrossed in his thoughts he hadn't realized he had driven the entire distance back to Maumelle until his headlights lit up the front of his house at No. 8, Ten Tee Circle near the 10th tee of the private golf course. He turned off the ignition and just sat until his wife approached the car and said: "You look like you could use a beer. I'll trade you one for your thoughts."

A sudden surge of pain emanating from his injured foot brought him around. "Yeah, I'll take the beer, but you don't want to know what I was thinking. "

Notes:

*** Brenneke would later testify that most of the crates contained weapons and other gear to be used in the training program. He would also say that he found cocaine in some of the crates and while on the ground at Mena, called Donald Gregg, then Vice President George Bush's chief of staff, and complained about the drugs. He quoted Gregg later as saying that was none of his business. Brenneke later claimed his role in this affair was that of a money-launderer for the Agency, that he worked out of Panama where the flight had originated and that he had just thumbed a ride on the flight.'**

1. Oral deposition given to the Arkansas Attorney General's office, June 19, 1991, page 16.

[admin](#)

Site Admin

Posts: 32204

Joined: Thu Aug 01, 2013 5:21 am

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[Re: Compromised: Clinton, Bush and the CIA: How the Presiden](#)

by [admin](#) » Sun May 22, 2016 9:19 am

CHAPTER 7: TAIL-NUMBERS GAME

"Terry-san, I will come by your house and pick you up," Akihide Sawahata said on the telephone. "We need to meet Barry at the airport. We will both fly to Mena with him and then you can fly us back in your new 'Company' airplane."

Hot damn, Terry Reed thought. Maybe he wouldn't have to answer all those questions that nearly burned out his brain while driving back from Mena the previous night. The world looked different after a good night's sleep. The reality was he wouldn't be driving back from Mena anymore, he'd be flying. July 9th, the calendar said. It was 7 AM.

He hurriedly finished his coffee and playfully slapped Janis' backside while she was showering and said, "Aki's coming by to get me. We're going to Mena to pick up my airplane. Don't forget, communication security is in effect. Don't ever call me over there. Only call OSI in the event of an emergency. If anyone is curious, just tell them I'm working on an engineering project at Brodix Manufacturing."

Janis came out of the shower and gave him one of those 'I know, I'm not stupid' looks, and then began assisting him in wrapping his cast in plastic so that he could bathe.

While doing so she lectured, "Terry, you act like I was new at this game. All that time in Oklahoma with Buzz and then Cathey ... did I ever embarrass you, even one time? I may not have gone to intelligence school ... but I've had a great teacher. "

Terry reasoned his instructional attitude must have made her defensive. He hadn't meant to upset her, he just wanted to be certain there were no spook related screw-ups originating from the Reed household. He recalled the conversation with Seal and Sawahata about tapped phones in Mena and could only conclude that his phone was being "monitored" as well. One breach of communication security at this early stage of Agency employment would probably mean instant termination. A lot was riding on this program and he assumed it was being shadowed by Washington.

After coaxing Janis to repeat one more time that she would never violate Agency security procedures by calling him at Rich Mountain Aviation in Mena, and that she would only use Overseas International's local number, and only then if it were a matter of life or death, he crawled into the shower.

Once inside and with her out of reach, he could hear her mimic, "I know, this is different, this a big opportunity for both of us".

Sawahata was soon parked in Terry's driveway where both men drove off toward the Little Rock Airport by way of the Maumelle Highway, as it was called. On the way, Terry asked Aki to stop at Arkansas Machine Tools, a company owned by Mark McAfee, one of Terry's business associates in the machine tool industry.

"I need to drop off a quotation on a particular machine on the way to the airport," Terry informed him. Little did he and Sawahata realize then that this would be a BIG mistake -- for both of them.

Terry had met McAfee in his first days in Arkansas when Seth Ward had brought him in to Command Aire's facility to appraise their equipment for insurance. From that first meeting, it was obvious that McAfee had a problem. He wasn't just hyper. He was really hyper! Terry initially didn't know why, but would later learn of his addiction to diet pills. And they obviously weren't working for what they were intended.

McAfee, a short man in his early 40s, was a person who needed to accept the reality that designer blue jeans

could no longer encompass his rapidly-expanding girth. He needed to get out of The Gap-style clothing stores, where teenage salesgirls titillated him as they measured his in-seam, and over to Sear's Big Men's department.

He had big problems in all three categories of life. Categories Terry called the three M's -- money, morals and marriage. Under Terry's theory, if you simultaneously have trouble with any two of the M's, you had big problems. And McAfee had major problems in all three.

First, McAfee had big money problems. Like a lot of machine tool dealers, he had been unable to understand that the oil boom was only a "spike" on the EKG chart of machinery sales. This was a very common problem among equipment suppliers throughout the Midwest who were becoming insolvent. McAfee had overextended himself financially and was refusing to properly deal with the fact that he was already in Chapter 11 bankruptcy and court-ordered reorganization. Worst of all, he still deluded himself, believing he was an astute businessman and financial guru.

Reed observed that McAfee was refusing to deal with the financial problems he was having. He had opened up secret bank accounts that he had hidden from his creditors ... and the Bankruptcy Court. One secret expenditure was to finance the \$12,000 purchase of a 1982 mist-green Corvette. He had been foolish enough to take Reed into his confidence and tell him he was diverting large amounts of cash from his bankrupt firm to a new machine tool company he had secretly formed and named ARMCO. In addition, he had gone into a totally unrelated and losing venture to manufacture rowing-machines that was also sucking capital from his bankrupt firm. He was forced to hide assets and used equipment from trade-ins and moved them across the state line to Memphis in preparation for the time when creditors would seize everything.

McAfee had also purchased a \$125,000 airplane, a single-engine blue Beech Bonanza that was hidden from creditors at the North Little Rock Airport. A twin-engine Beech Baron he previously owned had already been seized. His idea of "reorganization" seemed to be to downsize to an airplane he didn't really need.

McAfee had sought out Terry and made him an attractive offer. His business failure had begun to destroy his relationship with his equipment suppliers, forcing him to get really creative.

Recalling Seal's earlier admonition that Mena was not necessarily a permanent job, Terry had kept his business options open. After leaving the Ultra-Light company, he had established a limited business relationship with McAfee that would be beneficial to them both and allow Terry to keep his hand in the machine tool industry.

They agreed that Terry would use his company, Reed, Kerr & Associates, to take over the distribution of machine tool lines that McAfee was losing. In turn, McAfee would share his customer base, which Terry would solicit, thereby attempting to introduce them to product lines that he had represented before moving to Arkansas. This agreement benefited both men, enabling them to profit from each other's efforts and, when they agreed, to share in revenues from business that they otherwise wouldn't have. Terry viewed this as a relationship of convenience, where his company simply operated under the same roof as McAfee's. Terry would receive clerical support and would not have to invest in the overhead associated with starting a new company in Arkansas.

This arrangement put Terry in contact with the woman who was both McAfee's secretary, and mistress, a shapely blonde named Linda Crow. McAfee was immediately protective of her and without reason appeared jealous of Terry. McAfee used her as a punching bag and, at the same time, a life preserver. He was someone who was barely keeping his head above water. He wanted her to rescue him emotionally from his failing marriage so that he could later shed her when he reached the safety of shore, in someone else's arms, no doubt.

Upon being introduced to Sawahata that morning, and learning of 081's international trading connections, McAfee became increasingly hyper. McAfee urgently needed \$350,000 in order to get creditors off his back and forestall his foreclosure. It was obvious to Terry that McAfee somehow saw Sawahata as his financial savior. McAfee was having his usual morning "high" from his pills and it was nearly impossible for Terry to pry Sawahata away from him. Within 15 minutes, McAfee had in desperation scatter-gunned 10 different business

ideas at Sawahata, hoping he would go for one of them.

Back in the car, Sawahata turned to Terry and remarked: "Holy Buddha! What is that guy all about?"

Terry laughed. "You just did too good of a sales job, Aki. I guess your exporting cover just has a way with people, especially people that are desperate and going broke."

On the way to the airport, he cautioned Sawahata about McAfee's financial and emotional condition and told him to stay away from him. But the damage had been done. Sawahata unfortunately had given McAfee his business card.

Sawahata took the journey to the airport as an opportunity to outline to Terry the scope of his duties. **"Terry-san, I talked to Mr. Cathey and he spoke very highly of you. It appears you are perhaps the only trained intelligence person involved in the Nella operation. Therefore, I am going to rely on you completely to keep me informed as to exactly what going on there, as well as in Mena."**

"What do you mean by 'exactly'?" Terry asked. "Are you referring to all aspects of the flight training, or what?"

"It is just that we have brought in some very non-professional people for deniability and they must be continually monitored to insure professionalism in overall operation. So, please, tell me everything you hear or see or even suspect is going on," Sawahata answered.

"Is there someone you don't trust?" Terry asked. "Tell me now, if this is the case. My life may be depending on these people."

"It is my nature not to trust. And that has been reinstilled by my training. But I need to trust you, completely. You will be Agency eyes and ears for this project and, considering you understand Japanese culture, hopefully we can become special friends, too. I like your family."

"Do you trust Barry? Is he the problem?" Terry asked.

"All assets who have freedom of movement, especially internationally, are difficult to control. Barry is probably in that category of asset."

"So you want me to spy on Barry, too?" Terry was beginning to feel uneasy.

"I do not like that word 'spy'. Just observe and report."

"How shall I report, in writing? Or some other method?"

"No, we have perfect cover already," Sawahata answered. "You are businessman and so am I. We will get together at least once a week, maybe for lunch. That way, government can pay. We can benefit of job." They laughed as they sat waiting in the parking lot adjacent to the Little Rock Air Center and near a distinctive gold Mercedes 450 SEL with Arkansas plates on the rear, and a razorback hog plate on the front.

Seal had already landed his Lear jet, which was being refueled, and approached the waiting car. **"Terry, why are you hanging out with a slope, didn't you get enuffa that in Southeast Asia."**

"Fruck you, fat man," Sawahata said laughing. **"Just for that, I will not give you keys to Mercedes I have for you."**

"Oh, well, in that case, ... whose the fuckin' Chink you're with, Terry? I think I fucked his sister in Southeast Asia, or maybe it was his mother, or grandma ..." Seal's banter would not have been as light-hearted had he known what was going on in Washington.

The previous day had been interesting for Terry, but it was becoming a nightmare for Seal. He was now caught in the jaws of the Iran-Contra nutcracker. Although Terry didn't know it, **Seal had been working as an informant for the Drug Enforcement Administration long before they met. But his DEA handlers were losing control.**

Seal had learned that the Sandinista government was allowing the Medellin cartel to use Nicaragua as a trans-shipping point for cocaine. To catch the Sandinistas "in the act," the CIA had planted a camera in Seal's C-123K * military cargo plane to record the loading in Nicaragua. But a tug of war had developed between the White House, the CIA and the DEA over this juicy piece of information that Ronald Reagan just could not sit on. The propaganda value was so hot that everyone wanted a piece of the credit.

When Seal returned from his successful surveillance mission the night before, his DEA handlers had received the disturbing news that the conservative Washington Times newspaper knew all about his mission and was about to break the story.

It was clear that the White House, and Oliver North in particular, had leaked the story after seeing an opportunity to tell President Reagan what he wanted to hear, embarrass the Sandinistas and, at the same time, win some Congressional support for the Contras.

The exposure of Seal's mission posed great peril to "the fat man." If it were made public, the Cartel would know that Seal was the informant who had set them up. Like the Mafia, they were ruthless and didn't tolerate stool pigeons. While Terry had contemplated the meaning of life as he drove home from Mena the previous night, Seal's life was hanging by a thread.

Once again, people were being put in harm's way without the backing they needed.

-- Compromised: Clinton, Bush and the CIA: How the Presidency was Co-opted by the CIA, by Terry Reed & John Cummings

But if Seal was worried he gave no indication of it that day in Little Rock. He gave his new car a "walk around," nodded with approval and joked, "Thanks Aki. Now I'll blend in with the bond daddies here in Arkansas. But let's get goin', I'm in a hurry! I've got to get down to Florida on business and we need to get Terry into his new airplane so he can go impale himself on the side of Rich Mountain with a load of beans. "

* * *

The white Lear jet, three spooks full, flew to Mena where Seal had a brief discussion with his chief mechanic, Joe Evans, that centered around problems with his C123, "The Fat Lady," the plane Barry had so affectionately named and the one he had flown to Nicaragua for the drug sting. Seal then abruptly departed for Florida.

What the FBI is trying to hide, through the simple expedient of lying about Mohamed Atta's U.S. chronology, ironically sits in plain sight today at Charlotte County Airport.

It's the first thing Mohamed Atta and Marwan Al-Shehhi saw every time they drove into the Airport, after exiting Interstate 75 onto the county road running alongside.

It's an Ark. A Flying Ark.

Tied down at one corner of the Charlotte County Airport is a vintage DC-3, garishly

painted to look like an airborne Noah's Ark. Hippos, giraffes and elephants adorn the silver sides of the plane, climbing towards the cockpit. The colorful oddity, the most conspicuous plane at a small rural airport, has been parked there since being seized by law enforcement two years ago.

It belonged to Frank Moss, a notorious 80's-era drug smuggler who briefly achieved a certain notoriety during the Iran Contra Hearings, after it was revealed that Oliver North knew that Contra supply planes from Moss's Hondu Carib airline were also being used for drug runs into the U.S.

North was, no doubt, shocked. But despite the unfortunate publicity, Frank Moss has apparently soldiered on, and the airborne Ark isn't even the first plane of his seized there.

That honor belongs to a DC-4 which the U.S. Customs Service was chasing off the west coast of Florida in the mid-'80's, while it was busily dumping what authorities drily noted "appeared to be a load of drugs."

When it landed at Charlotte County Airport on March 16, 1987, it was seized by the DEA. An address book found aboard contained the Virginia telephone number of Robert Owen, Oliver North's courier. In a memo to North, Owens said that Moss's "DC-6 which is being used for runs [to supply the Contras] out of New Orleans is probably used for drug runs into the US."

Moss had been under investigation for narcotics offenses since 1979, it turned out, by no less than ten different law enforcement agencies. But America is the land of the second chance, and thus Moss was one of the first pilots chosen to fly Contra supply missions. He was there at the inception of the "contra cocaine" business run with the tacit approval of shadowy government figures like then-CIA Director Bill Casey.

Moss also regularly dropped duffel bags -- military issue, natch-filled with contra cocaine onto the Louisiana 'farm' of Barry Seal, the biggest drug smuggler in American history, according to the U.S. Government. Besides being big in the drug business, Seal was a life-long CIA operative, something which quickly became 'inconvenient knowledge' during Iran Contra and, later, the Clinton scandals, where the Wall Street Journal called him the "ghost haunting Whitewater."

Both Charlotte County Airport, and Venice 40 miles to the north were unlikely hotbeds of covert activity, and it is no doubt just another 'freak coincidence' that Barry Seal's Iran Contra buddies have their fingerprints all over operations at two tiny airports frequented by the terrorists. Still, Atta had hung out in both places ...

What was up with that?

Late one afternoon we met with two County law enforcement officials in the area. They told us that the somnolent west coast of Florida has been teeming with activity of a turbulently spookish kind for as long as some in local law enforcement can recall.

"You know, of course, that there is at least a 40-year history of covert training in this area," the older official stated. "They used Useppa Island just off-shore to train for the Bay of Pigs." Actually, we hadn't known.

"The only city in Charlotte County, Punta Gorda, was pretty much founded by a group of 'former' CIA agents," said the second official, a little wearily, we thought. "They

built Punta Gorda Isles, a big upscale development on Charlotte Bay."

How much strange activity went on at the Charlotte County Airport where Atta and Marwan trained and spent time?

Well, for starters the airport is currently home, the officials told us, to major intrigue involving the disappearance of at least 23 helicopters ... from the County Sheriff's Department.

The helicopters had been procured through a General Services Administration Military Surplus program, and then spirited out of the country, to exotic and faraway destinations where the Charlotte County Sheriff has no apparent law enforcement jurisdiction.

"Right now the Charlotte County Sheriff's Office has a flyable helicopter in Chile," the current Sheriff told us mournfully. "But we can't get it back. We've had absolutely no cooperation from the feds."

The program under which the Charlotte County Sheriff's Department procured their helicopters is the same one that resulted in felony convictions of 'former' CIA agents in Arizona in the Forest Service C-130 scandal in the mid-90's. There a C-130 military cargo plane loaned to the U.S. Forest Service to fight wildfires in the West also went missing ...

When it was discovered, on a runway at the Mexico City Airport, there was a billion dollars worth of cocaine aboard.

So it's not as if local law enforcement doesn't have a pretty good idea of who's been swiping helicopters in Charlotte County, we were informed. But knowing it and being able to do anything about it are apparently two different things.

The helicopters were 'misplaced' over a period of three years, said the Sheriff, beginning in 1996. The thieves had pretty ecumenical tastes ...

"We've lost all kinds: Hueys, Bell Jet Rangers, Hughes 500 helicopters. When we discovered it we took it immediately to the State's Attorney. They locked up the local force captain. But the FAA has never prosecuted anybody, and they show zero interest in helping us get our copters back."

"You wouldn't think Charlotte County would need 23 helicopters," laughed Coy Jacob, an aviation business owner at the Venice Airport. "They'd be bumping into each other in the air."

"Charlotte County has always had kind of a shadow," he explained. "There's a fellow who rebuilds helicopters who has always been in quasi-problems with the FAA with his helicopter parts. Jamie Hill."

Jamie Hill had been a target of the Charlotte County Sheriff investigation, we'd learned. "He's got seven helicopters sitting on his property today that don't belong to him," one local law enforcement source stated. "He's got millions of dollars of aircraft parts with the numbers filed out. "

Jamie Hill's partner in the company strongly suspected of having been a conduit for the disappearance of 23 helicopters from the County Sheriff's Air Wing turns out to be

another notorious covert operative with a significant presence at the Charlotte County Airport. Dietrich Reinhardt's name, which could have been lifted straight out of transcripts of the Iran Contra Hearings, had also been linked with Barry Seal's infamous Mena, Arkansas cocaine smuggling.

We discovered that one of Reinhardt's companies active at the Charlotte County Airport, Caribe Air, had been doing business with Rudi Dekkers' Huffman Aviation.

Caribe Air was an especially notorious CIA proprietary whose past included 'blemishes' like having all its aircraft seized at Mena, Arkansas after government prosecutors accused the company of using its planes to transport cocaine worth billions of dollars into the U.S.

It was beginning to feel like Old Home Week in Charlotte County. Reinhardt -- apparently not content with the distinction of being business partners with a man suspected of making helicopters disappear -- was linked to the man who trained both pilots who crashed airliners into the Twin Towers of the World Trade Center.

Dekkers had had a 'maintenance contract' with Reinhardt's company. This is no doubt just another freak coincidence.

Why would Dietrich Reinhardt know Rudi Dekkers? What would they have to talk about? Maybe Dekkers' 'maintenance contract' involved vacuuming out the planes.

You wouldn't want to trust that kind of job to just anybody.

[-- Welcome to Terrorland: Mohamed Atta & the 9-11 Cover-up In Florida, by Daniel Hopsicker](#)

Terry's new airplane, parked in the Rich Mountain hangar, was a 1977 Cessna 404, a twin-engine craft bearing the tail number N36998. After a thorough inspection, Terry sought out Evans, who was responsible for maintenance on all planes used for training. It was Terry's practice to talk directly to the man who had signed off the maintenance log.

"So, is she ready to go? I was hopin' to see something a little better looking," Terry inquired skeptically. "Is this all you have?"

Evans handed him the necessary documentation on the plane and, in his West Virginia hillbilly drawl, said, "She may look a little rough around the edges, but, mechanically, I'd bet my life on her. I've been over her with a fine tooth comb."

"Good. That's what you're gonna do. Let's go fly it." Terry always believed that, to assure tip-top maintenance, the mechanic who had deemed the plane airworthy should ride in it. This practice had kept him alive so far.

"What's the matter? Don't you trust me? Hell, Barry does," Evans challenged.

"Look at my foot. I got this by trusting another mechanic, and it still hurts. No offense, but get in the airplane. Come on Aki, go with us."

Evans, a FAA certified and licensed aircraft mechanic and 10-year Air Force veteran, held the highest rating, A&I, which meant aircraft inspector, and was Seal's personal mechanic and longtime friend. Evans was clearly unhappy. But as Terry had just learned back on April Fool's Day, it's the little things that'll sneak up and kill you.

Terry would later come to share Seal's respect for Evans, but this was the first plane he'd flown that Evans had certified as airworthy.

Once airborne, and with Sawahata in the back seat, Evans took the controls while Terry read the maintenance logs. "Shit! This thing has new engines and propellers on it, they're near zero-time. Where did this thing come from?"

"Emile (Camp) delivered it. He said it was one of the fleet he and Barry were brokering through their business," Evans replied. "He told me to tell you that mechanically she's in great shape, and they're gonna get a guy down here from Ohio to put new radios in it for ya. You'll probably fly this one for six months or so and then, in the spring, we'll put her in Junior's shop for paint and interior. Then, you'll get a new one. But she'll do for now. She's a fine airplane."

While Evans was distracted, Terry was performing his favorite check-out procedure, reaching down to the floor between the two pilot seats and switching off the fuel valve to the right engine. As expensive as flying is, Terry lived by the Air Force motto that all flying should be a continuation of training. And besides, since he and the other instructors and students would be putting their lives in Joe's skilled hands, he wanted to see if Evans would question his own mechanic ability during a simulated emergency in a plane he had recently deemed airworthy.

Moments later, the Continental engine burbled, backfired and the propeller went automatically to full increase.

"Crap, what happened?" Evans yelled.

"I don't know, didn't you just sign it off? You did the maintenance. "

Terry responded. Evans began to grope with the controls, but still had not identified the problem as fuel starvation. Evans frantically instructed Reed to switch on the auxiliary fuel boost pumps and became overly engrossed in scanning the engine instruments for a clue to the powerplant's demise. Terry was rating Evan's performance as that which would lead to a fatal flat-spin condition if he didn't adjust the plane's attitude and regain heading control. Joe had failed to input proper rudder pressure and manage his airspeed when the Cessna entered into an abrupt right-bank descending turn as a result of the decaying airspeed and asymmetrical thrust.

"Can I have the plane?" Terry asked.

Evans gladly surrendered the controls.

Terry input the left rudder, pitched the nose forward in order to gain speed and get the air speed needle away from the VMC red line. Rolling wings level, he switched the fuel valve to the on position and restored power to the right engine.

Sawahata, who had just come along for the ride and was not a pilot, was kneeling on the floor praying to Buddha and probably wondering at the same time if he should convert to Christianity. After realizing that this had only been a simulated "emergency," Aki exhaled, "You are fruckin' crazy. Seal told me that about you."

"Oh, relax, Aki," Terry reassured him, "We're just calculated risk-takers. Didn't Barry tell you?"

Evans did not appreciate the humor, but he came to have an understanding of the guy in the left seat of the Cessna. He learned that Terry understood maintenance procedures, knew how planes worked and wasn't afraid to fly them on the ragged edge.

Reed was happy with the plane's performance. Someone had been taking pretty good care of it before Camp and Evans got it. But who that was would not be known to Terry until much later. **He would find that this aircraft, and all the others he ended up using in Mena, were apparently stolen, and very likely part of "Project**

Donation," which "John Cathey" had sketched out for Terry on the napkin in Oklahoma City more than a year earlier.

* * *

Six years later, investigative reporter Jerry Bohnen of radio station KTOK-AM in Oklahoma City, an expert in aircraft registration, found something very interesting and unsettling about the planes Rich Mountain maintained for the training program, code named Boomerang.

By accessing two different and unconnected computerized databases, Bohnen discovered a highly sophisticated stolen aircraft laundering system housed within the government that could only have been put in place by someone with access to government-controlled computers and records. The cleverly-devised system had been created by use of a loophole that stonewalls aircraft tracking and enables "someone" in possession of a stolen aircraft to "launder" it and give it a new identity, or "N number" that will make it appear that it is not stolen.*

The scheme retrieves from the government's computers the tail number of a clean airplane of the same make and model as the stolen aircraft. Only personnel having in-depth knowledge, and access, to government databases could retrieve the needed make and model to match the stolen plane. Of key importance is finding a clean plane based in a geographic region far from the planned operation area of the stolen one. Otherwise, two identical planes of the same make and model and bearing the same N-number could possibly, and disastrously, appear at the same airport.

The objective is to assure that the stolen airplane appears legitimate since its N-number would not appear on any law enforcement "hot sheets." The scheme's complexity, like that of Project Donation, was matched only by its deviousness.

For example, the tail number of the plane Terry had just flown was N36998. According to what Bohnen found by checking its true serial number, it was stolen March 1, 1983 from Falcon Field near Atlanta, just three weeks before Terry's plane had been stolen at Joplin. At the time of the theft, the plane's registration number was N3241B. The Falcon Field case is still unsolved.

Based on new information that Bohnen has developed, it appears possible the federal government has for years been "borrowing" aircraft both stolen and unstolen, with and without the owners' cooperation, for use in "sting" operations. Terry learned later from subpoenaed discovery in his civil rights lawsuit, that Rich Mountain Aviation in Mena, Arkansas had access to N numbers that had not even been issued by the FAA. Inside information like this could only have come from government sources.

Bohnen found the FAA has no apparent desire to be informed about "hot" airplanes and had no system to flag them as stolen even if they are informed of a theft. Since the government controls both the FAA registration records system and the FBI's National Crime Information Center (NCIC), it would be a simple matter to mask something like "Project Donation" and any other related government misconduct. Maybe "John Cathey" hadn't invented this program after all, and was only using an existing system to benefit for the Contra cause.

Changing tail numbers is nothing new. It's like changing license plates on stolen cars. Seal required altered numbers while working for the government because it enabled him to move more freely, making it more difficult for him to be traced or followed. A deputy sheriff in Mena revealed he had seen tail, or N, numbers of planes

inside the Rich Mountain hangar being taped over to alter the N numbers, and in some instances, two planes receiving the same number.

The Mena airport, known officially as the Inter-Mountain Regional Airport, had by this time become well-known in aviation circles as one of the few places in the entire country where an aircraft owner or pilot could get "anything" done, legally or otherwise.

Available there, or nearby, were complete overhaul and retrofit facilities that included major airframe modifications, engine overhaul, along with paint and interior work -- very unusual when you consider this remote area and the fact that Dallas, the headquarters of American Airlines and a city built on aviation, is only 150 miles southwest.

A pilot coming to Mena had a reason. And lower repair rates -- "eggs are cheaper in the country" -- were only part of the reason. First, there are stringent documentation and reporting regulations requiring mechanics to file with the FAA a Form 337 detailing alterations made to any aircraft after a plane is built and sold. Failure to file this form exposes the mechanic to prosecution, suspension of his license and a possible prison term. The original intent of this reporting was to insure that no modifications were made that were not approved by the original manufacturer. This, simply, was to insure safety.

But the DEA stepped in when the airplane became the transporter of choice for drug traffickers. Form 337, the DEA found, was the perfect vehicle to monitor modifications that are normally performed to aircraft used in nefarious activities. Any modification that extends the range of the plane or alters the number or size of the cargo doors automatically flags that aircraft, and its owner, as a possible drug smuggler.

Smart pilots involved in nefarious activities know this and look for repair facilities and mechanics who will break the law and not file the 337. Mena was such a place. For a price, anything was possible.

Intelligence agencies share with drug traffickers a need not to leave a paper trail. That's why the CIA sent Seal to Mena in 1982 and set up its "fixed base operation" there. The government secretly paid to modify several of Seal's "sting" aircraft there since the DEA didn't want a paper trail either. *

However, in 1984, all Terry knew was that Rich Mountain was used as the maintenance facility for the Nella flight training operation, and that Seal relied on that company as the source of his retrofitting and maintenance for his airplane brokering firm in Baton Rouge, Louisiana. Everything he needed, Seal told him, was there, including Goodner Bros. paint shop across the field, which had a spray booth large enough to hold a massive C-130 transport plane. Terry was impressed.

Terry and Sawahata departed Mena that day only after he repeatedly promised his passenger that there would be no more simulated emergencies. He decided to fly north and try out his new, \$12,000, top-of-line, ITT McKay high-frequency radio. While orbiting the Nella strip he handed the radio to Sawahata and said: "Barry says you can talk to God, let's see if you can talk to the Devil. Try to raise Varandos and see what's going on down there."

Once Sawahata had established radio contact, Vanardos informed Terry that "Nebraska" was at the "pick-up" site getting some new "chickens." This meant he was at **Waldron, Arkansas, approximately 10 miles north of Nella, the airport that the students would be trucked to and from via fire roads for their daily training. It provided a 4,000-foot runway in a less mountainous area and was ideally situated for primary multi-engine training.**

While circling above, Reed could see Nebraska's high-wing, aerobatic Citabria aircraft parked under the camouflage netting at the Nella field. This two-place, tandem, STOL (short take-off and landing) plane was Nebraska's personal aircraft and, with weather permitting, he used it for commuting to and from the field.

"OK, I guess he's got his hands full, and my passenger and I have to get back to base, so I'll see you guys

tomorrow night at the pickup site at 1900 hours," Terry said.

On the way back, Sawahata informed Terry that he had arranged for his plane to be hangared temporarily at the Benton Airport 20 miles southwest of Little Rock. This was the best he could do, he said, until more suitable storage could be found nearer Maumelle.

"Shit, you mean with all the assets of the Agency, they can't build us a fucking hangar?" Terry asked.

Sawahata smiled and said: "We're working on that."

* * *

The first 30 days of the training program were dedicated to Phase I operations, attempting to upgrade the students to a level of proficiency for multi-engine operations with all aircraft systems functional. It had been an intense month for all four instructors and, fortunately, no one had been killed, yet.

The Latinos were doing fairly well in the air, but, on the ground it was a different story. Nebraska was upset. He was beginning to realize that it wasn't the U.S. Army with which he was working; he simply couldn't ground everyone.

Diego wasn't measuring up either, and appeared to be losing control of the ground school. Terry was putting in long hours at night, on weekends and even, occasionally, during the day. But it was paying off. Everyone was getting used to one another and the "bugs" were being ironed out.

The lesson plan called for a method of training that had been proved effective in Vietnam, putting more than one student at a time in the airplane. Homer (Red) Hall, Seal's avionics technician from Ohio, had by now installed a completely new stack of Collins Pro-Line digital avionics in Terry's plane. He had also wired the plane for multiple head-sets, so that the students riding in back could monitor all cockpit conversations between the instructor and the student pilot in the left seat. The four-month course called for 40 hours of dual instruction for each student. Since the students were being trained in groups of four, this would give each trainee 120 hours of observation, or "osmosis" training time, and 40 hours of hands-on time for a total of 160 hours.

A typical training sortie included these four students, one instructor and approximately four hours of tense, sweaty, low-altitude work.

It was "July hot" in Arkansas. From the sound of the massive insects impacting on the windshield at low altitude, they could easily be mistaken for birds. Students and instructors alike were taking GI-issue salt pills and malaria tablets. To Terry, it was like being back in Southeast Asia. But the students felt right at home in this near-tropical climate and joked that if they lost the war in Nicaragua they would come back here and become wealthy landowners.

By now, most landing training was being conducted out of 12 airports of various sizes in Western Arkansas. The majority of the air work, or dangerous flight operations, were kept within the confines of what is defined on aviation charts as MOAs (military operations areas). An MOA is an area of select air space set aside by the FAA and labeled as a high risk area for pilot operations. A key reason for selection of the Nella site was due to its location, "under the floor" of the Hog-2 MOA, whose airspace encompassed a range of 100 to 4,000 feet AGL (above ground level). **A combination of the Hog-2 and Hog-3 airspace gave the instructors an area of about 1,500 square miles of protected air space in which to train. Terry and Seal selected this training site because of the MOAs' location within a triangular navigation area defined by the Ft. Smith, Hot Springs and Rich Mountain VORs (ground-based radio navigation aids).** It offered not only protected airspace, but a mixture of all types of instrument and visual approaches.

These MOAs were used primarily for training flights from Fort Chaffee and Little Rock Air Force Base, as well as simulated F-4 Phantom dog fight exercises from jets of the Air National Guard unit stationed at Fort Smith.

Use of this airspace for commercial or private use was very limited due to the dangerous training environment existing within it. This made it ideally suited for the Nella operation, since their operations were also dangerous, and it reduced the risk of being detected.

The instructors had mutually decided, in the interest of safety and privacy, that the practice air drops would take place only in the confines of the Nella field. The field, besides providing a clear drop zone of sufficient size to make an emergency landing if needed, would surely be remote enough to prevent any unwanted FAA investigations, since it is illegal to throw objects from airplanes.

The good flying time was early morning, late evening and into the night due to reduced temperatures, improved visibilities and because the skies were less bumpy from thermal activity. After 9 AM on a typical day, flying below the haze layer, normally 5,000 feet MSL, was like riding a bucking bronco, which added to the stress and strain, especially considering the aircraft were not air conditioned.

All in all, Oklahoma, "Mr. FAA," had found the Hispanic students competent, considering their mission. The instructors didn't view them as Kamikaze trainees, but took into consideration that Nicaragua would not require the same navigation and communications discipline as the TCA (terminal control area) at a huge commercial airport like Chicago's O'Hare.

At a flight instructor meeting held earlier, Terry voiced concern that Oklahoma and Nebraska were too much "by the book." By the time the trainees performed to their standards, he said, the Sandinistas would be building runways on the banks of the Rio Grande, in preparation for their invasion of Texas.

The students seemed to really like Terry, sensing that he was giving them realistic and practical training that they needed to survive.

His best student at the time, Juan No. 1 as Terry called him, was at that stage where students become dangerous, not through inability, but rather through overconfidence. It was Sunday afternoon, August 5th, as the twin Cessna sat on the south end of the 6,000-foot runway at Petit Jean Airport, FAA designator MPJ.

With Juan in the left seat, and three others in the back, they prepared for takeoff. The training plan for the day, as far as Juan knew, was to practice "touch-and-go" landings on several hard-surface runways in Western Arkansas.

Terry had just decided to modify the lesson plan without Juan's knowledge. Juan was, without a doubt, the best in the group and reminded him of the old comic strip character Steve Canyon, a natural flyer. He had the potential to be a very good flyer if he could bring that cocky attitude under control and survive this phase of training. **Terry's old instructor had used humiliation to keep him in line, so, he decided to force Juan to "lose it" in front of the group. This would be a lesson for everyone.**

After conversing with the students sitting in the back via the Dave Clark intra-cockpit communication system, he had them compute short-field takeoff distance for the plane, taking into account their weight and the field conditions. When they came up with their answers, he then turned to Juan and said: "Tell me the numbers and the procedure for short-field takeoff." He knew them all and rattled them off with precision.

Juan, by this time had logged 15 hours of training with both engines running. Terry decided it was time to show him the dangerous side of multi-engine flying. He could recall his FAA examiner asking him during his oral examination for his multi-engine instructor's rating, "Why does a twin-engine airplane have two engines?" The answer was, the examiner later explained: "Because it won't fly on one." Juan was about to find that out.

With the brakes locked and Juan bringing the engines up to red-line manifold pressure, 41 inches, and tachometers to the red-line RPM of 2,700, Terry called "brakes release."

After acceleration to flying speed, Juan deftly rotated at exactly the right "numbers" and skillfully held back the air speed as the plane climbed steeply to clear the simulated 50-foot obstacle. With Juan's attention fully on the

mountain in front of him, Terry grabbed the red engine mixture knob for the right engine and pulled it all the way to the rear. The engine quit.

They were now in the realm of flight known as "behind the power curve." And the young pilot discovered that strange phenomenon the FAA calls "swimming in glue."

"Heading. Air speed. Air speed! Pick up on the heading, pick up on the heading! Goddam it, pick on the fucking heading!" Terry shouted.

As the air speed needle descended below the red line on the air-speed indicator, Terry realized it was time to quit talking and do the thing all instructors hate to do, take over the airplane. It is a sign of instructor failure, he had been taught.

But Juan wasn't letting go. Steve Canyon, the throttle jockey, was now frozen to the controls and Terry had only one avenue left as the plane began to buffet, stall and roll abruptly to the right. He had to kill the left engine, too.

Scrambling for the left mixture knob, Terry shut down the left power plant, elbowed Juan sharply in the rib cage and shoved the control yoke forward in order to wrench it from Juan's grasp. He finally let go.

They were now in a 6,500-pound glider heading toward the Arkansas River Valley, which luckily was 700 feet below the elevation of the field they had just departed. With the plane now in a shallow, wings level, stabilized dive, Terry held his breath as he pushed both mixture knobs forward after retarding both throttles to idle. While executing the recovery, he could hear his No.1 student mumbling "madre de Dios." The windmilling power plants burred and returned to life.

Juan later said Jesus had been responsible for the restart of both engines that day. That really irritated Terry. God and religion had nothing to do with it, he told them. "Pilots fly airplanes," he said. "God only talks to dead pilots."

Under the column "engine out procedures," Terry, back in Little Rock later that night, graded Juan with a 5... "below acceptable standards." Somehow that seemed an understatement, since he too had scored badly that day. He was the instructor and the person responsible for the safety of the flight. But it had been near disaster, partially due to the same trait he was trying to correct in Juan. Over-confidence! It angered him in his silence at his desk in Maumelle.

This time, he thought, they could all have died. Would this have been a nobler way to die than the Ultra-Light accident?

One thing for sure, this had been a lesson for everyone. Terry learned not to drop his guard for an instant. Flying, he was reminded once again, just had a way of keeping a person humble.

The loud ringing of the phone brought him out of his meditation. It was Seal and he was in Little Rock. "Come on out to the airport, I've got a present for you. Something to make your life a little less exciting."

At the airport, Seal produced two Honeywell night vision systems. "Where did you get these?" Terry asked.

"I got a friend in GSA (General Services Administration) supply. I can get anything. Have Red (Hall) wire your plane for these. That way you won't kill yourself on the side of some mountain and bring this whole operation to an end. Oh, by the way, I hear we'll be gettin' a new camp commander real soon and from what I hear about this guy, your students will definitely get caught up on their ground work. He's supposed to be a real motherfucker!"

August 31, 1990

John Cummings
19 Wedgewood Avenue
East Northport, N.Y.



Dear John,

I apologize for my tardiness on this information. It's an election year for us and other duties are calling.

Anyway, let's start the rundown on the 7 airplanes Terry Reed says he flew while training pilots at Mena. As I indicated in some of our telephone conversations, he kept logs on the planes. Sometimes he had registration or N numbers as well as the serial numbers. It's kind of unusual for a pilot to keep serial numbers. But Reed says he learned the practice from the pilot who taught him at Springfield, Missouri. And in actuality, it's a good practice. Because it's easy to change N numbers, but not serial numbers.

These are the planes he says he flew, their registration numbers as he recorded them, their serial numbers as he recorded them and the kind of airplane they were:

- 1) N36998 sn 404-0090 1977 Cessna 404
- 2) N5425G sn 404-0045 1977 Cessna 404
- 3) N69889 sn 421B-0529 1974 Cessna 421 B
- 4) N5774C sn 402C-0042 1979 Cessna 421 B
- 5) N9490Y sn BA-540 1963 G18S Beech
- 6) N8275T sn 348170016 1981 Demeca
- 7) N4677W sn 13-273 1978 Rockwell Commander

What's most interesting and peculiar is how each of the planes as Terry Reed knew and flew them and recorded them in his log books was a stolen airplane 'at the time.' By checking the registration numbers 'at the time' anyone would have learned they were real and legitimate airplanes and not stolen, or so it would seem. For instance, plane number one, N36998 in the time frame fitting Reed's use was a 1977 Cessna 404 belonging to the Cessna Aircraft company in Belgium. But it had a different serial number. Plane number two, N5425G was recorded with the Faa as Sale reported, out of Winter Haven, Florida. It too had a different serial number. Plane number three, N69889 belonged to the Coca Cola Bottling Company of Elizabethtown, Kentucky. Plane four, N9490Y was owned by Rainbow Islands Cargo Inc of Honolulu, Hawaii. Plane number six, N8275T had a registered owner of Ranger Aviation Enterprises Inc of San Angelo, Texas. And airplane number seven, N4677W was owned by Kent B. Sands of Bellevue, Washington. Stay with me. It sounds complicated but it's not! Okay so far the registration numbers on the airplanes flown by Reed belong to other planes of the same make, but located in other parts of the country. And those registration numbers are not listed as stolen. So Reed's planes are carrying 'false' registration numbers. So his planes 'appear' legitimate. Now checking the serial numbers of the planes flown by Reed, we learn they're stolen!

Plane number one again, N36998 or serial #404-0090 turns out to be a Cessna 404 stolen March 1, 1983 from a Falcon Field near Atlanta, Georgia. It was flown at the same time under N3241B. Its disappearance, which has never been solved, was questionable. I've talked to the Insurance people. Three guys, including an air line pilot, out of Georgia owned the plane. The insurance company questioned the theft and there was civil litigation in the Georgia courts over the settlement. An insurance company officer told me the air line pilot later was arrested for carrying dope on board one of his airliners in Florida. There was a stink over it but the pilot was later released and either cleared or charges dropped. It was insured by Fireman's Fund Insurance and Associated Aviation Underwriters.

Plane Number two, flown by Reed as N5425G, was also a 1977 Cessna 404 Titan. But its real Registration was N5425G. It was stolen in November of 1984 from an airfield at Addison, Texas which is part of Dallas. It was owned by Holmes Leasing company of Dallas. Insurance was carried by Aviation Office of America in Dallas, Texas. Again the theft involved drugs! The President of Holmes Leasing was a John Holmes. His attorney tells me Holmes' partner was dealing dope. The plane was apparently missing on a dope flight when two guys cracked it up loaded with Pot or some such stuff just across the border in Mexico. Turns out there were several people indicted in the drug operation. Holmes was not one of them. He and his attorney, understandably were extremely nervous in discussing the theft etc.

Plane number three, N69889 turned out to be N55F, also a 1974 Cessna 421. It was stolen in January of 1985 from Orlando, Florida. Marshall Boone owned the plane at the time. I interviewed him. He indicated it was stolen after he had just installed a new radar system and other avionics as well as a new right engine. About 3 weeks later or perhaps a month, he couldn't recall exactly. the plane turned up crashed just off shore of Rutter Cut Key in the Bahamas.

7.1. Letter from investigative reporter Jerry Bohnell to co-author John Cummings spelling out results of Bohnen's research into aircraft used for pilot training in Arkansas. It shows that the planes were stolen but bore the "N" numbers of "clean" planes. (two pages.)

The tail was still visible and a friend of Boone's took pictures, which indicated the registration number had been changed with tape to resume 558 or 55B. Maps were found in the plane indicating it had been flown in Colombia and Venezuela. He said he first learned of the crash when a federal law agency called him.

Plane number four, N5774C, turned out to be N5779C, again a 1979 Cessna 402C. It was stolen September 2, 1983 from Palm Beach International Airport at West Palm Beach, Florida. It was owned by Planeholder Inc, a Florida corporation out of Miami. I've never been able to talk to anyone about this theft. But notes in the aircraft file indicate the plane was stolen early in the morning, refueled at Boca Raton. The passenger seats were removed and the occupants were believed to be a female and a Jamaican male. The plane's never been found. Case remains unsolved.

Plane number five, N9490Y was really N9412, again a 1963 Beech 18. It was owned by Perkiomen Airways Ltd of Reading, Pennsylvania and was stolen July 1, 1983. In Puerto Rico, where Perkiomen had some sort of a mail route contract. The insurer was Aviation Office of America. I could never locate the owner. But a former employee told me the company filed bankruptcy in the Spring of '83' and he wouldn't put it past the principal owner to let the plane disappear. Regardless, the plane has never been found. The case remains unsolved.

Plane number six, N8275T, was really N8280D, a 1981 Piper Seneca. Yes, there was a Seneca flown by Reed. I recall you mentioning Seale's fondness of Senecas. Anyway, this airplane was stolen January 1, 1985 from Tampa, Florida where it was owned at the time by Topp of Tampa Airport Inc which is now Airfly Tampa Inc. Jamie Jordan of Topp of Tampa owned the plane about 5 to 6 months before it disappeared from the Tampa airport. It was insured by U-S AIG or U-S Aviation Underwriters. The plane was never recovered.

Plane number seven, N4677W was really N4697W, a 1978 Rockwell Commander. It was reported stolen in a very bizarre case in September 1983 from Washington State. No insurance on the plane. This was the only plane of the 7 which was recovered after being stolen. However after its theft in 1983 in an admitted theft by the owner who was in a legal dispute with the bank, the plane reappeared in January or February 1990. The owner didn't know where the plane was all these years, or so he claims. And by all circumstances it might be the case. He had 2 friends steal the plane and arranged for them to know where it was to be located but not tell him. The pilot died several months later and reportedly didn't tell the owner where the plane was hidden. Very strange tale.

Summarizing these 7 planes, the registration numbers belonged to unstolen planes located elsewhere around the country. But the serial numbers, which aren't routinely checked or observed easily, proved the planes were stolen.

The FAA no longer maintains files reflecting if airplanes are stolen.

But a check with the International Aviation Theft Bureau, phone 301-694-5444 proved the planes were listed as stolen.

A Bob Collins handles the bureau and ran the checks for me.

Now if you take Reed's own airplane, it makes 8 planes which were stolen and flown under registration numbers belonging to legitimate and unstolen airplanes elsewhere around the country. Further, the planes of the legitimate registration numbers were the same model and year of the ones actually being flown by Reed in Arkansas. Think about that one! It'd take a little research to find matching planes. I could do it. But what kind of drug operation, if this is what Reed was doing, or as far as that goes a Contra training operation, would take the time to research the airplane background? Perhaps one with government connections? Think about it. Anyone who steals an airplane for a few days of drug-hopping missions just tapes over the N number to make it appear to be something else. They then usually ditch the plane in the ocean or abandon it, right? But not Seale and his boys. No, they needed the planes for a little longer. Now either Seale and his people were extremely sophisticated, or they had the assistance of some very well heeled backers.

They couldn't afford to be snatched or tripped up by the usual tape method of registration alterations. They had to employ a far more sophisticated method. That's why it seems almost out of character for the way Reed's plane was found and observed with taped numbers. Remember the private detective who says he 'stumbled' onto the airplane when the wind blew open the door described the supposed sloppy job of taping over the registration numbers? It's totally out of character! It doesn't fit Seale's operational methods. Somebody obviously set up Reed, trying to make it appear he was sloppy and a stupid crook! I don't buy it.

By the way, in case you've never known. Reed's airplane had a registration number belonging to an identical Piper airplane hangared in Columbus, Ohio. The plane was sold to a West German and exported. Interesting point. It is near Columbus, Ohio where supposedly there might have been some kind of Contra training operation. And it is near Columbus where an avionics firm, with defense contacts, is located. Seale's old buddy, Homer 'Red' Hall worked for the avionics firm, and supposedly received 750-thousand from Seale to do avionics work on his airplanes. It proved so profitable for Hall, he left Ohio and moved to Menlo Park for a while.

Well, enough. If you need more, call or write.

Sincerely,

Jerry Bahner

Notes:

*The Fairchild C-123 Provider troop and cargo transport is powered by 2 Pratt and Whitney 2300 horsepower R-2800-99W radial engines. Two additional turbo jet engines can be mounted to increase take-off performance. Length=76 feet, Wing span=110 feet. Maximum take-off weight=60,000 lbs. Maximum level speed=228 mph. Maximum range=1035 miles.

* An N number is the aircraft equivalent of an automobile license plate except that it is painted on the plane, not bolted on as with cars. Terry was given seven different airplanes to use for the Nella training operation. (See chapter end.)

* This was revealed to one of the authors by a DEA source.

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[Re: Compromised: Clinton, Bush and the CIA: How the Presiden](#)

by [admin](#) » Sun May 22, 2016 9:20 am

CHAPTER 8: THE BOMBER

The training schedule posted on Aki Sawahata's wall in OSI's secret communications room showed it was a "no fly day" for Terry Reed. Sawahata had informed Terry that there would be certain days, and nights, that he should "stay away" from the Mena area. He wasn't told why, but he knew better than to ask. After all, he didn't have a need to know.

But Terry could not help but notice there was a definite pattern to these "no-fly" days. They normally coincided with Seal's frequent Little Rock visits to see investment banker Dan Lasater.

Terry used his "stand down days," days not involved in training, to concentrate on his machine-tool sales activities throughout Arkansas. The deal he had struck with Mark McAfee allowed him to use McAfee's office and secretary to prepare the lengthy and complex quotations that were required to bid on projects. He was at McAfee's office when Sawahata telephoned him. Unfortunately, McAfee overheard Linda Crow say, "Terry, the call's for you. It's your Japanese friend, Aki."

It was a bad move on Sawahata's part. McAfee had taken his pills and was so hyper he could make an inanimate object nervous. Before Terry could pick up the call, McAfee grabbed the phone and began rattling off 10 new "get rich quick" schemes with which he hoped Sawahata would want to get involved.

"I've been layin' awake all night, just thinkin' about you!!!!!! Forklifts! Forklifts! That's it! Forklifts! That's what Japan needs. Let's export rebuilt forklifts to Japan. I know a company that rebuilds forklifts. We can buy 'em cheap. You got the ships to ship 'em in. We can make a killing. What do you think?"

By this time, and since the call was for him anyway, Terry was listening in.

"I do not think so," Sawahata answered. "You ever hear of Toyota of Japan. They biggest forklift manufacturer in world. Why they want to buy used forklifts from you?"

"How about weed eaters? That's another idea I have! Hell, they're made right here in Arkansas. I know where the factory is. We can buy 'em cheap and ship thousands over there. What do you think?"

"Mr. McAfee, you sound too excited. We Japanese go slow in business. Maybe I come by someday and we can talk in detail. But, right now, I need to speak with Mr. Reed."

"Yeah, Mark." Terry spoke into the phone. "This call's for me. And, besides, you've been to Japan. How many lawns did you see in Tokyo that would need a weed eater."

McAfee slammed down the phone, breaking the receiver in half. A stream of obscenities followed. "I got a sense of urgency here!" he screamed. "Nobody realizes there's a sense of urgency here! **Linda, get your ass in here and close the door!**"

With McAfee off the phone, Sawahata proceeded: "Terry-san, Can you leave that place and call me ASAP? We have emergency."

The "emergency" was the mechanical breakdown of a plane with Nebraska and four students aboard in Hot Springs, a resort city west of Little Rock. They had to be extricated and returned to Waldron before a lot of questions were asked. Hot Springs is a very public place and the gambling hub of Arkansas. It was the height of the horse racing season. How could you explain a Cessna 404 filled with Latino "freedom fighters" just sitting in the sweltering sun outside the terminal?

Sawahata wanted Terry to fly a "round robin" to Hot Springs, pick up the five men, fly them back to Waldron where their vehicle was parked, then pick up Joe Evans and repair parts at Rich Mountain and then fly him back to Hot Springs for the repairs.

Terry successfully rescued the "downed" Contras before the enemy found them and began unwanted interrogation. He returned the group safely to Waldron and then launched immediately for Mena. It had been a successful SAR mission (search and rescue), lacking only to return Evans to Hot Springs.

When Terry landed at Mena, he noticed that Seal's C-123 was there, along with a camouflaged U.S. Army truck parked outside. He had not known Seal was in town. Terry walked into the hangar and past the security guard, who seemed to recognize him. The Rich Mountain clerical employees were nowhere to be seen. Normally, at least one could be found wandering around the hangar carrying a clipboard. Terry was looking for anyone who knew Evans' whereabouts. One of these workers told federal investigators years later, there were certain days, usually when Seal was there, when they were not allowed into the hangar area. This was one of those days.

The unexpected event that day, the breakdown of Nebraska's plane, had drawn Terry accidentally into yet another loop ...guns! He wasn't prepared for what he saw. All the overhead lights had been turned on because blankets covered the windows. Laid out on tables in the corner of the hangar were weapons parts. Several gun crates, bearing U.S. Army markings, were open on the floor. Terry could see the military nomenclature stenciled on one of the crates.

"Stock, M16, 24 each."

At one table three Army personnel wearing fatigues were busy assembling rifles and putting the now-completed weapons in a new crate. But, even more curious, these crates were made of white pine that bore no markings at all. As he casually approached and looked inside one of the unmarked crates, he saw layered rows of M16 parts known as lower receiver housings.

Movement from a different direction caught his eye. Terry saw Seal and Evans getting out of a twin-ruddered, twin-engine Howard airplane parked in the hangar.

"You musta been running that plane of yours at red line," Seal said. "We weren't expecting you quite yet. The slope had called and said he had a problem. Joe's got the parts boxed up. You better get him on over there pretty quick."

Seal's demeanor was casual, apparently figuring that what Terry had seen, he had seen. And he could be trusted. As Terry and Evans started to leave the hangar, Seal stopped him and suggested, "Hey, I'm spending the night in Little Rock, let's do SOBs. I'd invite Evans to go with us, but he'd try to make us take him to Snug Harbor. I got that shit out of my system in Vietnam."

Seal was laughing as he crawled back into the Howard. Snug Harbor Tavern and Grill was a North Little Rock dive and strip joint on the Arkansas River. **A prerequisite for the strippers, Terry decided after one visit there, was to have varicose veins and "low beams". Nipples that pointed straight down. The girls performed their nude dance acts on sheets of plywood supported by saw horses. Real class. This is where the true rednecks and GIs from the nearby Camp Robinson hung out. It was the stop of last resort on payday when all the other women had turned them down.** Considering all the brawls there, the rumor was that the bouncers searched you at the door to make sure you DID have a weapon. It was definitely Evans' kind of place.

Flying en route to Hot Springs, Evans was extremely quiet. Finally he spoke: "I guess you got an eyeful back there in the hangar." He paused. "Aw well, sooner or later you'd found out anyway."

"What's going on?" Terry asked, sure now that Evans would fill him in.

"Shit, you can't fight a war without guns, you know that," Evans said referring back to his military experience. He chuckled. "We're just sorta makin' some. You know how it is, you were in the Air Force. We just sorta 'requisitioned' some parts that were layin' around."

Terry let it go at that. He hadn't expected to hear even that much. As their plane was being handed off to the Hot Springs tower, Evans asked: "Have you met the Tasmanian devil, yet?"

"Who?" Terry asked bemused at the thought of the Warner Brothers cartoon character who devours everything in sight.

"The guy Barry flew in. The new camp commander. Boy, he's somethin'. I feel sorry for your students with that son of a bitch up there. He looks fuckin' mean."

Evans was referring to an infamous Cuban exile mercenary, Ramon Medina. Unknown to them at the time, his real name was Luis Posada Cariles, a known terrorist with CIA connections dating back to the Bay of Pigs.

Posada, or Medina, at that time was supposedly serving time in a Venezuelan prison for planting a bomb aboard a Cuban airliner on October 6, 1976, that exploded and killed everyone aboard as it took off from Jamaica.

But obviously, he wasn't in Venezuela, at least not in the summer of 1984, when he suddenly appeared in Nella. According to reliable accounts, the CIA helped Posada escape. Felix Rodriguez, a veteran CIA agent and key player in the Iran-Contra scandal, would later say that elements of the Enterprise had aided in the escape and Medina was brought into the Contra resupply project. By the following year, September, 1985, Medina would be based in El Salvador managing the day-to-day operations. [1]

Leaving Evans in Hot Springs to repair the crippled plane, Terry completed the "round robin" and flew back to Benton.

That night, Seal showed up late in Little Rock for dinner with Terry. At this meeting, Seal seemed uneasy and preoccupied. He had planned to get there in time to stop by Dan Lasater's firm, Lasater & Co., before it closed. It was 8 PM.

"My plans have changed," he said. "I won't be spendin' the night here, and I need you to do me a favor in the mornin'. I've got a briefcase out in the car that's got some money in it to give to Dan. It's for a sure-fire investment deal he's turned me on to."

This was the first time Seal, or anyone, had asked Terry to handle money. Again, without seeking it, Terry was

crossing over into another facet of the operation -- the money loop.

The ragtime band was playing and they were at their usual corner table. "I'm gonna need someone I can really trust and I mean really trust. I know the slope is havin' me watched. Hell, he's even asked Evans to spy on me. Ain't this a great business? Everybody's fuckin' watchin' everybody while Daniel Ortega's gettin' ready to shove a big dick up Uncle Sam's ass, or should I say the vice president's ass."

He paused and stared intently at Terry. **"At some point, Terry, you're gonna havta decide who ya really trust, too. So it's time to decide. Me or the slope. Who ya gonna go with?"**

Terry's Air Force training had not prepared him for this "allegiance tug of war" -- of having to choose between people he had thought were on the same side. It was obvious that Sawahata was playing everyone off against the other. But Seal seemed way ahead of him.

"Look" Seal continued, "you told me a long time ago, you wanted to learn how to handle the suits, well I'm ready to teach ya, but I gotta know you're on my side. Play things Sawahata's way and he'll be using you forever while he gets promoted from one GS fucking level to the next."

Terry thought for a moment and then said, "OK, but what's this shit about the vice president?"

"Oh that's somethin' I probably shouldn'ta said. Let's just say I came into possession of certain sensitive information about the Bush family on my last trip to Central America."

"OK, but if this is a relationship built on trust, first, what have you been doing in Central America?" Terry asked.

"Lotsa things. Some of which I can't tell you about. You really don't need to know, and I guarantee you don't want to know, so you don't become a liability, too. But the part I want to talk to you about tonight, if you're in, is guns and money. You sure you're in?"

"Barry, I'm not totally stupid," Terry replied with some emotion. "I've pretty much pieced together on my own that you're flyin' weapons down south. And I would assume that you're doing that with the blessing of the CIA and the White House ...this operation is too large and too well equipped to otherwise exist undetected. I would also assume that you are motivated for reasons other than patriotism. Barry ...I fought a war in which I was paid nothing. It'd certainly be nice to fight and win one, not only to heal a bunch of old wounds, but serve my country and get paid as well. Yeah, if that's what you're talking about ... count me in."

Seal then divulged to Terry that he had, indeed, been flying weapons, like the ones he had seen earlier that day, from Mena to storage facilities in El Salvador and elsewhere. He had recently obtained the C-123, he said, because the size of the shipments were exceeding the size of his supply aircraft.

The part that fascinated Terry, and which Seal called the "decoy operation," involved Seal's ownership or "use" as he put it, of "two of everything." He said there were two C-123s that had the same tail number and, from all outward appearances, were identical.

"Where in the hell do you get C-123s?" Terry asked.

"Where do you think? -- the Agency, of course. They got shit hid all over the place. Planes left over from Southeast Asia, mostly old Air America stuff." Seal added that he had two Navajos and two Senecas airplanes, two wives and two girl friends. From his experience, a spare was always necessary in case something, or someone, broke down. And, more importantly, in this case, **it was for a diversion of attention to distract and send pursuers in the wrong direction or have the ability to appear to be in two places at the same time.**

But despite the humor, Seal was clearly worried. And now his dinner companion was worried, too. He was

worried about allegiance. Were Sawahata and Seal really just setting him up to test his loyalty. Should he tell Aki about this meeting? Was the table bugged? Was this a test of his allegiance to the CIA?

For the time being, Terry decided to play along. You can't make an intelligent decision without good intelligence, he had been taught.

"OK," Terry said. "So you're flying guns down, big deal! I suspected something was going on concerning weapons, ever since our discussions back in December about casting M16 parts. What's secret about that?"

"What you walked in on today was the U.S. Army's and National Guard's 'donation' of parts to make it all happen," Seal answered. "This is extremely sensitive. And if Sawahata finds out that you know about it, he'll get upset. You know these government shits, they don't trust anybody. So anyway, keep that quiet, will ya? But more importantly, let's get down to the money. I have need of a shadow, a decoy."

As both men talked, Terry moved closer to Seal. He didn't want to miss the slightest detail. The band was beginning to drown out the conversation. It was getting really interesting.

"There's a lot goin' on here besides patriotism," Seal said in his usual monotone. "There's big money bein' made offa all this weapons stuff. I'm flyin' lots of cash back in here to Arkansas, money that a guy would be hard-pressed to explain how he came by, if the FAA ramp checked him. So, if you're interested, I got the need for a good pilot that can tuck it tight at night and not get squeamish when wake turbulence hits ya. I've flown with ya and I know ya don't get squeamish. Ya wanna do it?"

"Sure, tell me more."

It was napkin time again. Seal sketched out a diagram of how two aircraft could "join" in flight, temporarily appear as one radar return, or blip, on an air traffic controller's screen, and then have the primary aircraft "disappear" and be replaced by the rendezvous aircraft. To the controller, it would appear as if nothing had happened. He still would be tracking only one airplane. What the controller would not realize was the aircraft he was "handling" had been switched with another. Seal even had a humorous term for this procedure. He called it "piggybacking", appropriately, for someone operating in Arkansas, where the state symbol is a razorback hog.

Seal said this technique had been taught him by the CIA as a way to penetrate foreign airspace with two aircraft that would appear as one on the ground controller's screen. The second aircraft has the ability to "drop off" the screen and fly to a secret destination. This was devised by the CIA as a means of penetrating and exiting foreign airspace while on intelligence missions.

"So that's real interesting, but what's the application here in Arkansas?"

"The Agency's having me move in large quantities of cash from foreign sources for 'investments' here," Seal replied. "Lasater's part of that operation. When we sell the weapons I'm flying down there, the profits in cash are flown back here for depositin'. Trouble is, the Agency doesn't want anyone to know about the profits. So, if I'm being followed out of Central America, and, if someone knows I'm carrying the cash, I need a way to throw them off my tail." That's where Terry and piggybacking would come in.

"OK, so what do I do?"

"I have two Seneca II's that are identical. November 8658 echo and November 8049 zulu," Seal said. "I'll leave one here in Little Rock, at Little Rock Air Center for you to use as the rendezvous aircraft. We'll work up an exact time and altitude to rendezvous above Texarkana. You'll join in behind me on my tail -- and I mean on my fucking tail! I want you to be able to count the rivets that mount the tail hook. Use your night vision system. Then after 'you' become 'me' you just proceed on up to Mena and land. It's that simple."

"Let's go out and practice this somewhere in the daytime," Terry suggested.

"Sounds good to me. I'll bring Camp, he's in on this, too. And you know what's great? He and you look a lot alike. At a distance, with you sitting in the airplane, I've confused you for him."

"Let's go back to the gun deal," Terry suggested. "Is there anything else you can tell me. I'm just curious. I saw what appeared to be Army personnel in there assembling them. "

"Remember those fuckin' M16A1's ... you know the ones that were first used in Vietnam, the ones that jammed when exposed to sand? The Army's got a bunch of that model and wants to get rid of them. What better place than Nicaragua? And the cool part is we get to sell them to the Contras and the Agency pockets the profits. A little secret source of revenues Congress don't know about."

"Is this your brainchild?" Terry asked.

"No. I'd like to take credit for it, but **this is Mr. Cathey's doing, or at least he's takin' credit for it. Only problem he didn't think of is we can't sneak the whole fuckin' weapon outa Uncle's inventory, only the main components. There's paper tracking on the full-auto stuff. So we build these guns up from parts inventory primarily and then add some 'home brew,' you know, the parts Brodix are casting. The beauty of this is: no paper, no trail.**"

Back in the parking lot, Seal went to his Mercedes, opened the trunk and handed Terry a locked briefcase. "Do me a favor. Take this by Dan's place first thing in the morning and don't leave it layin' around unguarded. It's a sizeable deposit, courtesy of Uncle Sam."

"Can I ask where you're goin' ? I thought you were gonna spend the night?" Terry asked.

"So did I. Me and the Fat Lady have an appointment down south. See ya later, piggyback."

Seal needed a new friend. **By now, Seal's "'sting" involving the Nicaraguans had become public even though his name, as of yet, had not surfaced in the media. The story, leaked by North and the White House, had first appeared in the Washington Times and the Cartel was now certain that Seal was a U.S. government informant.** A subsequent headline in The New York Times read: "U.S. Accuses Managua of Role in Cocaine Traffic."

Seal's name was not in the story, but it didn't have to be. The Cartel knew who had flown "'The Fat Lady." Now, Seal's cover had been blown and, to the DEA's dismay, his usefulness as an asset was coming to an end. Beltway politics had done him in. His value as a DEA undercover agent and his personal safety were traded off in exchange for convenient headlines that suited the Reagan Administration's agenda to make the Sandinistas look bad ...at any expense. Seal had become expendable. His problems were compounded by a turf war not only between federal agencies, but within the individual agencies themselves. A federal investigation of Seal had been started in Baton Rouge and Seal's friends were being hauled before a grand jury.

The reality of men being put needlessly in harm's way ...

-- Compromised: Clinton, Bush and the CIA: How the Presidency was Co-opted by the CIA, by Terry Reed & John Cummings

If the "suits" were turning on him, then Seal could play that game, too. Seal had, as his earlier cryptic remark about the Bush family indicated, acquired some "dirt" of his own that he had kept to himself. And now, he was

secretly preparing ways to go on the offensive himself.

As Seal started up the Mercedes, Terry recalled he had one last pressing issue. **"Barry, you got any pull with the Chink? He's workin' me to death and I need a weekend off for something special."**

"Sure. You know I know how to handle orientals, I could always negotiate the hookers in Asia down. Two for the price of one, normally. What do ya need that's so special?" Barry asked.

"A weekend off to go try to make a baby," Terry replied. "In fact, not just any weekend. Janis and I have plotted her optimum 'window of pregnancy' and I need a couple of days around the first of the month."

"Consider it done," Seal replied. "I'll take care of the Chink. Surely the CIA understands an agent has to have time to produce more agents."

Terry's crash and the fears it had engendered focused his mind not only on the fragility of life for himself, but his two-year-old son's as well. As he looked back, **he believed that his marriage to Janis at that time had reached a new plateau and that they needed now to reinforce their family with a new life. He and Janis had talked, quite clinically, about another child, the need for a "backup."** Earlier they had thought that one child would be enough. Like many "Yuppie" couples the "in" thing was to have a trophy that they could show off.

That "trophy," the product of their generation's need to plan everything, was their first son, Duncan. They saw him as the perfect child. But, they wondered, what would happen to them and their marriage if an incident like Terry's crash suddenly snuffed out the results of their life's investment in an only child? They didn't want to wait. They were both in their 30s and the biological clock was ticking away.

As a result of Seal's "handling" Sawahata for Terry, and scheduling him deserved time off, Aki had pencilled in September 1 and 2 as "undercover days." Sawahata felt he had outdone himself with the humor of it.

The Reeds put their spook lives on hold for two days and escaped to Eureka Springs, Arkansas, known as "The Little Switzerland of the Ozarks." Terry had to bribe his way into the Crescent Hotel, which was jammed for the Labor Day weekend. The luxury hotel, built by the railroad in 1886, was designed originally for wealthy Yankees who wanted to soak in the mineral waters from the underground springs. It seemed like the fitting place to make a baby.

Suffering the pain of labor nine months later while giving birth naturally to their second son, Elliott, Janis thought about her son being conceived on Labor Day. How fitting!

* * *

The phone rang just as Terry was stepping out the door to head for Lasater's. Seal had told him his contact there for the deposit transaction would be Dan Mangum, the vice president.

"Terry-san," Sawahata said. "I need to see you immediately. We have a problem over there. Can you pick me up at my place?"

"Sure, but I have to make a stop on the way."

After dropping off the briefcase, he pulled into Sawahata's parking lot at OSI. On the way over, his stomach had been in a knot. What, if anything, should he tell Aki?

Had it been a test?

The flight training had been going on for six weeks and Terry had been meeting weekly with Sawahata for lunch

at a Chinese restaurant near the State Capitol to brief him on the students' progress. The instructors were concerned. The students' performance in the air was acceptable, but they were scoring substandard on their written work.

It appeared that Diego was losing control. He just didn't seem up to the task of whipping them into shape scholastically. As Terry and the other instructors knew, lack of aviation knowledge can be just as lethal as lack of flying skills. The training schedule was in peril because they could not advance safely to Phase II, or airdrop procedures, until they had mastered all Phase I material. Sawahata was being pressured by Cathey to accelerate the program and drastic measures were being taken.

Sawahata wanted to go to Mena, immediately. He said the new field commander had called a meeting and everyone had to be there. No excuses!

On the flight over to Mena, Terry's instincts were gnawing at him and he decided to tell the credential-carrying CIA man about the previous night's meeting with Seal. He made the right decision.

As the expressionless Japanese sat in the right seat and absorbed the information Terry passed on, he seemed stoic. **"In Japan, we have saying we call putting 'dye in water.' It is way of tracking information which you generate in order to observe how it comes back to you. From this you learn many things. No. 1. You learn conduit of information back to you. No. 2. You see if information comes back to you distorted. No. 3, and most important, you see if information comes back at all. You just passed critical test. You are now most definitely trusted one. Terry-san, you make me so happy, and I hope you are not angry at Mr. Seal and me. But we needed to know of your trust for sure."** Terry, however, had held back two important things from Sawahata. He did not tell him about Seal's veiled reference to the Bush family and didn't let on that Seal had asked him to keep information secret from Aki, the CIA boss.

What the full-time spooks had not realized was that Terry had dyed the water, too, and learned a lot. Namely, the Agency was involved in everything Seal was doing and Seal was doing everything with the Agency's blessing.

"Aki, do me a favor," Terry said with a touch of pleading in his voice. "The next time you doubt my trust, please just read my military file. The Air Force entrusted me with great secrets that I passed on to no one unless they had an absolute, operational need to know. Can we please cut through the bullshit and this continuous moral tug of war of pitting people against each other. I have to trust you guys, too."

"OK, this is last test," Sawahata said. "But what kind of sensitive information did Air Force entrust in you if I may ask?"

"Information about our plans to bomb Japan ... again! Only this time, we use super-boy." Sawahata did not respond.

They landed and drove to Nella where Medina was shaking everyone's tree. When they drove into the camp, now guarded by sentries, all 20 students were standing at rigid attention as if facing a firing squad.

There had been a sea change since Terry had last seen the camp.

Medina, a man in his 40s and dressed in bloused jungle fatigues with a maroon beret and wearing a sidearm, was storming up and down, swearing in Spanish and acting very Hispanic and macho. The other three instructors were sitting tensely at a picnic table with Varnados taking it all in. A major shapeup was underway. Diego, who clearly had been demoted, had become Medina's adjutant. There was no doubt who was in charge now.

"You pigs are not even worthy of dying for your cause."

Medina yelled at the students in obvious disgust. "People like you come from soft families! You are soft people from elite families! If you want to stay in this program, you must become hard like me! The Sandinistas are hard! They train hard. They have Russian instructors. They are getting Russian helicopters. They will shoot you down and eat you for lunch! And I will laugh! If you survive the crash and escape, I will kill you! This is serious business and I will personally shoot the next man who scores below 70 percentile on any written test. I take that back, 80 percentile!"

As he watched, Terry felt certain that Medina was a man who had killed before. The emotions that Medina evoked in Terry were mixed. He had respect for his dedication, but, on the other hand, he felt ill at ease that Medina would threaten his trainees with death in order to motivate them.

Medina had spent the previous day being briefed by Oklahoma about the slow pace of the ground work, low test scores and the general lack of military discipline at the camp. To Terry it reminded him of his first night of basic training at Amarillo, Texas. After landing at the airport, he and the other Air Force recruits stood at rigid attention in the snow while the civilian air travelers watched the Training Instructors yell obscenities.

When Medina finished barking at the trainees, he abruptly turned and focused on Nebraska. "So tell me, what would the U.S. Army do to Special Forces commanders in Vietnam who compromised classified information? Stand up and tell me!" he shouted.

Medina had discovered from Evans that Nebraska had left classified charts and flight information inside the plane that had been forced to land previously at Hot Springs. Waving them in the air, Medina shouted, "There are lines on these maps that will direct anyone who reads them straight to this facility. These maps coupled with our secret VHF frequencies could be the end to this program."

Nebraska had no response.

"I am immediately appointing my adjutant, Diego, as security officer," Medina declared. "This will not occur again! This operation will not be compromised while I am in charge. If any of you have anything in your possession, notes, diagrams, anything that is a jeopardy to this operation, turn it over to Diego immediately for destruction."

He told Sawahata to prepare a report about the security breach and "file it with Washington." Medina had made it clear there would be consequences for sloppiness.

To Medina, they all -- students and instructors -- were soft and needed to be shaped up militarily.

He ended his speech, sat down, and, as military protocol dictated, let his adjutant, Diego, take over. **Diego marched to center position and read the new school camp standards. They included new and tightened security procedures along with schedules for stepped-up overnight field maneuvers involving hand-to-hand combat with the Fort Chaffee soldiers. Survival techniques would be stressed such as Air Force escape and evasion training for downed pilots along with search and rescue (SAR) techniques behind enemy lines. He had also arranged for the trainees to fire live ammunition at the Fort Chaffee range for M16s and .45-cal. weapons.**

As the briefing wound down, **Diego read from his clipboard. "When I call the following names, please step forward. Martinez. Ortega. Lopez. Gutierrez."**

Fear was clearly visible in their eyes as they stepped forward. Had they failed? Were they really going to be shot? Nobody had a clue. Until Diego spoke: "Pack your gear. You four men are going to Georgia to flight training school for the Maule aircraft. Your previous instructor in single-engine training has recommended you all for this job. Fall out."

The Maule aircraft was manufactured in Georgia and later became Oliver North's primary STOL, or Short-Field

Takeoff and Landing, aircraft for infield resupply and medical evacuation missions. A high-performance, highwing single engine airplane, it is renowned worldwide for its ability to take off and land on unimproved air strips. * North would write the following year to CIA Agent Felix Rodriguez, a Bay of Pigs Veteran and a man later recruited by the Enterprise, to expect a shipment of "a number of new Maule aircraft" which would be flown by "Nicaraguan pilots or other Latin Americans -- not U.S. citizens." The Enterprise's records would show that they purchased three Maule aircraft and support packages for a total of \$183,238. [2]

The decision now reduced the class of 20 to 16 and the four instructors initially concluded this would reduce their workload. **Emile Camp was the first to speak as the students dispersed.**

"Well that's good. Now that we're down to 16 students, maybe we won't have to work such long hours and can slow down the pace a little bit. That'll mean fewer students per flight or fewer flights, right?"

Medina snapped before the words were barely out of Camp's mouth. "You see! This soft attitude is coming from you civilian instructors. This is what's wrong here. I need military instructors to get these men in shape. No, that does not mean fewer flights! You will fly more hours and do whatever it takes to get them prepared for combat. Their country needs them now. Do you understand?"

"Hey Medina, stick it up your ass sideways, you beaner motherfucker!" Camp shouted back. "I ain't your goddam nigger. So lets' just get it on right fuckin' now!"

Sawahata had to step between the two enraged men. "Gentlemen! Gentlemen! Calm down! The Agency needs to get its money's worth. We have hired good people. Surely, we can all work together peacefully for our common cause."

The two antagonists glared at the small Japanese man standing between them. They apparently decided that to crawl over their CIA boss in order to take swings at each other would be counter-productive.

They would bide their time. There would future opportunities to settle the vendetta that was building between them. **Camp would die six months later in a crash that would leave behind a lot of unanswered questions.**

Notes:

* North interceded with Assistant Customs Commissioner William Rosenblatt to stonewall, or at least, limit a Customs investigation into the shipments of Maule aircraft to Central America. [3]

1. Felix Rodriguez and John Wiseman, Shadow Warrior. Simon & Schuster, 1989, pp 290-291.
2. Report of the Congressional Committees Investigation of Iran-Contra Affair, Summary of Enterprise Expenditures p. 337
3. Ben Bradlee, Jr., Guts and Glory, the Rise and Fall of Oliver North (Donald I. Fine, Inc. New York, 1988) p. 447

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[Re: Compromised: Clinton, Bush and the CIA: How the Presiden](#)

by [admin](#) » Mon May 23, 2016 11:20 pm

CHAPTER 9: GOLD MEDAL FLIGHT SCHOOL

Ramon Medina was, indeed, a son of a bitch.

On the ground, it became a non-stop boot camp. Medina posted the scores of daily written tests and each week raised the percentile required for passing, with ninety per cent being the ultimate target. The price of failure, he implied, was a body bag.

He worked them, night and day. Every moment not studying their ground-school texts was spent in guerrilla warfare tactics, as they were divided into teams for simulated combat and ambush training. This meant sloshing through streams and forced marches through the heavily wooded terrain that surrounded them. The dense underbrush, laden with briars, ticks and the insatiably carnivorous chiggers, made even walking difficult in the areas where they concealed their positions while hiding on maneuvers.

Though Terry disliked Medina personally, he admired him professionally. He was quickly turning the students into lean fighting men from the harsh regimen that "The Bomber," as he was called, was putting them through. This made Terry's and the other instructors' jobs easier.

As they jogged at double time until they nearly dropped from heat exhaustion, Medina forced the students to shout cadence and chant "*Boland es un Comunista.*" This part of their mental conditioning again reminded Terry of his own basic training experiences.

Medina's 24-hour-a-day regimen was due to the need to quickly get this class trained and into the field. **Congress was preparing to pass what became known as the "full Boland" Amendment that prohibited either the CIA, or the Defense Department, "or any other agency or entity of the United States involved in intelligence activities" from providing, directly or indirectly, any military assistance to the Contras.**

Their only visitors from the outside world were medical personnel from Ft. Chaffee who came to treat the normal maladies. Their only respite came on Sunday nights when Ramon Varnados brought in cervezas to complement the occasional weekend barbecue. **From the occasional aroma he smelled, Terry figured the trainees had discovered the illegal relaxant that grew wild in the mountainous region and for which Arkansas was quickly becoming famous.**

Pot smoking befitted the Arkansas State slogan at the time, which was: "ARKANSAS, A NATURAL HIGH." It made the Nicaraguans joke that they were fighting not just to drive the communists from their homeland, but to win the war and get back to what they considered to be the home of the "best weed in the world."

Medina had "frozen" the flying curriculum until the trainees ground work improved. There would be no air drop training until the test scores rose to the ninety percentile. Terry and the other instructors used this time in the air to review with the students what they had learned already, namely that a twin-engine airplane "can really be a handful" compared to the single-engine types they had originally trained in.

The flight work review now became an escape from the hostile camp environment created by Medina. The students looked forward to putting on civilian clothes and being trucked to nearby Waldron for the start of each flight training session. Civvies were part of the cover since the students were supposed to be flight trainees from Ross Aviation in Tulsa, and wearing camouflage uniforms would have immediately attracted suspicion.

The flight sessions were becoming longer which required instructors to work in shifts during a specified scheduled flight training class. **Instructors would rendezvous at pre-planned airports throughout western and central Arkansas to relieve each other, thereby reducing the amount of takeoffs and departures at Malvern.** This would also reduce the chance of being observed and bringing unnecessary attention to the Malvern/Nella area. Security was at the top of everyone's list. Especially Medina's.

The Agency had Oklahoma obtain the tail numbers of the multi-engine airplanes being utilized by the Spartan School of Aeronautics in Tulsa and for use as the false call signs in radio transmissions to air traffic control in the area. That way, if local air controllers on the ground decided to check the "N" numbers of the aircraft they were handling, they would trace them to Spartan, which had a large number of foreign students. All would appear routine.

Terry began to notice that when he was conducting "Boomerang" flight training sorties within the MOAs (military operations areas) and monitoring ATC (air traffic control) communications, he could hear the controllers intentionally divert other air traffic away from the area. He knew that ATC was fully aware of his presence in the area since the transponder lights in the training aircraft gave indications they were being "painted" or observed. Red Hall, Seal's Agency avionics expert, made sure their collision avoidance equipment was fully operational and it showed continuous "interrogation" activity by ATC when flying above 4,000 feet MSL within the MOAs. It seemed obvious that the FAA was providing cover for "Jade Bridge" by attempting to keep unwanted aircraft out of the area.

When he asked Seal about this, Seal said: "Yeah, ain't Uncle great? This is better than operating in any fuckin' banana republic. Here the government can use all its 'resources' for cover."

While flying, Terry was observing increased troop movements on the ground in the Nella area and additional security at the training complex. The camp's "security forces" were fully-armed Anglos wearing sanitized jungle fatigues and who walked around with a defined aura of professionalism and authority. Using late model Army-issue communication equipment, these shadowy security personnel were in constant contact with Medina and his adjutant, Diego.

The increased patrols were a precursor for the new training phase, the phase involving actual air drops that would have to be confined to the Nella strip and adjacent areas. This would mean increased and concentrated air traffic occurring in the area at the height of the tourist and camping season. Even though, as **Seal had told Terry, a lot of local people had been given "government subsidies" not to report anything strange they might see,** there were some sightings reported nonetheless. For example, Arkansas State Police Investigator Russell Welch said that civilians in the area had sighted a platoon-sized group of camouflaged men crossing the Ouachita River east of Nella "as if they were on a mission."

One local game warden revealed to one of the authors that he had been told to "just keep going" when confronted in the area by two heavily-armed men with a "military bearing." Another was warned away by someone who claimed to be an FBI agent and who exhibited federal credentials.

Another such witness was [Bill Duncan](#), a former Internal Revenue Service Agent who had been sent to Mena to investigate the massive amounts of cash the Agency was inadvertently transfusing into the area's banks. His target had become Rich Mountain Aviation, which he did not know had become a CIA

proprietary. During his stay in Mena there, residents told him and other investigators of "numerous reports of automatic weapons fire" in the Nella area, and locals seeing "people in camouflage in the middle of the night, low intensity landing lights around the Nella airport, twin-engine airplane traffic in and about the Nella airport ..." Duncan said these reports came from "a variety of law enforcement sources."

And there was increased activity within the hangars of Rich Mountain Aviation at the Mena Airport as well. A secretary at Rich Mountain, Cathy Corrigan, told Duncan that employees were often "forced to stay inside their offices because airplanes would land and strange faces would be around. Folks of Spanish origin would be around that they had not seen before.

In a previously sealed and "classified" transcript of sworn testimony given by Duncan for the purpose of getting Independent Prosecutor Lawrence Walsh's office to investigate the Agency's activities at Mena, Duncan described "great secrecy surrounding the entire operation at Rich Mountain Aviation" in Mena. Duncan testified in his June, 1991, deposition given to the Arkansas Attorney General that there were "airplanes landing in the middle of the night, hangar doors opening, the airplanes going in, then leaving out before daylight ... numerous, dozens and dozens of accounts like that."

As the training at Nella droned on, the student body was whittled down. By late September, the head count was down to 16 possible pilots and 4 ground controllers. Terry and the others had already identified about six of the pilots who were marginal at best. But four of these six potential wash-outs spent a lot of time alone with Medina, appearing to be his favorites or "pets." This confused the instructors since these four mediocre aviators were escaping Medina's ferocious wrath, yet they needed it the most. Soon the Gringos would find out why the four were being privately "tutored" and receiving special treatment.

Keeping good on his promise to show the Contras what they'd be flying in Nicaragua, Barry Seal had delivered a camouflaged Fairchild C-123 to the Mena airport. Before landing, and in grand style, Seal buzzed the Nella field, putting the students into a state of euphoria when they saw the massive hulk of the "heavy iron" streaking across the field, barely above the treetops. As an incentive and a reward, the top two students of each week were taken to Mena to sit in and inspect the plane. "Hangar flying", it's called. As they sat in the cockpit staring at the massive array of gauges and daydreaming, it was easy to imagine their thoughts of delivering the "tools of freedom" to their comrades in the field and being celebrated as national heroes. Lying about the barracks, dog-eared and mutilated, were C-123 operations manuals. It wasn't difficult to see that they all considered the Cessna as only a necessary stepping stone to the "baby C-130" they hoped to master.

But new problems were looming both for Seal and for the program. **Seal was learning first hand the truth concerning the joke about the four biggest lies, one of which is: "I'm with the government and I'm here to help you." Seal had now learned, as he put it, "Uncle Sam doesn't shoot straight," and that a promise from one part of the government can be completely meaningless to another.**

Though Seal had been working closely and effectively with the Drug Enforcement Administration in Florida, the same agency was actually preparing to indict him in Louisiana. John Cathey had tapped Seal because of his aviation skills and his aircraft maintenance facility in Mena. But the DEA and the federal agencies in Louisiana, who had "no need to know" and weren't cleared for knowledge about Nella, were coming after Seal with a vengeance. All they saw in Seal was his Agency-manufactured drug-trafficker profile and cover. They did not realize that his highly sensitive missions were being directed by Oliver North and the Executive branch of government. The multitude of agencies of the Justice Department were simply busy fighting among themselves to see who would be the first to "put another notch in their gun" by bringing him down.

Seal's problem was that Oliver North and the National Security Council could not intervene in his behalf without risking "Centaur Rose" and "Jade Bridge" being compromised. If this occurred, an immediate Congressional Investigation centering around Boland Amendment violations would be launched, the results of which could spell disaster for the Reagan Administration. The problem that now tied everyone's

hands in the White House was Congress and the stringent language of the newly-enacted Boland II, as it was called. Cathey had alerted Seal to pull out all the stops with training, so that at least some Nicaraguan pilots would graduate and be sent into combat as soon as possible. **CIA attorneys were busy studying the small print of the amendment, trying to soften it with their own interpretation, not only as it applied to the government but also to "subcontract" cut-out operations like the one at Nella.**

* * *

When Seal returned that day to Mena in late September, 1984, he had dropped off Aki Sawahata at Rich Mountain Aviation and drove to Nella to deliver a new instructor code-named "Idaho." He was a former Air America loadmaster for C-123 aircraft in Thailand. In addition he was a seasoned aerial combat crew member whose main flight function had been to jettison airborne cargo at precisely the correct second in order to hit the DZ (drop zone). For this reason, his job specialty was normally referred to as "the kicker". His experience was ideal, since the C-123 was the plane the students would be using once they relieved the CIA pilots who were conducting the ongoing airdrop operations in Nicaragua.

It was a Sunday afternoon and the instructors and Medina were having their weekly management seminar or "group grope" as Reed preferred to call it. They had been expecting Seal. When the group heard him arrive, they came out of the command post to greet him.

These meetings were supposed to be a time of problem solving and open exchange among the faculty, without the students being present. The pressure from Washington was to accelerate the training schedule, thereby adding to the friction already generated by personality conflicts. For the most part, these meetings were now degenerating into finger-pointing sessions -- with Medina being the one doing the pointing. Camp didn't "cotton" to the Latino's arrogant approach which was more often than not causing more "open exchange" than solving problems.

"John Cathey is giving you guys a present," Seal said as he introduced the new instructor. "He's an ex-Air America cargo rigger and 'kicker' from Thailand. You and he should hit it right off, Terry. **You guys probably worked on the same railroad in Thailand ...layin' Thais.**"

Barry had a knack of somehow working a sexual reference into most discussions. He seemed especially pleased with himself over this comment -- he grinned and slapped Terry on the back.

Interview with a Thai human rights activist

Kritaya Archavanitkul, a Thai human rights activist, interviewed by UC Berkeley Institute of International Studies, said,

This is sad to say, that the Thai social structure tends to accept this sort of abuse, and not only to accept – we have laws, we have bills that vitally support the existence of these sex establishments. That's one thing. And also, we have a Mafia that is also involved in the political parties, so this keeps the abuse going. The second reason is a cultural factor. I don't know about other countries, but in Thailand the sexual behaviour of Thai men accepts prostitution. Every class of Thai men accept it, although not all Thai men practise it. So they don't see it as a problem. So when it comes to the policymakers, who are mostly men, of course, they don't see this as a problem. They know there are many women who are brought into prostitution in Thailand. They know that some are treated with brutal

violence. But they don't think it's a terrible picture. They think it's just the unlucky cases. And, because of the profit, I think there are many people with an interest involved, so they try to turn a blind eye to this problem.



The victims are usually teenage girls

[-- Prostitution in Thailand, by Wikipedia](#)

Seal then turned to Medina and told him that Washington was getting impatient and felt that they were perhaps spending too much time on spit and polish.

"They want to immediately implement the aerial delivery phase of the training, regardless of these guys' military bearing," Seal said. "They're anxious to see some product come out of this school. That's why they're sending in 'Idaho' here. They also told me to tell you it's very important for you to complete your 'extra-curricular' activities."

"Extra-curricular activities" appeared to be code talk that only Seal and Medina seemed to understand.

Medina, Seal and Diego then left for a private meeting while Idaho was introduced to the others. A cargo specialist or loadmaster like "Idaho" was badly needed, and he filled a major void in the "faculty" line-up. He had brought all the necessary ballistics tables used to compute trajectory of palletized cargo based upon weight and frontal area of drag. He said other essential training equipment, such as cargo nets, a pallet and parachutes, would also arrive soon. This signaled to Reed that he was probably a true professional with extensive knowledge and not some "by the seat of his pants" cargo jockey. This was welcome news.

Terry later learned Idaho had worked in the aerial resupply of Angkor Wat during the siege of the ancient Cambodian city by the Khmer Rouge. This USAF airlift operation had coincided with Terry's last tour in Southeast Asia. "Idaho" had, in fact, been stationed at Udorn in Thailand and based out of the old facilities built by the Japanese during World War II.

After an extensive exchange of experiences and war stories between Terry and the cargo man, they agreed Seal was probably correct in his earlier assumption. **It was highly probable that they HAD indeed laid some of the same Thais.**

Bruce R. pointed out the man's perspective on braggarts. "I personally don't think anyone brings that topic up, professional setting or not, without the intent of trying to get in someone's pants, at some point, anyway. We are men after all."

This brings us back to Liz's point. Men want to get women talking about sex in the hope that they might get that woman interested in sex ... with them. Bragging about one's "number" of conquests seems a great idea in the male mind (for those who don't recognize the social boundaries). It's verbal SEO (search engine optimization). If they can utter enough words that correlate to sex, then the female human brain might pick up on those cues and either consciously or subconsciously begin to want and desire sex. In the right circumstance and situation (meaning with the right person) this can work. Unfortunately for these men, in these particular situations where the women being bragged to are not current girlfriends/wives, this actually has the opposite effect. Women are wired to accept sexual conversation in very few settings. Those settings include conversations with current lovers; new boyfriends after three dates, new lovers in the prime of the relationship; BFFs when discussing personal problems, and in safe conversations with friends where the topics are kept light and humorous. In any other setting, **women view these sexual conversation as a straight-out attempt to bed them; a type of ill-advised verbal assault or abuse which is inappropriate, even insulting, therefore a complete turn off. If these conversations are brought up in the workplace, whoever initiates it, they are legally considered sexual harassment.**

[-- Sexual bragging; is it ever a good idea?, by Michele Gwynn](#)

After Seal, Diego and Medina finished their private meeting, Seal approached Terry and, referring to Sawahata said, "Our main chink is back at Rich Mountain, you need to fly him back to Little Rock. I don't have time to fuck with him right now. I got pressin' problems back in Washington." He left alone.

Terry noticed that Seal was not entirely himself. Although jovial, he seemed somewhat preoccupied and distant. Unknown to Terry, he had good reason. **Seal had decided that he had to go public in order to protect himself against an impending Louisiana indictment. Seal had been at the center of a major turf war not just between different agencies, but within the agencies themselves.**

He was alone and discarded by the federal drug agents in Florida, with whom he had worked closely. They appeared to have abandoned him when he most needed them to vouch for him and call off the law enforcement dogs of several agencies in Louisiana. This fear of being discarded and tossed to the dogs had forced Seal to begin taking protective measures of his own. Though the Feds did not know it, Seal had begun secretly recording all his conversations with them. *

The secret tapes are highly embarrassing to the government, particularly the DEA. At one point, DEA agent Ernest Jacobson is asked by Seal what his office wants from him. Jacobson replies: "I don't know what my office wants. My office doesn't know what my office wants." This kind of admission demonstrated that the agencies involved were confused and operating with conflicting agendas.

Seal was in a highly unusual, and compromising, position with the government. Informants and assets like Seal rarely work for more than one government agency at a time. Through no design of his own, **Seal was working with the DEA, Customs, the FBI, the CIA, the Medellin Cartel and possibly others. None of the government "handlers" appeared to know entirely about the other.** By the fall of 1984, Seal probably knew more about the GS "suits" he was dealing with than they knew about him.

In addition to making the tapes, Seal had devised a plan to make his own television documentary, something that would be his insurance policy. He used John Camp, a reporter for Baton Rouge television station WBRZ-TV, to film the piece which was later titled "Uncle Sam Wants You." After it was broadcast on November 20, 1984,

Seal told his DEA handlers in Florida that he had cooperated in the TV documentary because he feared the DEA, and the government in general, was preparing to double-cross him -- which it ultimately did. The film basically showed Seal being "handled" by his "handlers", complete with him receiving \$10,000 in cash as an installment for services rendered. With the agents "entrapped" on the secretly taped video, Seal figured there was no way they could deny his existence or his role in their ongoing investigations.

Shortly after Seal left Nella that day, a late afternoon line of weather began sweeping in from Oklahoma toward Arkansas. It was the type of fast-moving cold front that spawns severe thunderstorms and, worse yet, tornadoes. For this reason, the "group grope" was ended prematurely and the instructors were transported back to Mena in the back of the one-ton gas truck. The bed of the truck was becoming less useful to haul cargo since the tank had been enlarged to allow for the ever-increasing amount of fuel being used by the training aircraft. Joe Evans was finding it necessary to buy fuel throughout the area, which he trucked in to mask the large amounts being used. Terry and the others could only speculate on the magnitude of the program's fuel bill.

Back at Rich Mountain, Sawahata was talking to Evans about modification requirements to two new aircraft the operation had procured. One, a Cessna 402 bearing registration number N 5774C, had already arrived. Terry was told this Cessna would become their primary training plane for the practice air deliveries. Hampton and Evans were in the new hangar having an in-depth engineering discussion about adding a door in the tail that would allow cargo to be ejected from the rear rather than the side, giving it the configuration and appearance of a miniature C-123. This would be essential for the practice air drops of bags of flour instead of real cargo.

The group of aviators decided not to test their luck against the line of towering cumulus clouds that were now looming over Rich Mountain. It was definitely time for some "hangar flying" rather than weather flying.

Evans briefed the group that he hoped he would soon be receiving a World War II vintage Beech 18 tail dragger that would be modified as well. This large, radial engined twin, which had been the primary trainer for most American World War II bomber pilots, would be used as a final upgrade aircraft, giving the students some "round motor" experience just prior to their graduation. The radial engine used in the Beech 18 utilizes the same principles of operation as the Pratt and Whitney engines in the C-123, which would be essential for smooth transition training in Central America.

Sawahata assured Evans the Agency was "looking" for a Beech 18 suitable for modification and wanted to know how long he needed to modify it for their mission. " Evans joked that if he had one in his possession soon, he could have it ready long before the students would be.

As the talk went on, the storm hit Mena assuring that no one could leave for several hours. Sawahata, like Seal, began to seem nervous and distracted. He kept reminding Reed he needed to get back to Little Rock in order to use his secure telephone line for an important call. Terry informed him that no flying could be done safely until the cold front had passed. He reminded Aki of his once-crushed foot that now ached severely due to the change in weather. Sawahata decided it would be prudent to wait.

"Terry-san, all this bad weather makes me think about your company airplane being tied down in Benton," Aki recalled. "Have you found hangar for company plane, yet?"

Terry told Aki that he had discovered there was no available hangar space to be found at any price in Central Arkansas.

"You need to check with builder of new hangars at North Little Rock Airport, again. I do not like to see your plane sitting around so visible. It could invite problems."

Terry agreed to check again with Bill Canino, the developer of the hangar project at North Little Rock.

It was after dark by the time the storm had passed, and everyone began to leave.

Oklahoma, Idaho and Nebraska all flew off in their "Company" planes headed for unknown destinations. Terry and Sawahata filed an IFR (instrument flight rules) flight plan for the trip back to Little Rock in anticipation of perhaps catching up with the weather that was moving east.

As they took off, Sawahata immediately got on the ITT McKay radio and began talking to the Nella command post about whether the "shipment" had arrived. A new loop was about to open for Terry.

Medina informed Sawahata that the "shipment," whatever it was, had not arrived. Just as Terry was intercepting his flight planned course, Sawahata turned to him and said: "Terry-san, I am sorry to make you do this, but I must ask you to cancel your flight plan and fly me to river at Ft. Smith. I want you to stay at very low altitude and follow Highway 71 on way there."

After canceling his IFR flight plan, Terry changed headings adding, "Hey, no problem, Aki-san. It's your plane and your gas. Where we goin'?"

"We need to look close for U-Haul truck going south on 71. I am worried about its safe passage to Nella. We had near miss recently and truckload of munitions was almost discovered by local police. I am just very worried. Shipment is overdue. It was supposed to arrive by noon today."

Terry slowed the aircraft to minimum controllable airspeed and descended to 1,000 feet above the highway. It was dark and the headlights from highway traffic were needed in order to locate and track the road ... but no U-Haul could be seen. On the outskirts of Ft. Smith, Sawahata asked Terry if he knew where "Rock 13" was on the Arkansas River's Kerr-McClellan navigation way near Barling, Arkansas.

After consulting a road map, Terry was able to locate No. 13 Lock and Dam, which Highway 59 utilizes as a bridge to cross the river. He flew over the area and circled in a steep right banked turn, so that Sawahata could look out the right window.

"Aki, what the hell are we lookin' for? If you'll tell me it'll make it a lot easier," Terry asked.

"I need to locate a special barge that should be parked near the dam. It has our shipment," Sawahata replied.

Terry banked the plane in the other direction, to the left, giving himself the vantage angle for viewing the ground. He orbited long enough to ascertain there was no barge, but a U-Haul was parked nearby. Sawahata nervously got on the radio and began talking to the driver, who said his last radio communication with the barge indicated it was heading west just past Ozark, Arkansas. It had been forced to drop anchor and wait out the storm.

Sawahata was relieved. He asked Terry to remain in view of the river and fly toward Ozark. Twenty miles up the river, they spotted a lone barge heading west toward Ft. Smith. It was difficult to notice since it was powering upstream without navigation lights. Aki again got on the radio and began talking with the barge captain to get their estimated time of arrival at Lock 13. Sawahata and Terry loitered in the area until the barge and truck safely linked up.

"What was that all about, Aki?" Terry asked as they headed finally for Little Rock.

"Terry-san, you know rule. You do not have a need to know."

"Well, it seems the pulpwood you say OSI ships to Japan is heading the wrong way, it's going west toward Oklahoma. It should be going east toward the Gulf of Mexico, don't you think?" He could not help being facetious, remembering that OSI's cover was to purchase raw materials such as those offered by the timber industry of Arkansas and then export them to Japan.

Terry, again, through no desire of his own, had been exposed to yet another CIA secret, a transportation system

that was obviously hauling weapons. From where the barge had originated its journey, he did not know ... then. But he was beginning to get a pretty good idea of the transportation route the weapons were traveling.

With what he had witnessed that night, combined with the information relayed to him by Seal about the Army and National Guard's "donation" of weapons parts, Terry had a pretty complete picture of a secret weapons pipeline and its "outflow valve" in Arkansas. As of that night, he also knew weapons were being stored, at least temporarily, at the Nella complex awaiting "Dodger" flights to points south. Did the Boland Amendment have a flaw that purposely allowed this, he wondered?

Months later, after he was put into play with people on the next rung of the good ole boy ladder, **he would learn that "special barge traffic" carrying critical cargo for operation "Centaur Rose" had its safe transit assured by the U.S. Army Corps of Engineers, which controls the whole Arkansas River.** Good idea, Terry thought, no weigh stations, no speed traps, no prying eyes from local sheriffs. It made him wonder: How long had the Agency been using the rivers, largely abandoned by American commerce that favored Interstate Highways? Just like Southeast Asia, he mused. Everything moves by water.

* * *

It was mid-October 1984 and the students were in awe, viewing as they were the first turning of leaves they had seen. The Ouachitas were ablaze with color and the cockpit temperatures were now considerably lower. Ramon Varnados, the major domo of the complex, had to figure out how to operate the sophisticated portable heater units in preparation for cold weather. Army manuals are designed for fifth-grade reading level, which was about Ramon's limit.

Though lacking perhaps in formal schooling, Ramon was nonetheless street smart when it came to making a buck. He had quickly become known as the source of anything that was either hard to find or officially off limits to the students. **He had established a major black market in copies of Penthouse and Playboy, centerfolds of which were prominently displayed on the barracks' walls. This was one of the few "luxuries" allowed by Medina.**

The heavy humid air of summer was finally gone and the increased in-flight visibility, coupled with the smoother ride, made flying less tedious and much safer. It was a welcome relief for Terry and the others as they jumped full speed ahead into phase II airdrops.

"Sixty seconds to mark," said the ground controller's voice to the perspiring Hispanic pilot in the left seat of the Cessna 402.

"Roger, give me a hack at 30 seconds," Ignacio, the captain of the sortie replied, requesting a signal to begin his timing.

Terry was sitting in the right seat traveling at 150 MPH and 500 feet above the treetops approaching the drop zone from the valley to the north of the field. He and his trainee were wearing their Honeywell night vision systems as he spoke to his three students on the intercom system. The two in the back were craning their necks to keep up with the cockpit action.

"You got a visual on the DZ (Drop Zone)? ... I didn't hear you confirm with the kicker that the door is open. You're getting behind it, you're gettin' behind it. Read back your departure clearance before we dump this load and things really get busy."

It was obvious that the Hispanic pilot was, in aviation jargon, "getting behind the airplane." Hell, Terry was even being nice to him. So far he allowed him to have all on-board systems operational.

Wonder what he'd do if I gave him a hydraulic system failure, Terry thought to himself. Probably just shit his pants, give up and die, he guessed. For this reason he decided not to induce a simulated in-flight emergency and

instead help the floundering student.

"Did you pick up on the hack, Ignacio?" Terry asked. "I've already started my clock, 15 seconds to delivery. I see muzzle flashes in our 1 o'clock. Ramon's up to his usual shit. Call five seconds to Arturo (the kicker in the back). When he calls 'pallets away' break hard left ... you got the air speed for it. Remember, you'll be lighter then ... and watch out for the mountain. Once we're clear, then dive for the river valley. Take cover below the treetops. I'm sure Ramon's laid a trap for us."

In a squeaky voice, five octaves above normal, the pilot switched his communications selector to the rear position in order to talk to the kicker, and called out "dies segundos." It was obvious to Terry that the pilot was under extreme pressure, reverting as he did to his native language. Terry had learned this was an ideal way to assess the stress level of his students who at times were under severe pressure in the cockpit.

The two other students, by now standing in the cabin doorway behind, and observing, weren't laughing. They knew they were next. Their job was to take note of the errors made by the man in the hot seat. And it was hot.

The white pop flare at the 12 o'clock position signaled that the aircraft was directly over the drop zone. Terry called "pallets away." The man in the back, the kicker, relayed to the flight crew immediately "Si ... er ... I mean yes, pallets away Capitan Terry."

But it was too late. Before they could break left, they saw the red flashes coming from their 2 o'clock position. This was the coded light signal for a ground-to-air missile launch. Considering the plane's proximity to the light beam, they had not time nor altitude for evasive maneuvers. They were "dead."

Over the radio came Ramon's sinister Latino voice. "You better hope you die in the crash, Ignacio. 'Cause if you survive, I'll hunt you down and capture your young ass. Then I'll torture you to death and enjoy it! And, Ignacio, the Sandinistas will do even worse!"

As the plane continued on its departure route, the pilot was receiving his cockpit critique. "Fuckin' missiles, Ignacio. Ramon got us again. I told you I saw small arms fire in my 1 o'clock" Terry reprimanded. "That was the giveaway. Always listen to your co-pilot. He has eyes, too. You should have aborted. The procedure is to abort. I know you Latinos think retreating is unmanly, but it's how you stay alive in combat."

"Gold Medal Flight School" was in full operation. As per John Cathey's mandate, the curriculum had advanced to the air delivery stage. Terry's role in visual "bombing" training was limited to weekends, when five pound bags of Gold Medal flour were dropped from the tail of the modified Cessna 402. The students scores would be based on whose bags came closest to the target, a big limed "X" in the middle of the Nella strip. The best were given the cut-out gold seals from the Gold Medal bags, which Terry mounted on cardboard.

Terry gave out these mock medals weekly at the "group grope," and the first "award ceremony" marked the only time he had ever seen Medina laugh. Somehow these homemade medals captured the true essence of the entire program for Reed. It reminded him of Southeast Asia when Ho Chi Minh's young soldiers had fought successfully against the vehement fire power of the United States. **Yes, he hoped his students, wearing cardboard decorations, could fight back against all odds, just as his respected enemy had done in Laos.**

The students had been divided into teams, one of which was "good guys" and the other the "bad guys". The exercise was to simulate a guerilla-style war in which the good guys would conduct hit-and-run attacks on the bad guys. In the real conflict, this would mean having highly-mobile infantry units isolated in the field and requiring resupply from the air. In Vietnam, the U.S. operated with total air superiority. This could not be assured in Nicaragua where the Sandinistas already had Soviet Hind helicopters and MIG jets. It had been decided that this operation needed more emphasis on air-to-ground communications procedures, since the shorter the time the delivery aircraft was exposed to the hostile environment, the greater the chances of survival. And given the geographic boundaries of Nicaragua, with friendly countries north and south and oceans on both sides, the aircraft could penetrate and escape quickly if they didn't linger over their drop zones.

The role of the ground controller attached to the good guys was to insure a quick entry and exit of the supplying aircraft. The bad guys' job was to foul up the air delivery by breaking into the ground controller's radio frequency and luring the plane into a "flak trap," as had been the experience in Vietnam during allied search and rescue missions.

The close proximity of opposing forces in a guerrilla-style war, combined with lack of clearly defined battle lines, makes this type of aerial delivery extremely dangerous with accuracy being mandatory. For this reason, the Nicaraguans were being heavily trained in light signals procedures that would allow delivery to take place silently at night with minimum voice exchange. U.S. Army-supplied generators and vertical flood lighting systems provided on-the-ground signaling devices for night deliveries. During the day, flares were used as necessary with more emphasis on voice communication.

As equally important to uncompromised communications, the problem of aerial delivery is to safely maneuver the aircraft with respect to the wind to allow for drift of the palletized cargo. This is not only to insure it landing in the right place, but also in the right hands. Good guys on the ground fire flares to enable the pilot and crew to analyze wind speed and direction as well as to signal "pallet away" time when the plane is directly over the drop zone. Coupled with assigning and assessing these aircraft maneuvering tasks, the instructors continuously simulated in-flight emergencies, thus compounding the work load of the crew and honing their skills. It was truly a team effort in the air and on the ground.

With Medina on the ground as "bad guys" commander, aircraft "losses" were high. He was even known to occasionally fire live tracer bullets at night to add realism. The training was intense and, considering the importance of the mission assigned to aerial delivery, it was going to take a lot longer than had been estimated.

Terry often had to shake off his misgivings concerning this backwoods training program. **In the regular Army, it would have taken two years to train even the most competent soldiers for these combat aviation tasks. The instructors at Nella had been allotted four months, but were insisting on more time. This fact was not music to John Cathey's ears, but he had no choice other than to go along with the instructors' demands.**

The proposed graduation date was extended to November, 1984, if even then. **Already, the new Boland prohibition was in effect having passed both houses on October 11th.** This one really had some tooth in it. Terry thought of consulting his attorney Mark Stodola, in Little Rock, for a legal opinion to see if he was violating any laws, but he shrugged it off, thinking that would be a violation of security. And anyway, he knew he was working for credentialled CIA Agents like John Cathey and Akihide Sawahata. Surely, he thought, if there was any legal exposure as a result of the wording in Boland, the Agency would be able to deal with it back in Washington. His worries were insignificant compared to the plight of his Contra trainees.

Terry often despaired of them. But he believed they would someday prevail. They were, he believed, like his prior Vietnamese enemies. Though lacking organization, discipline and fighting skills, they compensated with Ho Chi Minh-style dedication and perseverance. He hoped that, if things were reversed and he had to liberate his country, there would be someone to do this sort of training for him.

Night flying was Terry's specialty and, in order to give the students a real time training environment, additional nighttime flight requirements were added to the curriculum. The entire month of October became a blur of images enhanced by night vision systems, with four eight-hour night sessions a week and full weekends, when weather permitted.

Although self-imposed, the instructors began to feel the pressure of the oncoming winter. They established December 1st as the mandatory graduation date since they knew that the severity of winter weather would play a major factor in the flying schedule. Ice storms were severe and common in Arkansas during the winter and the foliage would be gone, further increasing the threat of detection.

* * *

The first day of November, 1984, was an unlucky one for Akihide Sawahata. Regardless of its power, even the CIA cannot plan for the X-factor. And that was Mark McAfee in the case of operations "Jade Bridge" and "Centaur Rose".

McAfee had become a parasite in search of a host to maintain his own existence. He had pried his way into Sawahata's life and now wanted to suck Aki into his own dying organism or, in this case, his business. While wallowing in his decaying financial dilemma, which by now was deep into Chapter 11 bankruptcy, McAfee had, by chance, bought a copy of the Wall Street Journal. He had read an article in which an American businessman had been paid a handsome reward by U.S. Customs for preventing the illegal transfer of sensitive technology to a foreign country.

Armed with this information and enough diet pills to open a clinic, he had concocted a plan to create a crime and then solve it. And like the man he had read about in the Journal, he would get a handsome reward, and live happily ever after. Or so he thought.

Knowing that Sawahata was in the export business, McAfee leveled his sights on setting up OSI, Sawahata's CIA front firm. After researching to find an item on the prohibited export list, he had selected a product manufactured by Hewlett-Packard known as an integrated circuit cell tester. All he had to do next was lure Aki into a scheme to export such an item through OSI and he could report the crime ... and collect his reward.

Unknown to Terry, this plan had been in the works for several weeks and, through McAfee's insistence, Aki had visited Arkansas Machine Tool's facilities where McAfee propositioned him to export the tester to Japan.

Sawahata, not realizing what the item even was, and simply to humor McAfee, had left with a brochure about the tester that McAfee had provided him. That day, Special FBI Agent Mark A. Jessie received a phone call from McAfee asking him to investigate OSI and Sawahata.

Linda Crow, McAfee's secretary and mistress, had accidentally intercepted a return call from Jessie, which she noted on her daily planner.

Sawahata, Terry and the rest of the local CIA group in Arkansas in operations "Centaur Rose" and "Jade Bridge" were unaware of McAfee's machinations. But an investigation of Sawahata would pose problems not only for the Agency's clandestine operations, but for everyone involved as well.

This problem could compromise the entire operation!

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 2/6/86

Pursuant to Administrative Subpoena issued January 16, 1986, PAT FUNK, Staff Assistant, Security, SOUTHWESTERN BELL TELEPHONE COMPANY, 1111 West Capitol Avenue, Little Rock, Arkansas, furnished credit information and toll records for Arkansas telephone numbers (501) 394-9907, (501) 394-9910, (501) 394-9914, and (501) 394-9927, which include the period from January 1, 1982, through March 24, 1984.

Investigation on 1/30/86 at Little Rock, Arkansas File # LR 12D-283-103

by IA LINDA E. DALEY/jhk Date dictated 1/31/86

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

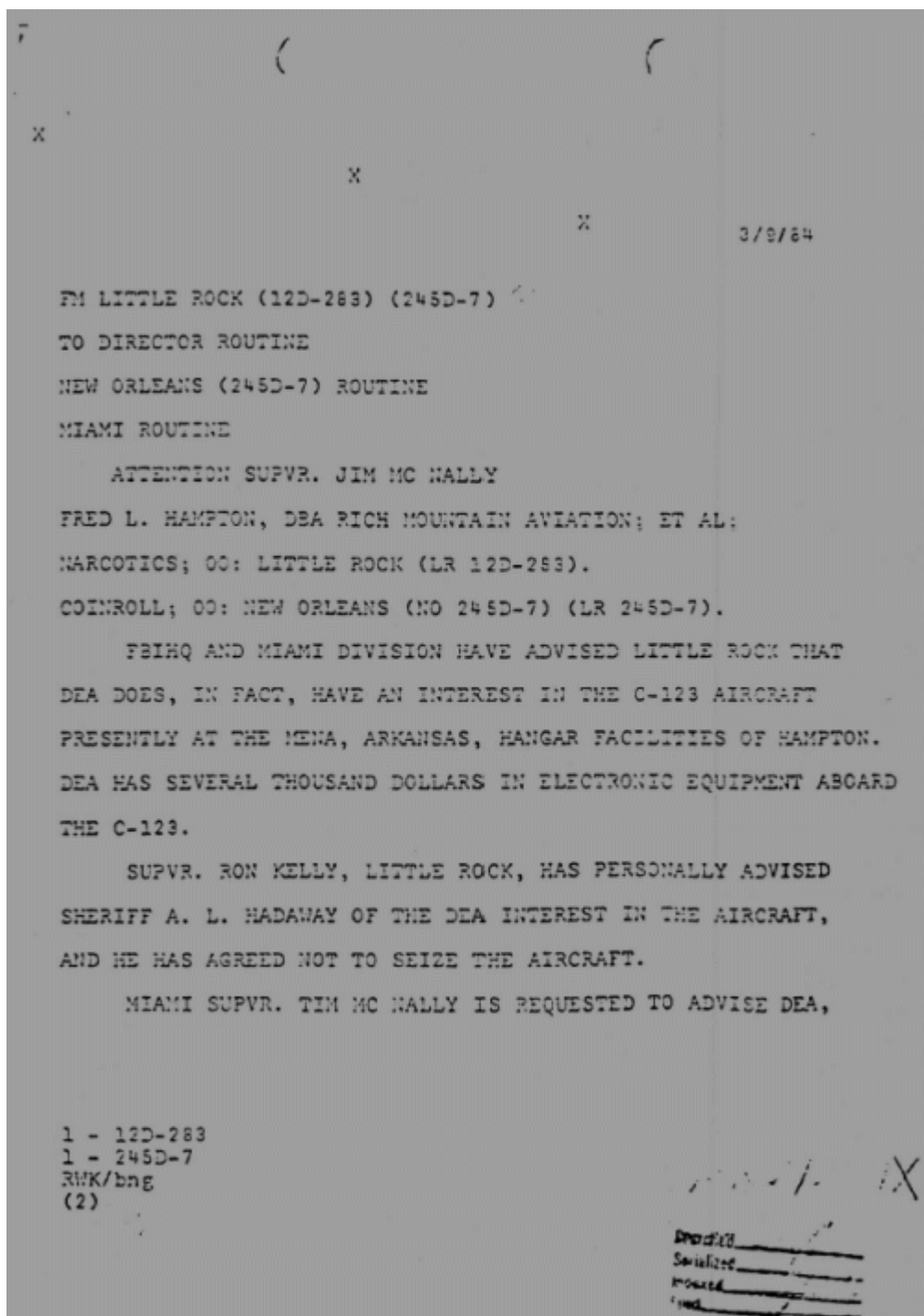
On 01/25/83, Navajo N-62856, was fueled at Mena, Arkansas.

On 02/01/83, H & L EXPLORATION purchased 300 gallons of 100 LL jet fuel at Poteau under the name of SUPREME HELICOPTER (N2656E)

On 02/18/83, H & L EXPLORATION truck purchased 563 gallons of 100 LL jet fuel under the name of SUPREME HELICOPTER (N2656E). H & L fuel truck was purchased on 10/29/82 by Barry SEAL. The truck was never registered in Louisiana. On 04/20/83, the title from California was surrendered in Arkansas and the vehicle was registered in the name of H & L EXPLORATION. The Certificate of Title was signed by Bill and Barbara ADAMS. Handwriting examples of Bill ADAMS' signature and samples of Joe EVANS' handwriting are one and the same handwriting. The document was signed in Mena, Arkansas. The 1983 Mena Telephone Book has H & L EXPLORATION listed at the Mena Airport, telephone number 501-394-5375. The telephone number was installed in the old RICH MOUNTAIN hangar. Arkansas State Police (ASP) Investigators have photos of the fuel truck at RICH MOUNTAIN AVIATION and the vehicle has been observed at Joe EVANS' house in Mena.

In March or April 1983, Terry CAPEHART noted that aircrafts N-80492, N-80482, and N-7409L has been observed at Joe EVANS' hangar in Mena.

9-1. Above, portions of FBI phone records request and select surveillance reports shows interest in communications in Mena area during "Jade Bridge" and "Centaur Rose" timeframes. Note interest in quantities of aviation fuel being used by Seal's operation.



9-2. FBI message showing the DEA's equity in Barry Seal's C-123K, "The Fat Lady" that later crashed in Nicaragua.

Notes:

* These are tapes made available to one of the authors by police sources who believed the federal agents would destroy them. Much of their content has never been revealed.

* Apparently it was already "on order." Jerry Bohnen, the Oklahoma investigative journalist, later found that the Beech 18 used there was a 1963 Beech G18S stolen in Puerto Rico on July 1, 1983. Then, its registration number was N 9412, but when flown in the training program bore the tail No. N9490Y. The 1979 Cessna 402C, already in the hangar that day, had been stolen from Palm Beach, Fla. on Sept. 2, 1983 and it was actually

N5779C. Evans claimed to author John Cummings that he has no records of any aircraft he ever worked on at Rich Mountain. Strange, since aircraft mechanics customarily retain records of all planes they have worked on, for liability purposes.

[admin](#)

Site Admin

Posts: 32204

Joined: Thu Aug 01, 2013 5:21 am

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[Re: Compromised: Clinton, Bush and the CIA: How the Presiden](#)

by [admin](#) » Mon May 23, 2016 11:21 pm

CHAPTER 10: CHRISTMAS PAST

Terry Reed just wanted to be a "daddy" for an entire day, but the phone call on Saturday morning of November 3rd, 1984, changed all that. It was one of those points in time when a life's course is totally, and invisibly, changed forever.

Before the call, his agenda for the day had been to put aside his onerous workload. What with the training at Nella and his machine tool business burgeoning, he realized he was totally neglecting his son, Duncan, who had just celebrated his second birthday the previous month.

Terry saw his life accelerate to fast forward and some precious time he and Duncan needed to share was slipping away. He could already imagine the little boy graduating from the Air Force Academy. So for today at least, communism and Nicaragua be damned!

After feeding his son breakfast at home on Bowman Road in Little Rock, Terry's mind returned to his conversation with Barry Seal in July. As they stood on the rise overlooking the Nella strip, Terry had discussed with Seal his hope that flight training at Nella would be only a temporary thing. He hoped that Seal was still scouting around among the spooks for something better suited to Terry's talents -- and ambitions.

In good ole boy jargon, Seal had said he would "keep his ear to the ground" for the right opportunity. In late July, Seal returned from a trip outside the country and relayed to Terry something he had heard from "a reliable source."

He said a program was being put together through a cutout in Florida, but it was only then in what he called "the incubation stage." Seal claimed he was not personally involved with the program, but he knew recruitment for it was underway and candidates were being selected through newspapers ads in the west, and southwest. [That area of the United States, Seal said, had become a sanctuary for Agency contract pilots and soldier of fortune aviators who preferred states that were more tolerant of survivalist attitudes.](#)

The prospect of working on the program piqued Terry's interest, and he became fascinated with the idea of the CIA using classified ads for recruitment. Right out of the movies, he thought. Who would believe that this was really one of the ways the Agency "reached out to touch someone". Together, he and Seal sat down and wrote out a classified ad with all the right ingredients.

"You need to write up something that outlines what you would like to do and what you consider your strengths, but make it sound just like an ad out of Soldier of Fortune magazine," Seal had told him. "I've been told this project is out of the country, so be sure to stipulate you're 'willing to relocate worldwide.'"

"And, after the ad, then what?" Reed queried.

"The way this works is, if they want to talk to you, they'll get in touch. You may think this sounds hocus-pocus, but you just don't walk into Langley and apply for real spook work."

Terry concluded this must be how the "good ole boy" network was forced to communicate for security reasons. Without his knowing the recipient of the ad, it would be impossible for him to compromise the start-up program.

"Pretty slick, " he thought.

On July 29th, 1984, an ad appeared in the classified section of the Denver Post stressing that T. Kent Reed of Little Rock was seeking a position with an "aggressive company that is wishing to develop rapidly." It outlined his qualifications, which included being a commercial pilot with a jet rating and someone who was a "team player, but also a free-thinker seeking a challenging position willing to relocate worldwide."

By November, Terry had nearly forgotten about the ad. Flight training and his other activities had totally consumed his attention. He had even confided to Seal his feeling that nothing would ever come of it, and that it had probably been a waste of effort and money.

The phone was on its fifth ring as Terry finished wiping the oatmeal from Duncan's face. The remnants of the two-year-old's "feeding" were still splattered on the kitchen floor. Being a father for the first time at age 34 was a lot rougher in some ways than operating in a cloak-and-dagger environment.

"Is this the T. Kent Reed who ran an ad in the Denver Post back in July?" the caller asked. It caught him off guard, but there was a faint recognition of the man behind the voice. After acknowledging the ad, Terry replied, "Yeah, but who's this?"

"This is the voice of Christmas Past. Would you like to talk about the future? I'm now passing through your area conducting job interviews. Do you know a quiet place we can talk?" Terry was especially curious about the word, future. The thought of having no future had consumed him since the day his life was nearly snuffed out by the Ultra-Light accident. He quickly agreed to meet the caller, deciding not to question him over the phone about the comment of Christmas past. After all, he figured, this was, hopefully, an Agency interview and everything he said or did was probably part of the pre-employment test.

Suddenly, with the receiver still in his hand, Reed's thoughts turned to the more mundane: Who was going to take care of Duncan? His wife, now more than two months pregnant with their second child, was busy with her real estate business. Fortunately, it took only a few minutes to find a babysitter.

An hour and a half later, Terry turned into the parking lot on the west side of the City Terminal at the North Little Rock Airport where the "voice of Christmas past" he hoped would arrive. The mysterious caller said he could be in Little Rock in two hours.

What caught Terry's eye as he got out of his car was a brand new Maule airplane. Still in lime-green zinc oxide primer with a temporarily applied, taped-on tail number, it was parked near the terminal. Thinking he had a half hour to kill, Terry decided to have a closer look at the Maule, an aircraft he had never had an opportunity to inspect up close. He had seen one of these powerful, single-engine STOL aircraft impressively perform short field takeoffs and landings in a recent air show in Kansas.

As he walked past a pay phone on his way to the ramp where the Maule was parked, the man on the phone lowered the receiver and said, "Hey, Terry Reed? I'm Bill Cooper. You here for a job interview? You put on a little weight since Thailand."

Terry noticed something familiar in the man's eyes. It had been more than 14 years since he had looked into them, but the voice was definitely recognizable. Gradually, he scanned his data bank of mental images and recalled seeing this man wearing a baseball cap and military-style head phones. He was the pilot who had delivered the students to Mena in the C-130 back in July.

As Terry reacquainted himself with Cooper, he noticed in the Maule another pilot, who from photographs he is now sure was William (Buzz) Sawyer from Magnolia, Arkansas. Both men went down in flames in Nicaragua nearly two years later aboard a C-123 carrying guns and gringos, an international incident that revealed what the U.S. government had been denying, that it was supplying the Contras.

"I didn't recognize you that day back in Mena," Cooper said. "If I had, maybe we could a' had a beer. You used to be a little skinny fucker over there during the war."

"Yeah, and you used to have hair," Terry jibed.

It was a typical vets' reunion. They had not really known each other well during those days back in Nakhon Phanom at Task Force Alpha. Their liaison then was secret, and illegal, since the Air Force was not allowed to "inter-face" officially with the CIA, which is not part of the Defense Department. Terry's unit during the war was in fact giving high-grade intelligence to Air America's "customer," the CIA. Air America was the cut-out.

Cooper then had been flying in DC-3s, or "gooney birds," and C-123s shuttling classified material to Vientiane, Laos, for Air America. Vientiane was the site of CIA headquarters for the illegal air war being conducted in Cambodia and Laos.

Both were younger men in those days. Now in his late 50s, Cooper's upper lip sported more hair growth than the top of his head. He was balding, the sides were turning gray and he had a thick waistline that was probably expanding. But he still had that twinkle in his eye. The look of a weathered Chuck Yeager. A man who had lived on the wild side in his younger days, and who wasn't afraid to still taste excitement when he found it.

As they chatted, the pay phone rang. Cooper answered it and had a short, heated discussion about an aircraft engine. He angrily said goodbye and hung up. He clearly was upset with the person on the other end. He had a major problem to deal with and he expressed the hope Reed could help him with it. "I'm with the guy in the Maule," he said nodding toward the man sitting in the plane. "I've got another plane parked around the corner on the transit ramp that's got engine trouble. I was lucky to even make it here. And that fucking Joe Evans back there in Mena ... well, well the FAA oughta' pull his license if he signs off work like that as being airworthy."

Terry was quickly learning that there was some type of connection between Cooper and Seal's mechanic Joe Evans and an airplane maintenance problem.

Both Terry and Cooper began walking toward the transit ramp. A late-model single-engine Piper Arrow, N30489, was sitting and dripping oil on the tarmac. Cooper said that he picked up this plane at Mena earlier that day, and that he and the other pilot had planned on flying both planes to Florida. The pilot in the Maule was from Arkansas, he said, but did not identify him other than saying he had also been in Southeast Asia.

"Shit, I bet we dropped a valve in that fuckin' Lycoming the way she's blowin' oil," Cooper said, shaking his head and referring to the manufacturer of the aircraft's engine. "I know it's only hittin' on three, based upon how rough she's runnin'. I can't work on it today. We're in a hurry to get this Maule and its cargo on down to Central America. I couldn't locate Evans by phone back in Mena, so I need you to help me find a place to store this bird until I can come back and fix it properly."

"So," Terry said quizzing Cooper, "You been over to Mena and met everyone, even Seal's hillbilly mechanic?"

"Yea, I'm afraid so," Cooper acknowledged. "Evans told me you were flyin' a company plane. I was thinkin'

maybe you could hangar this thing for me. "

"Didn't they tell you, I don't have a hangar yet. I got my Company plane tied down up in Searcy, about 30 miles north of here. There's no hangar space here at all, Bill," Terry informed.

"We can't leave it tied down in the open, and loaded," Cooper said. "I don't know how I would explain 500 pounds of Charlie cuatro. The local cops might not understand."

Terry, of course, knew what Charlie cuatro was, GI code talk from Southeast Asia for C-4 plastic explosives.

"Goddam, Bill. You got 500 pounds of C-4 in this Arrow?"

"Yeah, and 500 pounds more over there in the Maule. I can't haul it all outta here today," Cooper said. "I gotta get my butt down to Florida by tonight. I gotta attend an important meetin' there. So I guess you'll just have to store it for me 'til I can get back up here."

Is this a job interview, Reed wondered, or some kind of test?

How many criminal statutes apply to knowingly storing C-4 explosives? This had to be a triple-finger no-no, Terry thought. Just being in possession of it was probably against the law. It's like having a body in the trunk of your car! How do you explain that to the police? But what choice did he have? This was an Agency emergency and maybe there were Brownie points involved. Or maybe this was another test of faithfulness and commitment. Seal had often complained that working with spooks involved continual "tests" of loyalty. There are no work rules as such for assets other than productivity. "Dying the water," as Sawahata had discussed, was just one of many ways of doing this.

"Bill, like I said, there's no hangar space available here. I'm on a waiting list right now. Best I could do is try to arrange for a tie-down spot and stash the C-4 and safeguard it somewhere," Terry offered.

"Well, if you'd do that, I'd be grateful. I can't stay and help you, though. The Charlie cuatro will need someplace secure," Cooper replied. "We gotta get the Maule and its contents down to where the action is. Here's \$300. That oughta cover temporary storage for the Arrow and I'll try to get back next month. I really appreciate this."

Both men manually towed the Arrow to a temporary tie-down slot rented under Terry's name. Looking in the plane's side window and seeing a U-Haul blanket covering the explosives, Terry couldn't help but wonder how large a crater 500 pounds of C-4 would make, but he knew that Charlie cuatro was extremely stable.

Afterwards, since it was too chilly and windy to remain outside, they took shelter in the terminal for the interview. The pilot in the Maule stayed in his plane, obviously guarding his cargo.

"Were your ears burnin' last night?" Cooper asked, "Cause I was learnin' all about ya'. I spent the night in Mena, they even took me up to the camp. That's quite a little operation you guys got goin' over there. They speak real high of ya'. Ain't Barry Seal somethin'? And what about this Medina character? I wouldn't turn my back on him for a New York minute. **But do you think you'll ever convert those beaners to real pilots? Shit, this reminds me of fuckin' Nixon's Vietnamization program.**" He laughed at the analogy.

Terry was anxious to find out about the method of communication used by the good ole boy network.

"I'm curious about the ad. Is that how you found me?"

"Yeah, believe it or not, that's how they ran across ya. It makes the "classifieds" take on a whole new meanin', don't it?" Cooper joked. "But I didn't realize that the guy in the ad was the same guy instructin' over at Nella until last night."

Cooper went on to say that he had been recently recruited the same way, after placing a similar ad. Cooper said he was living in Reno, Nevada. Terry concluded that this was part of the "west, southwest" connection Seal had told him about. **Seal, unknown to Reed, was spending a lot of time in that area, preparing to testify for the government in several major cases.**

Cooper wanted to know what Seal had passed on to Reed about the new operation. Terry told him about what Seal had said, that a whole new program was being created to operate outside the United States. Seal was sure it was an Agency-let contract of some sort, and that flying was involved. If this was the case, Reed wanted to know if he could somehow fit into what was being considered.

Cooper outlined to him the possibility of this cut-out growing into a major offshore operation that would need not only "fearless flyers" but maybe even some savvy businessmen who understood international marketing, something he heard Terry was now involved in. He said that the new crew of Agency oversight operatives were, for the most part, college educated, "business types" that had law degrees and spent most of their time "flying desks instead of airplanes. "

"These aren't my kind of people," Cooper admitted. "But times are changin' and so is the way the Agency manages these projects.

"Right now, I don't think anybody really knows what the fuck they're doin', Cooper added. "All I been told is to scout around for C-123 crews for aerial delivery operations because of all this Boland shit. It appears to me we're startin' up a small Air America-style operation in order to get the Agency further removed, but I think it's hooked to a much larger cut-out somehow. All I know right now is the 'customer' wants lotsa munitions moved.

"Sounds to me like you've acquired a bunch of new talents since you told Uncle Sam to kiss off. You weren't a pilot then. So, for right now, why don't you send me sort of like a resume and I'll pass it around to see how you could fit in. I'll give you priority handlin'."

"How would I contact you? Surely not through the classifieds again," Terry joked.

"For right now, send me your resume to the address on this card." It read: Southern Air Transport, 6400 N.W. 36th, Miami, Florida, 33166. "I get mail there. Now there's no big hurry on this. They won't be able to do anything until after the first of the year."

Southern Air Transport (SAT) was an airline Terry had heard about while attending a flight instructor refresher clinic in Denver. He had sat next to a pilot named Doug Perkins who said he had flown for Air America in Thailand, had worked for SAT and was then working for Southern Cross, a worldwide aircraft delivery service. **After Reed told the man he had been in Air Force intelligence, the pilot referred to SAT and Southern Cross as "spook outfits," proprietaries of the CIA.** It was becoming clear to Terry that SAT somehow had a role in the formation of the cut-out to which Cooper had referred.

At this time, with the stringent Boland Amendment in effect, CIA Director William Casey was sorting his options. Also taking form was clearly what Oliver North later referred to as Casey's dream of an "off-the-shelf, totally self-sustaining, stand-alone entity that could perform certain activities on behalf of the United States." This idea actually took form later in what became known as "Operation Screw Worm," something that was to have a profound effect on Terry's life.

* * *

The STOL Maule used less than 500 feet of runway as it departed to the southeast with its two spook occupants and its lethal cargo. Terry realized that Duncan would have to wait for his father's attention and his wife would

have to dine alone once again.

That night he returned to the airport, driving his brand new Chevy van and downloaded the lethal contents of the disabled Arrow. After having given more thought about the size of the crater that could be caused by an accidental explosion, he knew he couldn't take the C-4 home. Instead, he had selected a location that was remote, hidden, safe and, importantly, where he had easy access: directly behind Mark McAfee's warehouse on the Maumelle Highway.

He carefully avoided potholes on the way. **Under the cover of darkness Terry dug a large hole in the side of an earthen embankment that would direct any explosive force away from the building and toward the nearby Arkansas River.** He felt like a grave robber. And what would he say if a cop suddenly shone a light on him?

Returning home, tired and covered with dirt, Terry invoked his "spook agreement" with his wife. Each month, he had the right of refusal in answering any three questions ... if they were based on "national security" and if Janis didn't have a "need to know." Not the least of the questions that night was, "Where have you been all day, why didn't you baby-sit Duncan, and why didn't we go to dinner?"

He had used up the entire month's allocation and it was only November 3rd.

On Nov. 7th, four days after Cooper left, there was another phone call, this time from a very familiar voice, but one he had not heard since moving to Arkansas.

"Your phone is not secure, so just listen," John Cathey's voice said. "I'm getting glowing reports on you through our guy there, you know, the one who talks funny ... he says you're doin' a great job.

"Our fat friend says they couldn't do it without you. But we really need some product out of there ASAP. So I'd like you to devote all of your energy to that end and not get distracted about our other developments going on in Florida."

Terry assumed that the reference to Florida meant Southern Air Transport and Bill Cooper.

"Does this have anything to do with the guy that was here last Saturday ... the guy I used to work with in Thailand?" Terry asked.

"Yeah. That's who I'm talking about. He may, in fact, offer you a position. And if you want to get factored in on the new program down there, maybe I can pull some strings on this end and get you in. But for right now, I need your help there."

To Terry, this meant he was getting an "excellent to outstanding" proficiency report from a CIA man at one of the highest levels. From the man who had told him back in Oklahoma that he reported directly to the National Security Council and a man who would later become famous and infamous using his true name -- Lieutenant Colonel Oliver North.

"Do you have a way to get in touch with the guy from Florida?" Terry asked. "'Cause if you do, I've got something in storage for him I'd like him to pick up ASAP. But tell him it's in safe keeping for now and not to worry."

"Yeah, he told me about that. I'll pass your message along. Keep up the good work, we need more like you. Let's all dance on Ortega's grave."

It was significant that North, by indirection, had put Terry in orbit with Cooper, Sawahata, Seal and SAT ... all in one conversation. By now, Oliver North had been put in charge of keeping the Contras together "in body and soul" as Ronald Reagan had wanted. He was to be the cut-out between the White House and the CIA now that

the Boland Amendment had passed. He was the one designated to keep the Administration's obsession with aiding the Contras from bumping head-on into the Boland legalisms. "The U.S. contact with the Nicaraguan Resistance was me, and I turned to 'others' to help carry out this activity," he later testified. The "others" mentioned were a reference to those doing the hands-on, behind-the-scenes work like Reed and men like him.

Over the next two months, the explosives were constantly on Terry's mind. Evans seemed unconcerned about the disabled Piper Arrow tied down in the open at North Little Rock, only complaining, "I got too much fuckin' work to do. Cooper blew up the engine, he can fix it. I got a fuckin' Beech 18 to put a door in. The chink tells me that's my No. 1 priority. I only got one boss. If Cooper doesn't show up soon, I'll send Mike over to take a look at it, when he gets back from Ohio."

"Mike" was a black mechanic who worked for Seal periodically at Mena who seemed knowledgeable about both the mechanical and electronic aspects of aviation. Mike was unlike Homer (Red) Hall, Seal's main avionics man, who did not appear to have any mechanical background or experience. **Evans identified "Mike" to one of the authors as a CIA avionics expert who felt uncomfortable being in Mena since there were virtually no other Blacks in the area.**

But "Mike" wasn't in Arkansas at the time in order to assist Evans, so Terry had to put his worry about the plane and the C-4 out of his mind and get on with the business of flight training.

By now, the first group of students were nearing graduation, and it was important for Evans to get the Beech 18 modified and operational so that the students could get their "round-motor" time before graduation.

The Contra pilot "class of '84" was shaking out to be ten pilots and four ground controllers. They were also shaking from the weather. It was a typical late fall in Arkansas, wet and bone-chilling cold. The high humidity always made it feel 30 degrees colder than it actually was. Someone reared in the tropics did not handle that well.

Aki Sawahata had relayed the decision to shut down the school for the winter months once the present students were graduated and the pressure for "product" was satisfied.

"We'll moth-ball the camp until March if we can get just four or five crews graduated and shipped on down there," Sawahata said. This would be a welcome relief for the instructors because winter weather was now impacting the flying schedule.

Seal was showing up more often in Little Rock, in a much better frame of mind and seemingly much more relaxed than before. The lunches at SOBs with Terry were resumed, sometimes including Sawahata who normally preferred his favorite Chinese restaurant one block from the State Capitol.

Seal was probably more relaxed due to his newly negotiated legal status. By this time, Seal had worked out a plea bargain with the government on his Baton Rouge indictment for conspiracy to possess cocaine with intent to distribute and causing a financial institution not to file Currency Transaction Reports (CTRs). On November 19th, 1984, Seal agreed to plead guilty to one reduced count on each charge. But the bottom line for Barry was the happy news that he would be given no prison sentence time.

Even without the CIA's direct intervention in his behalf, Seal had again manipulated the Feds, proving once again how he could "handle his handlers." Sawahata, whose hands were obviously tied since helping Seal in Baton Rouge could have exposed Seal's role in the black operations in Arkansas, made no mention of any of this to Reed. **Outwardly, Seal seemed to believe that his problems were behind him, but they were really only beginning.**

This, of course, was not part of the agenda discussed while Seal, Sawahata and Terry were having lunch in Little Rock just prior to the graduation set for early December.

"If Joe Evans doesn't get that Beech 18 modified in time, Aki, I'll give 'em all a ride in 'The Fat Lady'," Seal offered, in an extremely jovial mood. "That ought to get their rocks off for 'em. We can have 'em kick a pallet of cash outa the cargo door and see if they can hit the fuckin' lawn at the State Capitol."

Seal started laughing, but Sawahata saw no humor in this comment and appeared nervous. Money had only been discussed once in Reed's presence, and that was during "the test" when Seal had revealed in August that he was flying into Arkansas with money he said was made from weapons sales. Terry had passed this discussion along to Sawahata, who appeared to know about the money all along. He knew that Seal was depositing heavy dollars at Lasater's firm, and, from this statement about the Capitol, Reed had deduced that the state government was somehow intertwined with "Centaur Rose." He knew better than to ask questions, but, by piecing together Seal's comments, especially those about the "donations" of weapons parts by the Arkansas National Guard, he was beginning to get the big picture. The state must be in on it.

This all made sense. How long could an operation like this go on undetected by those at the top? Maybe he wouldn't get into any legal trouble if the C-4 were discovered. The thought of the state, and most certainly the Arkansas State Police, being involved in the Agency's operations gave him comfort.

"Will six graduates be enough, Aki?" Terry asked. "Because, realistically, we need to wash out six guys."

Aki seemed confused with the number. It seemed too small from what he could remember. How had 20 students turned into 6 graduates? It was napkin time.

On the napkin, Reed wrote:

20 = original trainees
 -4 = Maule designees
 -4 = ground controllers
 -6 = washout

-14 students 20 - 14 = 6

"So what are names of six you want to wash out?"

Terry listed the six names that he felt were unsafe and incapable of upgrade training in Central America.

Sawahata took out his pen and circled four of the six and said: "OK, you wash out other two, but these four guys must be graduated, they are part of 'special team' Mr. Medina is in charge of." These were the "pets" that were getting special attention and "tutoring" from Medina and Diego. There also had been unexplained absences for these four and the excuse had always been "they're ill." The instructors knew this was a ruse, but assumed they "didn't have a need to know," and were being misled.

"Are you asking me or telling me to graduate these four guys, Aki?" Terry asked. "Because, in my professional opinion as a flight instructor, they're dangerous and will

probably get someone killed ..."

"That's the whole idea, Terry," Seal broke in, "to get someone killed! Tell him, Aki. He does have a need to know. Aviation is serious business, and I sympathize with him not wanting these four guys running around the skies of Central America bein' incompetent in an airplane. If you don't tell him, I'm goin' to."

Sawahata did not like what Seal was doing, and saying. Sawahata was obviously holding back on something very touchy, and sensitive. Without saying a word, he opened his brief case and pushed across the table a booklet entitled "Assassination Manual." The existence of this manual, which had been written specifically for the Contras in 1983, had ignited a fire-storm in Congress when it had been made public earlier in September.

"Terry-san, you were in a war," the CIA man said. "Many lives can be saved if right people die. It is very important for Agency to 'place' some pilots in a position to be able to shorten conflict. These four guys have been selected for very special mission to eliminate key Sandinista leaders. It is important they graduate with proper credentials so that they may penetrate Nicaraguan aviation community and get near their targets."

Terry was speechless. He really didn't want to know any more than he had just been told. He would find out later about Medina's background as an assassin and a saboteur of civilian aircraft. The Agency, in selecting Medina had clearly tapped a man with the right credentials to train paid killers.

Terry stared at Seal. Nobody said a word. Finally, to break the silence, Terry spoke, "I understand. Thanks for telling me. They'll be signed off. Tell Washington there will be 10 'graduating' pilots, 4 ground controllers, 4 transfers and 2 washouts. That'll be the graduating class of 1984."

When lunch was over, Seal got Terry aside and told him to hold the evening open for dinner. He was going to Lasater's to make another "deposit," but Barry had "some important shit I gotta talk to you about."

That night, at SOB's, Terry was waiting for both Seal and Janis. They were both late as the band was warming up. It was 7 PM and at that hour the bar turns into bedlam.

After Barry arrived and they realized it was so late it was unlikely that Janis would show, Seal tipped the waiter for their favorite table in the corner. The conversation centered, of course, on aviation.

"So what are you flyin' right now? I've sorta lost track. Are you in a Cessna?" Seal asked.

"Yeah, I just switched out. I turned in N36998, a 404 and Evans gave me a newer Titan, N5425G. It's a nicer plane. While we're on the subject, **do I keep the Company airplane this winter while the school is in mothballs?"**

"Sure. All of this is on Uncle. Rule No. 1. Soak him for all you can get.

North and I felt the most paramount threats to our system of liberties had not come from the communists he and I had been programmed to hunt down and kill. The enemy came from within our own ranks. The decay of the voice of the people is what threatened us most. WE THE PEOPLE were being bypassed and our representation undermined through a breakdown in our built-in-system of checks and balances. The

budget DEFICIT was to blame. The breakdown was occurring by not making each and every one of us pay as we go. Credit was an easy, evil siren by which to be lured, and one that eventually would bring an end to our way of life. Economic collapse was not all we feared. By not forcing the American public to pay for its way of life, to simply allow the public to "charge it," they were being lulled into a state of governmental nonparticipation that would eventually put the power of the government into the hands of only a few of the "ruling class". Karl Marx always said democracy doesn't work. We were afraid he was right.

-- Compromised: Clinton, Bush and the CIA: How the Presidency was Co-opted by the CIA, by Terry Reed & John Cummings

But I do want you to trade out around the first of the year to a Seneca. I've got a special project of my own goin' on and you'll need to be in a Seneca for security purposes. "

"What's the special project?"

"Right now, Emile and I are piggybacking the cash I told you about as it comes in from down south," Seal told him. "We're using two Senecas that are identical to each other, and I figure a third one would really confuse any overly curious Air Traffic Controller if the going gets tough."

The Seneca given Terry by Evans right after New Year's 1985 was a 1981 Piper Seneca believed to have been stolen only a few days before in Tampa, Florida. The Cessna Titan Reed traded out in order to get the Seneca, it was later learned, had been stolen from Addison Field near Dallas, in November, 1984, only weeks before Evans gave it to Reed.

"Sure that's fine. Do I talk to you or Emile about detailed instructions?" Terry asked.

"Talk to Emile and he'll give you the Seneca right around the first of the year."

"What's significant about the first of the year?"

"The tithing is gonna really go on the increase, come January 1."

"Tithing?"

"Yeah, the dime that the state's workin' on for lettin' the Agency's operation go on here," Seal answered. "You didn't think somethin' this big could be goin' on without havin' to pay for it. Shit, you were in Southeast Asia. Didn't you tell me we had to pay some fuckin' prince in Laos every time the Air Force dropped a bomb there? You see it's all the same, just one fuckin' banana republic after another."

The "dime" Seal referred to was the 10 percent being charged the CIA by high Arkansas state officials for allowing the Agency to operate in Arkansas. The word tithing Terry had learned back in his Sunday school days in the Nazarene Church. The term meant 10 per cent of your money would be given the church and, in return, as the Bible proclaimed, you would get it back 10 fold. And this was undoubtedly true for the CIA.

Arkansas was providing cover for the Agency's illegal airplane modifications, Contra training operations, arms shipments and, from what Seal revealed, ways to invest the black money that

was being made from its gun-running to Central America. So that's why the singer Glen Campbell called Arkansas the "land of opportunity."

* * *

Graduation day was Sunday, December 16th, 1984. Miraculously, no one had been killed during the training program. But four months had stretched into five and a half. Everyone was happy that it was finally over and everyone was graduating. Only the 14 grads were present at the ceremony in Rich Mountain's hanger where it had all started on that hot day back in July.

Medina said, without elaboration, that he had "eliminated" the two washouts once the instructors advised him they weren't cut out for combat aviation.

Evans had, in fact, modified the Beech 18 that gave the students three weeks of "round motor exposure." And Seal had taken them all for a ride in "The Fat Lady." With Christmas approaching, visions of fiesta and a break from the ordeal of training danced in their heads. Sawahata, without explanation, did not show up for the ceremony. Only the instructors, Medina and Diego attended and Reed gave each of the graduates "gold medals" and authentic pilots' log books showing their training. The only omission in the log book entries was the classified location in which the training had taken place.

All expressed the hope that when Operation Jade Bridge could finally be acknowledged publicly that the students would be allowed to count this training toward obtaining American pilot certificates. Right now they had no real gringo licenses, only their "capability" and their log books.

What was unspoken was the instructors instinctively knew that the young Latins were not ready for what was facing them. They needed at least six months more training. The faculty agreed that if the students received the proper upgrade training for the C-123 aircraft and had ideal conditions, they could probably perform. That meant, however, having the entire flight crew alive and functioning in a plane that had all its systems fully operational. But these are optimum conditions that rarely exist in combat. And Terry knew that. He felt that he and the others were simply filling a square for the CIA. If a supply plane went down and someone was going to die, as Barry had put it, "it'd better be beaners at the controls."

Yet, the motley crew that arrived in jeans and Rayban glasses had now turned into men with military bearing. They were no longer a mockery to the Raybans they were wearing. To them, this was as important as a cadet or midshipman leaving the service academies. There were even some tears. Reed could only think about how he felt when leaving for Southeast Asia.

War is a hand-me-down deal, he thought. His father had handed him off to the government and he had returned safely, bearing only psychological scars no one could see. Now, he was participating in the ancient process, replenishing the supply of warriors. Only the weapons had changed.

This had been a tough year for Terry. He had survived a crash, had set new goals for himself, and entered the dark world of being a spook. And suddenly here it was, at year's end.

No one knew for sure if there would even be another class. If the Nicaraguan conflict elevated into a major shooting war in Central America, civilian subcontractors certainly would not be needed. The edge of uncertainty robbed the occasion of its festive atmosphere for all.

Ramon Varnados would be the only one left behind. He had moth balled the camp. **The Army had repossessed their equipment "on loan"** and ATC controllers were certain to see an abrupt decrease in traffic handled from "Ross and Spartan Aviation Schools."

The only perks for the instructors were the fact that they could continue to use their "Company airplanes" until

the next class, if there was one. This had been a year of learning for everyone. Everything was in place. Aircraft had been "procured", modified and were now being stored in Louisiana. The instructors all knew they could do a better job quicker with the next class of "freedom fighters," if there was a next class.

As the black C-130 taxied into position outside the hangar, the roar of the turbo-prop engines going through beta, causing the plane to back-up, became deafening. With the C-130 crew shutting down only the two engines on the port side, it was a sign it would be a quick turn-around. There wouldn't be a lot of time for emotional goodbyes as the instructors helped load the gear aboard the giant plane.

As Medina boarded with Diego, Reed could see Medina staring right through Emile Camp, who was helping with the cargo. It was obvious that the tension between them had not abated since that first confrontation. Camp, sensing the stare, turned to Medina and said: "Ramon, hope there's no hard feelings. I'll see you in the spring."

Medina stared back with no expression and said coldly: "I doubt that."

Camp shrugged off the comment, thinking Medina wasn't coming back to Nella. He was wrong.

It gave Reed cold chills to see the four designated assassins boarding the plane. He was, he felt, releasing a deadly infection into the world.

When the plane taxied out, Emile Camp approached Terry and began talking. "Barry tells me he talked to ya' about gettin' a Seneca. I'll have it for ya' right after the first of the year. We can then talk 'bout the cover operation I need ya' to help us with. But, for right now, I'm shuttin' down for Christmas. Don't know about you, but I need some time off with my family. Hey, does the resident chink pay Christmas bonuses?" He laughed.

By now, the increased Agency aircraft activity centered at Rich Mountain Aviation was generating unwanted attention from other aircraft shops located at the Mena Airport who were seeking new business. The high profile image of the larger aircraft such as the Cessnas and Navajos and the Lear was beginning to require the use of less conspicuous planes, if the operation was to remain discreet.

Because of the impending and increased "cash flow" into Arkansas, the Agency had decided to use light twin-engine Piper Senecas for this activity. As Terry Capeheart, the Polk County Arkansas Deputy Sheriff at the time later testified during Federal Investigations into Seal's activities at Mena: "The Senecas just didn't stand out" and he overlooked their significance. Capeheart, who now operates an FAA-approved aircraft engine overhaul facility, described the Seneca as "a real common airplane and favors a couple of other airplanes from a distance unless you're quite familiar with them ..." Seal and the Agency knew what they were doing. They always seemed far ahead of their main competitors, namely other federal agencies.

Reed was now being invited into the money loop, in a big way. **The downsizing side of the Agency's operation by converting to lower profile, twin engine Piper Seneca II aircraft was in preparation for an increase or up-sizing in the amount of green flights (sorties carrying cash) that would be traversing through Arkansas' skies.**

Both Terry and Camp breathed a sigh of relief as the black C-130 carrying the graduates lumbered down the runway, took off, retracted its landing gear and cleared the tree line at the south end of the Mena airport. It banked southeast, headed for Homestead Air Force Base in Florida where, before returning to Central America, the graduates would be turned loose for a week of debauchery -- paid for by Uncle Sam.

[Lord help the hookers there, Terry thought.](#)

Notes:

1. North testimony, Hearings, 100-7, Part I, 7/9/87.

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CHAPTER 11: 'WETA OKAMI'

Terry began 1985 with a traditional kiss under the mistletoe and a series of resolutions vowing, in no particular order, to become a millionaire by the time he was 40, to lose 20 pounds, to spend more time with his now-expanding family and reduce the number of keys he carried to three (house, car and airplane).

He had observed that the fewer keys you carried, the more status and freedom you possessed. He also felt that the fewer keys, the less complicated your life. This may have been his goal as 1985 began, but the Boland Amendment and William Casey's dark plans to circumvent it would produce the opposite result for him.

Things were going well financially, and his second child was on the way. Sawahata had been impressed with Reed's "performance." Labor Day had taken on a double meaning because there was now scribbled on the calendar another "labor" day in May, Janis' estimated due date.

The Reeds were becoming a regular part of the Little Rock social scene. They had grown beyond the "cotton mouths" (Southern elitist snobs) Seth Ward had put them in touch with and Terry was now making friends with people such as Mark Stodola, an attorney who had just run unsuccessfully for County Prosecutor but was still considered an up and coming political threat.

Terry and Janis had been there 15 months, had settled in and were looking for a larger home as a "nest", in anticipation of the new baby. **Terry was elated. He was sure, at long last, he was finally on his way up the good ole boy ladder.** "John Cathey" had assured him he was on the fast-track, and he waited with enthusiasm for the success he was sure would come. The crash, rekindling within him an awareness of his mortality, had triggered a metamorphosis. He now knew where he was going, and how he was going to get there.

When Aki Sawahata called him in mid-January, the headlines talked of little else but Nicaragua. Reed was sure the United States was about to invade. He was certain there would be no more classes at Nella, particularly in light of Barry Seal having told him that he shouldn't view the Nella operation as anything permanent. He had hoped Aki had news from Cathey telling him he was about to move up.

Sawahata asked Reed to meet him for lunch at their usual place near the Capitol. At Fu Lin's, over won-ton soup, Reed turned the conversation to business. "I now have a hangar at the North Little Rock Airport. I was able to get one last week, but it's not housing the Company airplane. I put Bill Cooper's plane in there ... the one with the bad engine. And I sure wish you would lean on someone in order to get rid of it and the Charlie cuatro."

"Oh, it is good you have hangar. We will need it for increase of special flight activity here," Sawahata replied. "I will reimburse you monthly for its cost. You are going to need it to hangar your new Company airplane, if you accept my offer. I need you to be in courier pilot flying operation with Mr. Seal and Mr. Camp. If you are

interested we can fly to Mena tomorrow so you can trade airplane and have one just like theirs."

Terry was disappointed to hear Sawahata talking only of local flying. He was hoping that Cooper had cleared things with Cathey, and he'd be offered a long-term position in the "new operation."

"But Aki, it was my understanding when I last spoke with Mr. Cathey that he was considering me for a position in the new operation in Florida," Terry said. "Has there been any change in the plan down there? I would really like to grow beyond all of this 'spooky' flight activity."

"Terry-san, I need you right here. I need a pilot to move me around and to help supervise operations here in Arkansas. And you know a lot more about manufacturing than I do. In fact, I have big problems in manufacturing right now. You are in a good place for now. All of these things take time, and it is best for now you show Agency that you will do what they think is most important."

It looked like Reed was being offered a "promotion" within Sawahata's loop in Arkansas, but not an exciting and mysterious "off shore" Agency job. At least not for now. Sawahata then expressed his doubts about the Nella Operation, "Jade Bridge," continuing and was concerned about whether Seal could devote any more time to "Operation Centaur Rose." Since this was his only option at the time, Reed suppressed his disappointment and agreed.

"OK, Aki. You've got yourself a flying, manufacturing engineer, for now at least. But I still want to send my resume on to Florida as Bill Cooper suggested. You got any problems with that? I still don't want to do this forever."

"OK, if you insist. But I am afraid they will steal you away from me," Sawahata added. "Good guys are hard to find. I like your aggressiveness in everything you do. In fact you remind me of Japanese expression ... weta okami."

"What the fuck is a weta okami?"

Sawahata laughed as he slurped his noodles into his mouth and grinned. "We say ... hungry wolf. That is good name for you. From now on I call you weta okami."

Was this good or bad, Terry thought. His first Agency code name, and it was in Japanese.

The next day "Weta Okami" and Sawahata flew to Mena to trade airplanes. Reed turned in his twin Cessna and picked up a 1981 twin engine Piper Seneca N8275T that had just been freshly painted in order to match Seal's Seneca, N8049Z, and Camp's, N8658E. From all outward appearances, they were identical.

That day, the three pilots had an operational discussion in Rich Mountain's new hangar while Sawahata listened. Chief among the topics was "piggy-backing," to avoid detection. This diversionary tactic was already working flawlessly and had gone undetected with Seal and Camp, so far.

Seal had told Reed that he had been flying in large quantities of cash packed in duffel bags containing sophisticated electronic transmitters to serve as homing devices to locate the airborne jettisoned "green backs". This was the CIA's "money loop" in Arkansas. Now, they were adding a third plane flown by Reed that would serve solely as a decoy. He was going to be part of an elaborate airborne deception that masked these deliveries. In the course of these activities, he would eventually learn who was getting these airborne cash deposits; something that already had him very curious.

Seal outlined a plan that Reed considered ingenious as it unfolded. No high-ranking Air Force war planners could come up with anything better suited to evade the enemy. "The Agency has devised a way to make this almost idiot-proof," Seal began in a military-style briefing tone. "I'll cover how we safely jettison and relocate

the cargo from the "green flights," and Emile will talk about piggy-back flight procedures."

Terry was reminded of his Air Force days as an Intelligence Briefer where Intelligence Analysis normally remain highly specialized, and give only that portion of the stand-up briefing in which they were considered an expert.

"Most smugglers are dumb shits, and their own people can't be trusted," Seal lectured, while producing a yellow legal pad and pencil. "All it takes to bring down the whole operation is to have an internal leak and a tip-off about the location of a drop zone. With our method of operation there is no way the drop zone location can be compromised."

"How's that possible?" Reed asked.

"Cause I don't even know where the fuck it is until I jettison the load and note my location on the LORAN (Long Range Navigation equipment). The plane that is piggy-backing sees the load go, denotes the same coordinates as a backup and never relays the coordinates by radio in the air."

"So how do you find the cash?" Reed wondered aloud.

"We have a homing beacon located with the cargo. Once we're sure the jettison was executed unobserved, there are several things we can do. Let me list them for ya.

"Option number 1: We can go back and get it since we know the geographic coordinates to within a few meters of the kickout point.

"Option number 2: We can verbally relay the coordinates to a pickup crew on a secure and scrambled frequency. Then they fly a helicopter into the drop area. Or

"Option number 3: We simply use the LORAN to navigate to a predetermined spot and jettison it near some "friendly forces", who just happen to have a receiver that'll track the frequency of the transmitters in the bag.

"Combine that with the fact that the piggy-back split gives anyone watchin' us two targets to follow -- neither one of which is carryin' anything at that point -- and ya got a pretty damn fool-proof system. Courtesy of Uncle Sam."

Referring to the duffel bags, Reed asked, "You just said transmitters. Is that plural?"

"You're a flyer. You know a pilot needs at least two of everything just to be sure one works. You wouldn't want to lose \$3 million in cash, would you, just because some fuckin' \$2,000 radio didn't work?"

As he listened and absorbed what Seal had said, Terry looked at Sawahata, who was smiling, and added, "You did not think it was only Federal Express that could always deliver, did you?"

Terry realized this entire scheme could not have been possible a few years earlier. Prior to that time, only the military used bulky and costly LORAN navigation equipment (long range navigation), which automatically triangulates airborne position through the use of a minimum of three ground-based, low-frequency transmitters and gives the pilot a cockpit readout of his latitude and longitude, continuously, down to the nearest second of a minute.

Major breakthroughs in LORAN technology in the late 70's and early 80's had drastically shrunk the size of the equipment, and lowered the price to a few thousand dollars.

The ability to know precisely where he was with respect to the surface gave Seal's planes the ability to jettison cargo, in this case money, and to know within meters the aircraft's location when it did so. That means Seal

didn't need a pre-arranged drop zone and could drop his "cargo," whenever and wherever he chose.

Camp now borrowed Seal's tablet and began sketching a diagram of radio fixes in Western Arkansas. Apparently it was time for his portion of the briefing.

"I'll draw ya a map of a typical mission. This won't be exact, but the concept's there," Camp drawled in his friendly Southern tone.

Whereupon Camp drew a line of flight that showed two airplanes that already were in tightly packed piggy-back formation and enroute to the Texarkana VOR flying at exactly the same airspeed, tracking the same course and within a few feet of the same altitude. These two planes would be flying nearly stacked on top of each other with the one at the bottom position being only slightly more than one airplane's length behind the one above.

He then drew a line to represent Reed's plane rendezvousing and joining with them from below and climbing ever so cautiously until Reed's craft became the bottom plane, flying likewise slightly more than one airplane's length behind the plane above him. That would create a tightly packed three plane formation spaced approximately twenty feet below each other and slightly staggered, front to rear. The planes would then be in such close proximity that, to a ground based FAA Air Traffic Controller, they would appear as only one plane. He would be seeing only one "blip", or radar return, on his screen, not three, due to inherent errors in radar systems.

It would be the job of Camp's plane, the one flying in the top position, to be the "primary diversion plane" for Seal's plane, the "green plane" or the one carrying the cash. Reed's plane, or the "secondary diversion plane" would be flying "shadow position" and escort Seal's plane all the way to the "target" or DZ (drop zone).

Upon crossing the VOR, Camp showed how his airplane would continue into Mena on the original flight plan filed by Seal. Reed's, or the shadow aircraft, would change headings with Seal's plane and divert to the nonfiled destination, Little Rock, while staying in close formation with the "green plane."

Once near Little Rock, Camp said, it would be Reed's job to begin communication with air traffic control there and to "radar-mask" the fact there were two aircraft instead of only one. During this electronic masking procedure, Seal's plane would abruptly dive down to tree-top level, placing it below radar detection altitude, and jettison his cargo over a pre-selected drop zone west of Little Rock.

Reed's plane, which would purposely remain under radar surveillance by ATC, would then continue on and land at Little Rock, while Seal would depart the area undetected by radar and head south. If all went as before, Camp said, he would be on the ground in Mena without ATC or anyone else being the wiser. ATC would think they had handled only one airplane, which had originated at a hypothetical Point A, and landed at Point B, Mena.

The purpose of Reed's plane would be to further confuse ATC in the remote chance they had detected more than one aircraft as they separated over the Texarkana VOR. With Reed's plane continuing on and landing at Point C, Little Rock, the chances of anyone discovering there were three planes were remote at best. Even if someone wanted to ramp-check Reed's plane once on the ground at Little Rock, Camp noted, he would be carrying nothing. **It was an airborne shell-game with the "pea" no longer under any of the three shells. By the time it was over, Camp said, the "pea" would be gone.**

What Camp just traced out was what Seal had described earlier as "No. 3" on the list of options for dropping and recovering a payload of CIA cash.

"You only left one thing out Emile," Seal interrupted. "Terry, when you rendezvous with us, before you come down ta join us, take a real close look to see if Camp and I are bein' tailed. Those U.S. Customs Citations are painted black and are real hard to spot, so use your night vision goggles and look real close. If ya see anything, come up on our frequency and sing out."

"What happens if that's the case?" Reed queried.

"You abort and just head on back ta Little Rock," Camp replied. "Barry and I will know we're bein' followed, so we got several options. We would probably just split up, givin' him two targets ta chase, most likely. But you don't worry 'bout that ... that's our problem."

Reed had some concerns. This question he directed to Sawahata. "Aki, is this all legal? Sounds like we're going to great lengths to avoid detection by other Feds. Who do we consider our enemy here?"

"Terry-san, we are CIA! We are not law enforcement. We are not Justice Department. We are not Treasury Department. We are CIA! We answer to Director who answers to President. You are dealing with very top level. These other agencies are not in loop. They not cleared for major foreign policy decisions. CIA has to work this way all over world. We are not breaking law. We are above law." The CIA man had spoken.

With the speech by Sawahata out of the way, Reed had another question and a suggestion. "I assume this will take some pretty good flying and coordination? I would like all three of us to go out in the MOA and practice a little close formation work before we attempt this, especially at night. One thing that could blow our plan is to have three identical Senecas crash within a mile of each other."

"We'll do better than that," Seal said. "Tomorrow, weather permitting, we'll just go out and fly this whole mission in daylight, only difference bein' I won't be carryin' any cash."

"Barry, of the three ways to do this, it appears to me that No. 3 bears the greatest risk of discovery. Who's safeguarding the location of the drop zone you have set up in Little Rock?" Terry asked.

Sawahata interjected with the answer. "I am ... Agency is. The drop is a 'safe' field we have selected because people that own land there are under our control. So do not worry about that. Your job is just be shadow for Barry."

Sawahata wanted the three to begin their practice flights right way. "There is major pressure for increase in Agency deposits in Arkansas," he said.

"Barry, maybe I'm just being nosey, but can't you just continue making deposits at Lasater's like you've been doing all along," Terry remarked.

"That was only tithin' money," Seal answered. "We're talkin' about much more than that now. It seems this has worked so well, Mr. Sawahata's people have decided to make a major investment here."

Sawahata was upset. "Barry-san, you should not talk so freely about Agency investments. They are confidential."

"Aw fuck, Aki," Seal said. "He's gonna figure all this shit out anyway, now that he's part of it. Terry didn't fall off no turnip truck yesterday. And besides, I trust him a lot more than I trust those Little Rock fucks you're runnin' around with. They're just a bunch of goddam politicians with their hands stickin' out."

Reed was somewhat surprised by what he had just heard. He probably didn't need to know everything he was hearing and Sawahata was right to be concerned. Reed figured that the loose lips were probably the result of too many "contractors" being involved.

What he was witnessing, without totally realizing it, was the inherent friction that comes with any intelligence operation. **The tension between the administrators, or GS bean-counters like Sawahata, who live by a rule book designed to regulate a glacial bureaucracy, and the assets like Seal who are [totally action-oriented](#) and results driven and bristle at rules and accountability, was constantly apparent.** Caught in the middle of this operational tug-of-war was Terry. He felt strangely comfortable in this situation though. It was reminiscent of the military where troops in the field held contempt for the "fat cats" with safe jobs back at headquarters.

The next morning at 0830 hours, the weather did permit. Reed was orbiting high above the Texarkana VOR (ground based navigation transmitter) at 10,500 feet in a right-hand holding pattern on the 156-degree radial of the fix. At exactly the prescribed rendezvous time, he spotted Seal and Camp's identical Senecas flying in picture-perfect, piggy-back formation heading northerly, tracking the 336-degree radial of the Shreveport VOR at 4,500 feet MSL.

He had been monitoring their air-to-air conversation on the discreet frequency of 122.97, which ground control did not monitor. He knew by Seal and Camp's position reports they were nearing DUBOW intersection, a navigational fix 17 miles south of Texarkana on vector 13 (FAA designated air highway).

Seal's voice came on the radio first. "You got a visual on us yet, Terry? It'll be easier to spot us at night 'cause (only) Emile will have his navigation lights on."

"Roger, I've got a visual on you. You're in my 12 o'clock low except you're tucked in so tight all I can see from here is one airplane," Terry replied.

"That's the way it's supposed to be," Seal answered. "Get on down here with us. Convert your altitude to air speed and try to tuck in under me before we get to the VOR."

Terry dove his Seneca down to join Seal and Camp at their 4,500-foot altitude, reversing course and coming in up under Seal, who was below Camp. He inched into position under Seal's plane until he could "count the rivets" that attached the tailhook to the bottom of Seal's.

At this point, they were layered like slices of bread in a club sandwich. The three aircraft flying in formation like this made Terry flash back to the thought of three B-52s flying in a "cell" formation while on an "Arc Light" bombing mission over Laos. Reed could tell by the way Seal and Camp were flying in unison that they had done this many times before. He wasn't quite ready yet to get as close to Seal as Seal was to Camp.

Seal, since he could not see Reed, needed the radio to instruct him.

"Now; I'm gonna have to jibber-jabber a lot since you're in my six (meaning out of sight in the back and below)," Seal said to Reed in a relaxed, Cajun drawl. "When we do this for real, we'll keep radio communications to a minimum. But, for right now, I'll just talk ya though it.

"I'm showin' about 10 DME (distance-measuring equipment) from Texarkana and I'm squawkin' nuthin' as you should be also, Terry," Seal instructed.

By squawking, Seal was referring to their airborne radios called transponders, whose purpose is to amplify radar signals bounced off aircraft by ground-based radar. By his reference to "squawkin' nuthin'," Seal meant his transponder was turned off at this point as was Reed's. Only Camp's would be operational, and ATC ground would be tracking only him.

At this point, Seal added, "Emile is on center frequency and squawkin ' [their assigned code]. Just prior to the fix, Emile's gonna ask for ident. When he does, I'm gonna bank right in a standard rate turn in order to pick up vector 573 to Hot Springs. Now, be careful there, 'cause you gotta turn with me at the same angle and everything, or you'll get in my wake turbulence and it can get pretty hairy. So, when Emile says 'roger ident,' ... ident will be the word we both execute the turn on, and be sure to use standard rate. Any questions?"

The three aircraft in a tri-level piggyback formation continued tracking toward the Texarkana VOR as Camp simulated radio conversation with enroute traffic control (ATC) in Memphis. Just as Seal had warned Reed, the moment Camp responded with the word "ident" Seal banked his plane right in order to intercept the 030-degree radial of the Texarkana VOR outbound in a northeasterly direction.

It was all Terry could do to keep tucked in tight and follow Seal's plane through the dangerous maneuver, while wondering what this would be like at night. Camp's plane continued outbound on the 322-degree radial headed toward the Rich Mountain VOR, while Reed wrestled with his aircraft that was, in fact, experiencing turbulence from Seal's wake.

"Remember what they taught you in flight school, Terry. My wake flows outward and downward. Try to stay exactly in my six and you'll have a smoother ride."

On the real flight, Camp would have continued on and landed at Mena, but, for this practice mission, he rejoined the other two planes, and was busy taking photographs of Reed and Seal's planes flying in perfect unison and now stabilized on the course taking them to Hot Springs.

"From here you two look like you're either re-fuelin' in mid-air or tryin' ta fuck each other," Camp joked over the radio.

Next, it was necessary for them to make a controlled descent together down to the proper altitude for aircraft flying eastbound. This was no easy task. It took an immense amount of concentration. Terry thought about the problems of doing this maneuver at night. He had often watched in awe the way the Air Force Thunderbirds, the precision flying team, maneuvered their aircraft within feet of each other while streaking through the sky. But could they do it at night, without lights? He wondered.

"Terry, at the Hot Springs VOR, you turn your transponder on to twelve hundred and start talking to Little Rock approach. That'll make us about 45 miles out of Adams Field. When they assign you a squawk code, and the instant you say, 'Roger ident,' I'm gonna dive directly in front of you in order to get down to the deck while your (radar) return is still blossoming on their scope," Seal radioed.

What Seal was describing to Reed was a clever way of masking any secondary radar "returns" bouncing off his aircraft by utilizing an inherent error within the ATC's radar system. When a controller assigns a special squawk code to an aircraft he is "handling," he asks the pilot to press a button on his transponder, thus differentiating it from other aircraft on his scope. When the pilot does this, his "return" on the controller's scope blossoms, or enlarges, considerably. Seal was taking advantage of this procedure in order to better evade radar detection.

Just like clockwork, Reed began communicating with Little Rock ATC while over the Hot Springs VOR.

"Little Rock approach, this is Seneca, eight-two-seven-five Tango, level three thousand five hundred, tracking the zero-seven-one degree radial of Hot Springs VOR, squawking twelve hundred, inbound Adams."

"Roger Seneca seven-five Tango, squawk two-seven-four-three and ident."

"Roger, Little Rock, Seneca seven-five Tango is going to two-seven-four-three and squawking ident."

The moment the word "ident" left Terry's lips, Seal's aircraft abruptly dove from its position directly in front of and slightly above Terry and went straight over his nose, catching him unprepared for the severe wake

turbulence or disturbed air generated by Seal's maneuver.

After recovering control of his aircraft and scrambling to locate the pilot's clip board that had fallen from its mount as a result of the severe jolt, Terry could hear Seal laughing on their discreet frequency, the one ATC couldn't hear.

"Oh, I forgot to tell ya, Terry. When I split, it can get real rough back there. Ask Emile. He damned near wiped out the first time, too."

Terry knew he had been set up since he could hear Camp laughing, too. Just as the area directly behind a boat provides a water-skier with a smooth surface, flying slightly above or below and directly in line with another plane is not turbulent. But exiting that smooth air space and crossing the wake can produce a very rough ride.

Meanwhile, with his aircraft now again stabilized, Terry took time to notice Seal skimming along at tree-top level tracking inbound toward 1-430 looking for the drop zone. This run was for practice, so, approximately 10 miles southwest of Adams, Reed canceled his destination flight plan and all three pilots turned west and flew back to Mena.

After a thorough debriefing on the ground of the practice run, they decided to try it again one more time for safety's sake. After a second dry run, all three felt confident with the maneuvers and coordination involved. All that was left was the real thing ... at night.

As the three aircraft split up near Little Rock in order to go their separate ways later that afternoon, Seal came on their discreet frequency and said to Terry, "Go to the Chink's office, he'll give you your rendezvous instructions for the real run."

* * *

Two nights later, just before midnight, Reed was holding at his assigned altitude. It was a cold January night, but crystal clear and ideally suited for the business at hand.

If all went well, and Reed was able to locate his incoming target from the south, he would be home in less than two hours.

Right on cue, Terry could hear Camp's voice talking to the Memphis Air Traffic Control Center about an intermittent "transponder problem." He was eavesdropping on center frequency to determine the location of Seal and Camp's piggy-backing Senecas, which were then departing the Shreveport VOR enroute for Texarkana.

Reed's adrenalin was flowing as he strained to establish visual contact with the other two, who should be lower and, based on their last position report, 30 miles out. He was anxious to make visual contact and depart the holding pattern. Waiting, he was discovering, was the worst part. It only gave him time to think about all that could go wrong. Once things began to happen, he knew his mind would be occupied with the mechanics of it all, and the tension would subside.

Camp's distant red and green navigation lights were a welcome sight. Seeing Emile's red position light on the right, reminded him of a saying that he had learned during training: "Red on right returning". It meant the target was coming toward you.

Seal and Camp could not see Terry however, because his navigation lights were off. To let them know he was there, and to make sure he identified the right target, he came up on the discreet frequency 122.97.

"Dodger" one and two this is "Dodger" three. I've got a visual on you. Request identification."

Just as they had worked out, Camp silently flashed his strobe lights momentarily, allowing Reed to make certain

he had found the right target. As they had practiced, Terry's job was to now gain enough air speed in his descent down to their altitude to enable him to reverse course and tuck up under Seal's plane without over-running them or lagging behind. While doing this, he would take the opportunity to scour the area for the U.S. Customs "flat black Citation jets" he had been warned might be on Seal's and Camp's tail. All was clear.

By the time they all reached DUBOW intersection he was in position and waiting for Camp to give the coded signal "ident" as they approached the Texarkana VOR. His eyes strained to maintain visual contact on Seal's plane. He focused solely and completely on Seal's tail-hook allowing for the most minute adjustments in spacing.

"Roger, ident," he heard Camp's voice saying just as his DME read "1 nautical mile." This meant they were in fact, directly over the VOR, since their altitude put them one mile above the ground.

This time he was more prepared to stay with Seal as they made the turn toward the Hot Springs VOR.

In the distance to his left, he could see Camp's aircraft continuing on to its destination at Mena. With his and Seal's transponders in the "off" position, and Camp's "on", Air Traffic Control had unlikely noticed his and Seal's separation from the bright radar blip they were observing that night bouncing off of Camp's plane, amplified by his transponder.

"You still with me Dodger 3?" Seal asked as the lights of Hope, Arkansas came abeam off their right wing.

"Roger, Dodger 2," Reed acknowledged. "On my mark begin 500 FPM [foot per minute rate of] descent to three thousand five hundred. Five, four, three, two, one, mark."

This time their communication was abbreviated and their parallel descent went flawlessly with both aircraft leveling out as one at 3,500 feet MSL, still separated vertically by only a few feet. As they approached the Hot Springs VOR, Reed could hear Camp communicating with Memphis center and getting permission for a visual approach into Mena. He would soon be on the ground.

As rehearsed, Terry now activated his transponder, after dialing in 1200, and turned on his navigation lights. He then called Little Rock approach while over Hot Springs and requested radar services in anticipation of his landing at Adams Field. They responded by assigning him a squawk code of 3477 and asking him to ident. The dangerous part was not over, yet. He knew full well the severity of Seal's wake turbulence that he would encounter as Barry prepared to dive his plane through Reed's line of flight.

"Roger, Little Rock approach, this is Seneca eight-two-seven-five Tango showing thirty DME out of Little Rock, level three thousand five hundred, squawking three-four-seven-seven, identifying."

Seal dove, but this time Reed had made sure he was directly behind him and encountered only one severe jolt as he flew through Seal's "dirty air." **As he continued communicating with Little Rock, he watched Seal's plane from his left window as it skimmed along 1-30 approaching the clover leaf intersection with 1-430. Seal, who had gained air speed in the descent, was now ahead of him. Terry was wondering what the motorists were thinking if they sited the "UFO" Seal was piloting, as it streaked along, lightless, toward Little Rock.**

Seal picked up on the well-lit highway intersection, his "IP," a bomber pilot's jargon for his "initial point" on a bombing run, and headed north. Terry still didn't have a need to know about the location of the drop zone, but he couldn't help but notice Seal orbiting in a steep left-hand turn over a field containing a horse boarding stable off Terry's left wing.

In the dark void below Seal's plane, Terry could see what appeared to be the headlights of two motorcycles serpentine in the field below. This had to be the secret "drop zone," because he observed Seal's plane bank abruptly to the right in order to open the passenger side door enabling the cargo to tumble earthward.

It was a beautiful execution of a right-hand, 90-degree bank wing over, he thought, as he marveled over Seal's flying ability. The two headlights on the ground converged on the same spot and became motionless. Reed assumed they had found the cargo.

Then it hit him. SHIT!!!!!! "That's the Triple-S ranch," Reed said out loud.

But he had to put this out of his mind quickly and comply with his landing instructions. He observed Seal's plane departing silently southward as planned.

Once on the ground at Adams Field, he proceeded to a transit tie down slot at Little Rock air center. There, he would wait long enough to answer any questions, if approached, and then proceed home.

What Reed had observed, again without wanting to, was that the CIA's "night depository" was owned by someone he knew, namely, Seth Ward, his ex-partner in the Ultra-Light business. The duffel bag containing the money had landed right in the middle of Ward's horse ranch, the same ranch near which Reed had crashed the previous April.

Moreover, Terry knew who lived there and kept motorcycles stored in the barn. It was Ward's son-in-law, Finis Shellnut, whom Reed remembered as a man exiled to the ranch to dig post holes as punishment for marrying Ward's youngest daughter, Sally, and taking her off to Dallas and away from Ward's Godfather-like control.

Shellnut worked for Dan Lasater, Bill Clinton's personal friend and the man who employed Clinton's brother, Roger, as his chauffeur. Lasater & Co., Lasater's firm, was where Seal had been doing his "tithing." Reed was sure there was a connection between the tithing money Seal was depositing personally and the money being dropped into the night.

Ain't Arkansas a nice, cozy, small world, Reed thought.

* * *

The next morning Sawahata called Reed at home, requesting him to come to OSI.

"You did excellent job on first mission. You, Mr. Seal and Camp make very good aerobatic team. Agency money is safely 'on deposit' now. Thank you ... very very much. But, Terry-san, I have major pressing problem I need to discuss with you. Lot more to this manufacturing world than I was briefed on prior to starting all this parts business. I need your help with technical details concerning quality control of these parts."

Spread on Sawahata's desk were gun parts with yellow tags marked "rejects."

"I get feedback from John Cathey that some guns jam, guns which use parts built here in Arkansas. Jesus Christ, all these specifications and little numbers on blueprint are enough to drive me crazy. This is your field, Terry-san, so please help."

What Sawahata was realizing was what originally had seemed an easy way to circumvent the law requiring that weapons suppliers document their production and sales through end-user certificates, had some hidden pitfalls. It was a flawed plan if the parts didn't work. Sawahata was learning that precision manufacturing is an applied science requiring lots of expertise that can only be acquired over many years of experience.

Sawahata's CIA training hadn't prepared him to deal with mechanical problems. So he was now forced to take Terry into his confidence, even though Reed wasn't fully cleared for it. But he needed help, and fast, because Cathey was on his back.

"Where can we go to find the necessary instrumentation for thorough quality-control analysis of this part?" Terry asked as he inspected the lower receiver housing of an M16 that he held in his hand.

"We go Iver Johnson's," Aki said. "They have all necessary equipment, I think."

Both men got into Sawahata's car and drove to nearby Jacksonville, Arkansas, northeast of Little Rock, where the Iver Johnson's Arms, Inc. was located. There, Sawahata introduced Reed to J. A. Matejko, a manufacturing engineer, who was very much in the CIA's loop regarding the building of these weapons parts.

After a tour of the facility, Terry and Sawahata settled into a discussion with Matejko centering around his firm's inability to consistently hold critical tolerances on the weapons parts he was manufacturing. Sawahata had been told the weapons were jamming from heat buildup when operated on full automatic mode.

"The problem is we can machine the parts dead nuts (accurately) on our new Hitachi machining centers," Matejko said. "And Brodix (in Mena) is doing an excellent job of investment casting these parts. But our stack-up tolerances just go all to hell as a result of the sloppy work from our metal plater."

"Oh," Reed asked, "you don't have in-house metal plating capabilities?"

"No, we can't get licensed by the fucking EPA (Environmental Protection Agency). You'd think the CIA could lean on someone and get us a license if this work is so damn important," Matejko said.

Here again, due to the constraints of a covert operation, the X-factor came into play, and big problems had been created for the Agency. To make perfect weapons parts with the necessary close tolerances, Iver Johnson's needed to have a metal-plating capability in its own plant. This, in turn, required EPA licenses to dispose of the residual wastes containing dangerous heavy metals. These licenses are difficult and time-consuming to obtain and the Iver Johnson's had been unable to get the EPA bureaucracy to respond.

Reed learned Razorback Metal Processors, a firm located on the west side of the Little Rock Airport, was doing the plating for Iver Johnson's.

"So does the metal plater know what these parts are, and the tolerances that are required? Or is he just in the dark about all this?" Terry asked.

"Oh, no," Sawahata said. "We pay them special price in order insure secrecy surrounding these pieces. I made special trip there when this project first got started. Problem is not money. They being paid handsomely for 'special services.' They know who customer is. Problem is I think they are ... how do you say ... dumb-ass red necks. "

Since no one in the group was from Arkansas, they all had a good laugh.

Reed and Matejko knew what was wrong and it was not controlling tolerances while machining the part. Rather, it was the amount of material being added during the chrome-plating process, to the bore area where the bolt slid back and forth during firing. If this process was not controlled properly, too much metal could be added, thereby reducing the clearance between the sliding parts. This, combined with the slight swelling of the bolt due to heat buildup from the explosion of the cartridge in the rifle's chamber, was causing the bolt to jam.

The solution was simple, yet difficult. If Iver Johnson's couldn't be licensed by the EPA, a quality plater who truly understood weapons manufacture would have to be found. But this was a risky step, because it would involve taking another company into the arms loop. That would be a security problem for Sawahata.

Using the Arkansas Directory of Manufacturers for 1984, Reed began his search for a company with the expertise to do the job. He used the Standard Industrial Classification Code, or SIC, code 3471, used for

electroplating, to identify relevant companies in the state. There were a total of 14 in Arkansas at that time. Most of these turned out to be too large to approach, or the types of companies that run continuous in-house production for high volume work. He needed a special company, preferably one that understood the exacting requirements of gun production.

Terry flew Sawahata around the state to visit the small firms, but they turned out to be ill-equipped and too "back-woods" to handle the task. In frustration, Reed turned to an old friend named Jack Kreps who was co-owner of Aerofab, a company in Batesville, Arkansas. Kreps, who had been in manufacturing for years in Arkansas, recommended a company Reed had previously heard of, Choate Machine and Tool in Bald Knob, about 50 miles northeast of Little Rock. Reed located the nondescript and low-profile firm on page 290 of the Arkansas directory.

The owner, Garth Choate, had just constructed a new building and was expanding his general-purpose machining business into a products line that included survivalist gear and gun accessories. When Sawahata and Reed met Choate, they knew they had found the right guy. He recognized the opportunity to get high-profit work, which was not being competitively bid on by other companies. **On the surface he appeared to be an all-around good guy who hated "communists" and, most importantly, he knew how to keep a secret.**

Choate was an individualist with a vengeance. Guns were his thing. He and Sawahata developed an instant rapport based on their mutual needs. Terry began to think that a new SIC code would have to be created just for Arkansas. One entitled "Agency-Friendly Companies." He joked with Sawahata that the code should be 0007. Aki liked that and said he'd pass the suggestion on to Cathey.

Choate Manufacturing was not only able to solve the immediate crisis, but later expanded into areas of plastic-injection molding in order to produce critical parts and components being depleted from the National Guard inventory such as folding weapons stocks.

Terry, over the course of the next two and a half months, acted as Sawahata's "air taxi-pilot" and manufacturing advisor-expert. Performing in that unique capacity, he was beginning to see Arkansas from a new perspective -- through the eyes of the CIA. Sawahata was getting a new perspective, too. On his business calls around the state with Terry, he was learning about manufacturing, something the Agency needed to know more about. He was an avalanche of questions, constantly picking Reed's brain, taking notes and filing reports.

With Reed as the pilot, and Sawahata paying the fuel bills, the two melded into a black ops manufacturing team. **From Sawahata's constant line of questioning, it was obvious to Reed that the Agency viewed Arkansas as its very own banana republic and its new-found manufacturing base, as something to be exploited and developed, when the right companies were identified.**

But, most of all, the CIA found what it truly needed: a convenient operations headquarters where questions weren't asked, where the moonshine mentality saw "the law" as "revenueurs," those who wanted to deprive them of a living, and, most importantly, as noted on page 10 of the Arkansas Directory of Manufacturers, the state kept "government red tape" to a minimum.

This whole period with Sawahata was turning into one big "audition" without Terry realizing it. Sawahata was getting inside his head and was becoming comfortable with the world of machine tools to which Reed had introduced him. Without his knowing it at the time, Sawahata was filing the equivalent of military proficiency reports on Reed. Sawahata had named Reed well.

He was a "hungry wolf" who was ruthless when it came to business. "Terry-san," he had said. "You very aggressive guy when it comes to business."

"I ought to be Aki, I learned the hard way from my Japanese suppliers. Their motto hasn't changed from the days of World War II."

"Oh ... what motto you refer to."

"Take No Prisoners."

It was a strange alliance. Each had become the other's protege. Sawahata was learning about technologies hidden within manufacturing processes and Reed was learning the fine art of running an intelligence operation and keeping his lips sealed.

Terry was learning there were definite hidden benefits to working with the Agency, namely there was a secret good ole boy network. New business could just fall in your lap, out of nowhere, it seemed.

While flying one day, Sawahata gave Reed an important sales lead. "You need make visit to Piggot, Arkansas. You know where is?"

"Yeah, it's not too far from Blytheville, where I was stationed in the Air Force. What's going on there?"

"Oh, let us just say **I have inside tip from Washington. A new company called MRL has moved in. I think they will need some manufacturing expertise and new equipment based upon Agency contract they will be getting soon.**"

Reed loved it. Flying the Agency had its fringe benefits, all right. In this case, he was getting an inside tip on a potential customer before the firm even arrived in Arkansas. After checking out the lead, he discovered from the Chamber of Commerce at Piggot, a small town in the northeast corner of Arkansas, that, in fact, a St. Louis-based company, Missouri Research Labs Inc. (MRL) was starting a printed circuit board manufacturing operation.

As Reed developed the MRL account, he met Sawahata's secret contact, Gary Brandon. Brandon had come down from the St. Louis operation and, through him, Reed learned that MRL had secret military contracts through its Electronic Manufacturing Services Group in Albuquerque, New Mexico. That group, however, couldn't produce any weapons parts for the Agency in New Mexico because of documentation requirements and government inspectors at that plant. It had become necessary to start up this facility in Arkansas and disguise it as a general purpose printed circuit board operation to get away from prying eyes.

Seal told Terry later that the facility produced untraceable circuit boards and critical electronic components used in stinger missile guidance systems being made for the Agency. The stinger is a hand-held, ground-to-air missile that can be fired like a bazooka by an individual to disable aircraft. Seal could only speculate why they needed "no trail" stingers. Probably to arm some banana republic and then blame it on some unsuspecting government or private weapons exporter.

Terry sold Brandon some computer-controlled metal fabrication equipment whose purpose was to make electronics enclosures or black boxes to encase sophisticated electronics gear.

Sawahata snickered when he first told Reed about MRL and revealed to him that the Arkansas Development and Finance Authority (ADFA) had "the inside track" on this new operation because the state was making "preferential loans" to the company to capitalize its operation. Reed didn't ask any prying questions about this state-backed lending agency. He would learn later that the state had given MRL a \$1.5 million loan in late 1984.

It seemed curious to Reed that Sawahata was getting inside information about ADFA's activities, however.

ADFA was receiving an increasing amount of media exposure. **By now it was mid-February, 1985, and the**

local newspapers were filled with reports about Bill Clinton's formation of ADFA, set up to act as a bonding firm to finance industrial expansion in the state. Its mandate was to lend money at preferred rates either to local companies needing money to expand or as a source of low-cost recruitment capital needed to lure out-of-state manufacturing firms to Arkansas.

Reed knew about the Arkansas Industrial Development Commission (AIDC), whose board was appointed by the governor and served as a task force to attract new industry. This commission, however, had no money of its own. It simply took its clients, businesses wishing to relocate there, to existing financial institutions such as the Little Rock "bond daddies," already operating in Arkansas. Lasater & Co. was a firm that had been receiving on an average of \$300 million annually in this state bonding activity. Clinton, through the formation of ADFA, was, in effect, replacing the private bonding firms with ADFA and putting the state itself into the bond business.

The source of the state's capitalization, however, had been a point of curiosity for Reed. It had never been fully explained where ADFA's money would come from. He had even gone so far as to ask his attorney, Mark Stodola, a political insider in Little Rock, about the source. Reed and Stodola both thought ADFA was a good idea, but Reed found it odd that no other state seemed to be doing this. Stodola didn't know the source of the capital, and only assumed tax revenues would be used. This didn't seem to make sense, since the state budget had no funds earmarked for ADFA and the State Constitution barred deficit financing.

"Sure is a great idea," Reed said in Stodola's office. "But my expertise is in manufacturing, and I know what kind of money you're talking about to build modern factories that have state-of-the-art automation. You're talking about the need for a hell of a lotta money, millions. Where are they going to get it?"

"Beats me," Stodola said shrugging his shoulders. "That's Bill Clinton's problem. It's his idea."

*** * ***

But Clinton had a secret source -- one nobody would have guessed. Reed would soon learn who the source was and who was in charge of the state's "money machine."

It was mid-February, and Reed was at Rich Mountain having his Seneca undergo a "100-hour inspection." Camp was there for the same reason, and the two men were assisting Joe Evans by removing inspection plates on their near-identical aircraft.

Word was filtering back through the spook pipeline that another flight-training class was being formed. Reed and Camp were speculating that somewhere in the United States, probably Ohio from the hints their previous class had dropped, another single-engine class was nearing graduation.

Sawahata had already put out the word that, unless they heard differently, to anticipate a March arrival of "more beaner freedom fighters wearing Raybans."

"Shit," Camp said. "Just what I need. Another fuckin' summer with Ramon. I was really beginning to enjoy this night-flyin' activity with Barry. It's a hell of a lot easier, more safe and it pays better than risking your life daily with these commie killers from down south."

"Yeah, I was wondering how often they have you flying," Terry said. He had only flown that one mission for the drop at the Triple S. Since then Sawahata's other activities had kept him occupied, but he knew Seal and Camp had been burning the midnight oil, literally.

"Three times a week on the average. And Barry says if the duffel bags get any bigger, he'll need to enlarge the door on his Seneca just to be able to jettison the cash," Camp jokingly answered.

"Considerin' the size of Barry, and he fits through the door, you must be talkin' some big duffel bags," Terry added, referring to Seal's physique which was taking on record dimensions as of late.

"Yeah, he tells me we're movin' normally \$3 million per sortie. I wish I was workin' on 10 per cent like the state. I'd be retirin' soon."

By Reed's calculations that was about \$9,000,000 a week falling out of the sky and into the hands of Governor Bill Clintons' friends. By his calculations that was nearly \$40,000,000 a month arriving by Federal Express' secret competitor, The CIA's Green Flight Express. If the state was getting 10%, as Seal had said, plus the temporary use of the entire amount, that could explain why lots of money was being thrown around to attract out-of-state industry.

Reed wished he could confide in his lawyer Stodola about what he knew. Stodola would never have suspected the CIA was Arkansas' secret source of capital. That would sure finance a lot of "new industry" for Clinton, Reed thought.

And the best part was, it wouldn't cost the Arkansas tax payer anything.

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by [admin](#) » Mon May 23, 2016 11:22 pm

CHAPTER 12: STRANGE ALLIANCE

In black operations, Terry Reed was finding danger was never further away than the telephone.

He could hear it ringing as he entered his new residence on the 10th Tee of the Maumelle Golf Course. It was late Wednesday afternoon of February 20, 1985, and he had just finished a hectic day overseeing some Agency manufacturing problems.

All that was on his mind now was enjoying a Scotch and water at his new wet bar, which had a picturesque view of the golf course, and a tributary of the Arkansas River. His hard work was beginning to pay off, but trouble was at the other end of the phone he was about to answer.

Sawahata was on the line with some really bad news. "Emile Camp's airplane is missing," he said. "It is past due on a flight from Baton Rouge to Mena. I am telling you this because there is search activity going on, and I am sure it will be on news tonight. I do not want you over there drawing attention to yourself."

"How overdue is he?"

"Only several hours, but Barry and I fear worst."

The crash report would say that Camp died when his white Seneca with black, gray and red trim, registration No. N8658E, crashed into the north face of Fourche Mountain, eight and a half miles north of the Mena airport, as he was heading southeast. The National Transportation Safety Board (NTSB) crash examiner later reported

that there was no fuel found in the engine fuel lines, and both fuel quantity gauges read "zero" at time of impact. There was no post-crash fire. Camp had simply run out of gas, Terry and Seal later concluded.

But how??

Camp had been on very simple flight that day. He was to fly from Baton Rouge to Mena, and the flight plan he filed with New Orleans Flight Service estimated his time in route as two hours. Block No. 12 of his flight plan estimated he had three hours of fuel on board. He was flying an airplane he knew intimately, and had operated and maintained for more than two years. Combined with the fact that he was current in all his FAA ratings, and would be executing an approach into an airport he was familiar with, it should have been, in pilot's jargon, "a walk in the park." Or as Barry Seal would say, "as easy as finding your dick in the dark."

But that's not what happened!!

He departed Baton Rouge at 11:12 AM CST. At 12:55 PM, Camp was cleared for an approach at Mena Inter-Mountain Regional Airport. He then radioed Fred Hampton at Rich Mountain at 12:55 PM, saying he would be landing in "10 or 15 minutes" making his intended flight within the two hours he had estimated. But he never landed at Mena, and was declared missing at 2:12 PM, the time when his fuel would have been exhausted, the crash report said. [1]

This was simple math. That meant that Camp should have had at least an hour's fuel on board when he went down. But there was no fire. The wreckage was found two days later in a small area 200 feet below the mountains' crest. The NTSB listed the cause as pilot error. But Seal and Terry didn't buy that, and wondered what the aircraft was doing so far off course.

The prescribed instrument approach procedure would have taken Camp to the south and east of Mena, far away from Fourche Mountain, one of the high points in the mountainous area. The aircraft was equipped with the latest array of communication and navigation equipment, including state of the art LORAN-C. And strangely, there was no record of any further communication with anyone after Camp's last call to Rich Mountain Aviation. Why not? If he had been in trouble, surely he would have radioed Rich Mountain or ATC, or both.

Camp was an experienced pilot. Any student pilot will tell you what you do in a situation like this. If you find yourself confused and off-course, you never descend. Instead, you implement the three "C's" -- climb, confess and comply.

Camp's last communication with ATC placed him at 4,000 feet MSL. The instrument approach procedure called for the pilot to maintain a minimum altitude of 3,400 feet MSL until established inbound on the approach course. Once established inbound, Camp was then authorized to depart his mandated 3,400 foot altitude and descended for the landing at Mena. Even then, procedures dictated he would not be authorized to descend below 2,580 feet prior to establishing visual contact with the airport runway. So why did the aircraft impact the mountain at 2,200 feet, and over 8 miles from the airport? There was no way Camp could have had the field in sight from that distance.

But even more disturbing was Seal's disclosure to Terry after he had inspected the wreckage. He revealed that certain engine controls and switches were set in positions at time of impact that would indicate Camp was trying to get a restart on his right engine. Where, Seal wondered, did the fuel go? The NTSB made no mention of the missing fuel or anything else.

Arkansas State Police Investigator Russell Welch, the resident state police investigator in Mena, noted in his investigative report of the incident that Fred Hampton, the "on paper owner" of Rich Mountain Aviation, the Agency's aviation front company, told him he believed the plane had been "sabotaged" to prevent Camp's testifying about Seal's "sting" operation in Nicaragua for the CIA and DEA. He also told Welch that Camp was carrying documents on board dealing with the C-123 that Seal had used in the sting. No documents were found in Camps' wreckage. This C-123, "The Fat Lady," would be the 'very

same plane' the world would see protruding from the Nicaraguan jungle more than 18 months later after crashing during a CIA mission with a load of Contra arms aboard.

Polk County Sheriff A.L. Hadaway, himself a pilot, became alarmed when he heard of the circumstances surrounding the crash. Considering Camp's flying experience, he thought it all didn't add up and said, "He [Camp] could find this airport at night and land without lights; I've seen him do it."

But Rudy Furr, the airport manager at Mena, told reporters of rumors he heard coming out of Rich Mountain Aviation that were even more alarming, "I've heard murder, that Camp had a bomb on board, that he had 500 pounds of cocaine, and that he had \$3 million in cash."

When Reed heard the suspicious circumstances surrounding the crash, and the rumors about the \$3 million dollars, he privately concluded that perhaps Camp had been on a "green flight," and for some unexplained reason had deviated from his destination of Mena. It just didn't make sense though, since Seal wasn't piggy-backing with him. It was possible Emile was trying to lose a "tail", or maybe he was being followed by a U.S. Customs plane and was attempting to evade it. The element of the whole affair that was injecting paranoia into Reed was the rumor of sabotage. No matter how good a pilot a person is, if someone tampers with a plane and covers his trail properly, the plane will most certainly fall out of the sky.

Terry had lost a friend that day. It wouldn't be the last. Sawahata put all of his pilots on red alert while all aspects of the crash were investigated. He told Terry to be particularly cautious while pre-flying his Company plane. Seal cautioned Terry to be especially critical of the type and quantity of fuel being taken on when refueling. **They didn't know how it had been done to Camp, but all indications pointed to a saboteur in their midst.**

Another unsettling aspect to Terry was that Camp had earlier that very month exchanged planes with him for maintenance purposes. Terry had flown Camp's now destroyed Seneca N8658E to North Little Rock after the trade, and he and Sawahata had flown it for several days while Red Hall performed avionics maintenance on Terry's. Afterwards, Camp had continued to fly Terry's until they finally rendezvoused to re-trade. That meant that, if someone was out to get Camp, they may have also tampered with Reed's plane. Even after an absolutely thorough personal inspection of his Seneca, Terry still felt uneasy operating the craft for the next few days.

With Camp gone, Seal's importance to the government as a witness only increased. He and Camp had been the only gringos who could testify with direct knowledge about the Cartel bosses. Now, Seal was the only one who could testify about the link between the Contra operations and drug trafficking. And unbeknownst to anyone in Arkansas at that moment, was the resurrection of some key CIA assets in Miami, fanatic exile Cubans who had helped the Agency carry out its black and dirty operations around the world. They had become the Agency's willing assassins and saboteurs.

Camp had already had a run in with one of them, Ramon Medina. But soon there was to be another, even more deadly one named Felix Rodriguez, who used the code name "Max Gomez." He was already being brought into the loop by Donald Gregg, Vice President George Bush's National Security Advisor. Terry would meet "Max" very soon.

Sawahata had a more immediate problem, however. He needed a replacement instructor to take Camp's place for the "Class of '85."

Oklahoma was tasked with finding a replacement since he already had a list of known spook pilots as a result of his father's service with the Agency. It didn't take him long to locate a suitable replacement right there in Oklahoma. The only problem this second Oklahoman presented is what would be his call sign. He would have to be called "Tulsa."

The replacement was a pilot with considerable aviation talent. In addition to having flown both fixed wing and fling-wing (helicopter) aircraft for Air America, he was an FAA certified aircraft mechanic working in Tulsa at a commercial airliner overhaul facility. What most impressed everyone was the fact that he

had been a test pilot for a firm in Coffeerville, Kansas which had been responsible for the development of an STOL aircraft called the "Helio Stallion."

With his short stature, receding hairline and cherubic face, Tulsa bore a resemblance to the rock 'n roll singer Elton John. But his quiet and bashful demeanor was deceiving. He was something else when he got into an airplane. He lived on pure 100-proof adrenalin and was unaccustomed to taking orders. Everyone was wondering how he and Ramon would interface.

"Tulsa" was happy to be "recalled." [He, Terry and Idaho got along because of their mutual "railroad" experience overseas.](#) They spent a few days together updating their lesson plans and exchanging war stories.

Contrary to the Contra class of '84, this time the instructors and Sawahata seemed ready for the arrival of the students at Nella. As they waited at Rich Mountain for the arrival of the Class of '85, Ramon Varnados was taking the camp out of mothballs and there were early indications of spring. Varnados had been busy using a landscaping box-blade behind the tractor to repair the erosion that winter weather had inflicted on the sod airstrip.

When the truck with the students arrived, Medina and Diego were already with them barking orders. It was apparent that things would go smoother, since these arrivals already seemed to be in a higher state of discipline than the previous class was when it started.

It appeared that this batch of Freedom Fighters was already accustomed to Medina's "lack of punishment is reward enough for a job well done" management philosophy. **Terry could certainly relate to that dictatorial leadership style and sympathize with the trainees. It was the same one honed and embraced by the Strategic Air Command (SAC), in which he had served.**

Medina informed the instructors that there had been a higher washout rate in the single-engine training due to the application of higher standards. The quality of this new class would therefore be higher, he predicted. It was definitely smaller, only 14 this time. This made everyone happier.

Medina took the opportunity, with everyone present, to give a motivational briefing. He said he had been in Central America and that a CIA ground-based invasion by the Contras was in the offing. Key Sandinista leaders would soon "disappear," he said confidently, but he did not elaborate on this. Terry got the chills hearing that, remembering as he did the "assassins" Medina and the others had trained at Nella. He could only assume that the assassin students would have something to do with the "disappearance" to which Medina referred.

What became known as the Iran-Contra operation was finally in full swing. The White House by now had turned up the heat. President Reagan was implying that the Sandinistas were receiving training and supplies from our declared enemies in Iran, stating that "most of the prominent terrorists groups" in the world were giving "advice and training" to Nicaragua. [2] He neglected to mention American arms were being secretly sent to Iran to help free our hostages. Nor did he mention the CIA was secretly arming the Contras. With Medina back in Nella, Felix Rodriguez was on his way to El Salvador to aid in the training of counter-insurgents.

1985 was quickly becoming "the Year of the Contra". From what

Terry was learning about Seal's "airdrops", it seemed a great deal more money, more than the previous \$40 million a month, was coming into Arkansas. He could only assume that, once this money was "invested" through the maze built within the Arkansas bond business, the Contra effort was benefiting from these gargantuan "night time deposits". These tremendous sums overshadowed the healthy "donations" from wealthy right-wingers that were being solicited by Lieutenant Colonel Oliver North's non-profit network operating out of Washington. These donations, by comparison, were a drop in the bucket and were probably just being used to mask the existence of the real cash that Seal was flying in. Theirs' was probably only "seed money" being used to cover the CIA's banking trail, Terry and Seal theorized.

After the Medina briefing, and prior to the instructors leaving for the day, Sawahata introduced Medina and Diego to "Tulsa," and explained he was the replacement instructor for Camp.

"I certainly hope you don't show the side of insubordination Mr. Camp displayed while teaching here," Medina said to Tulsa. "It was not good for the morale of my troops to see such open disregard for a person of my stature."

Tulsa, with a wad of mint Skol in his mouth, spit on the ground, splattering tobacco juice on Medina's spit-shined jungle boots.

"I don't cotton too much to all this military shit, that's why I got out of the Air Force and was sheep-dipped * in order to work for the Agency," he said. "My job is to turn these guys into good pilots. And I'll die tryin' to do that. You and I'll get along just fine as long you keep out of my way and let me do that."

Medina had picked on the wrong guy again. He had underestimated Tulsa probably because of his demeanor. Reed could tell by the twinkle in Tulsa's eyes that he was ready and confident of the outcome. So did Medina who did nothing but give Tulsa a piercing Hispanic stare. Sawahata bristled and was getting ready to intervene. But there was no need, Medina only cursed in Spanish and walked away. The group was off to a great start again, Terry thought.

On the way back to Little Rock, **Sawahata confided to Terry that he was afraid there was a connection between Camp's death and Medina, and that the bad blood between them had just seemed to fester without end. He wanted Terry to keep his eye on Medina's actions toward Tulsa and report immediately if Terry felt that Medina was going to do more than give Tulsa his macho evil eye.**

"I don't see what Agency sees in these fucking Cubans," Sawahata said. "They seem crazy to me. They are like trained police dogs, except one is never quite sure who master is."

"Yeah, I wish we would go ahead and invade down there in order to cut out all these non-professionals," Terry responded. "I don't mind telling you Aki, I don't like to be associating with people like Medina. I sure hope you put in a good word for me when this is all over so I can get beyond this type of work. My wife doesn't want me to end up like Emile, especially with two sons to raise."

"Why you say son? You no have new baby yet?" Aki asked.

"Technology, Aki. Haven't you heard of ultra-sound? Janis had one last week. It's definitely a boy, or it has two umbilical cords."

Terry and Sawahata were becoming close friends. By spending countless hours with Aki over the past several months, Terry thought he knew almost as much about the CIA's activities in Arkansas as Sawahata did. His combination of flying and his expertise in manufacturing, as well as loose security, had exposed him to the many operational loops. But even extensive inside knowledge didn't prepare Terry for what happened March 13th, 1985

The phone call that morning was from Linda Crow, Mark McAfee's secretary/mistress. She was frantic, Mark was off on another diet-pill binge, and even more incoherent than normal. In fact, he had taken time out that morning to punch her around a little just to show how much he loved her.

She was approaching her limit, and could no longer contain her belief that he was becoming mentally ill. "Terry, you gotta come by the office real fast; Mark's not here right now, and I have to talk to you about something real important," she said sobbing.

Terry could tell by the tone of her voice that she desperately needed a friend. She had confided in Janis that Mark was becoming more violent with her, and she didn't know how much longer she could tolerate his punishment. Terry's new home in Maumelle was only four miles away, so he got in his car and drove over.

When he arrived, Linda was pacing in the parking lot and chain-smoking. She clearly was a nervous wreck. "Terry, I gotta talk to you before Mark gets back. And you shouldn't be here when he returns. I think he's actually going crazy. It's those damn diet pills. He's gonna hurt someone, Terry. He's even carrying a gun now, everywhere he goes. He thinks everyone's out to get him. And I know this sounds stupid, but I love him. You just gotta help me handle him."

How could he help?, Terry wondered. Another classic example of a nice woman getting involved with a married man whose life was out of control, and he wouldn't take action to repair it. McAfee, at this point, reminded Terry of an aircraft in a terminal dive. Its air speed had grown so high that in order to pull it out, you'd have to pull so many "G's" it'd tear the plane's wings off.

He had basically written off McAfee. And he told her so.

"You've got to get away," he said to her. "Just quit, pack your things and leave this town. Janis and I will help you with money if you need some. It just pains us, Linda, to see you let him treat you like this. "

"Terry, it's not only me. He's gonna hurt other people, too."

"Like who?"

"Your friend, Aki. I don't know how to tell you this, Terry, it sounds too bizarre. But Mark is trying to get Aki in trouble with the FBI. Some damn harebrained plan of his to get rich quick and make a lot of money as a reward from the government."

This really got Terry's attention.

"Linda, slow down and tell me all you know about what you just said."

She confessed that, as far back as November, McAfee had been communicating with the FBI office in Little Rock concerning what he said was" a devious plan by a Japanese firm to steal and export prohibited American technology."

As Linda paced, and smoked, the significance of what she had said began to sink in. This could be a major disaster, not only for the Agency, but the entire Contra training effort, since Terry did not know who, beyond the CIA, was in on the Arkansas operation.

"Linda, do you know who he's been talking to at the FBI?"

"Oh it's a real funny name; I've heard him call up here several times and talk to 'Mark.' He always goes in his office and closes the door when he's talking to him, but I think I wrote it down once on my daily planner."

After retrieving her planner, and searching the previous months, she finally found where she had scrawled the name "Mark Jessie, FBI."

Armed with the information just given him, Terry headed for Sawahata's office. The compact man from the CIA turned visibly white when he heard what Terry told him. He frantically searched his file cabinet until he found the folder labeled "Mark McAfee." Within it was a brochure of a Hewlett-Packard integrated circuit cell tester.

"Terry-san. This guy must be crazy! I did not even know what it was when he showed it to me. I still do not know what it is. We have major security problem. This is emergency. I need a drink!"

By now, it was approaching lunchtime. Both men decided to get away from OSI and go to their usual haunt in order to think and formulate a plan.

Two perfect Rob Roys on the rocks still didn't seem to calm Sawahata's nerves. His paranoia began to run rampant. He began to reconstruct conversations McAfee had lured him into over the phone, now believing he had been secretly taped, and McAfee had given the tapes to the FBI.

"Problem is, Terry-san, we do not know how far investigation had progressed. They have had many months to be spying on me." The word "spying" struck Reed as pure irony.

"If I had known about this earlier, I could have had Washington implement damage control, but with investigation so many months old, perhaps many people within FBI, who were not in proper loop, now know about my activities," Sawahata said. "Is major problem for me! I LOSE FACE! All my Agency training did not prepare me for crazy rednecks like McAfee! Another drink for me, please."

Sawahata was most concerned about the political embarrassment this could cause the CIA. What if this information was leaked to Reagan's opponents on Capitol Hill? Aki's career would surely be over. But he had been reared in Japan, where personal disgrace was overshadowed by something else. Aki feared he had blackened the image of the Agency and disgraced it. And for this he could not be forgiven.

He even feared he would be "terminated" from his job, which takes on a more ominous meaning in intelligence parlance. It means you're dead.

"I must take vacation immediately," the distraught Sawahata confided. "Worse thing can happen right now is for FBI to interview me. We are at critical stage of program; all phases are operational now. Jade Bridge and Centaur Rose are successful, thanks in part to your help. I think program is self-running at this point. With Bruce's help maybe you can cover for me for awhile. I need to think things out in Washington. Come with me, I must introduce you to someone."

"Bruce" was one of Sawahata's employees. All Terry knew up to this moment was that Bruce functioned as an office manager. He handled the day-to-day details of the export business that masked the real activities of OSI. When he had met him months earlier, Terry had been told by Sawahata that Bruce was from northwest Arkansas and spoke five languages. The emergency had forced Sawahata to reveal Bruce's true role.

And that wasn't the only intelligence rule broken that day. **To guarantee security, operatives never come in contact with anyone in their chain of command other than the person directly above and below them. The "one up, one down rule" is what keeps the program secure, and the identity of its people from being discovered in the event any single individual is compromised.** Prior to this emergency, Terry was unaware of and had "no need to know" about the man Sawahata interfaced with, and the state's link to the operation.

But now Sawahata was forced to take Terry to the "someone" he had just mentioned -- and that someone had his office in the south wing of the Arkansas State Capitol.

He could tell Sawahata was accustomed to frequenting the place as he parked his nondescript four-door Oldsmobile Cutlass in a "no parking" zone in front of the Capitol, an area normally reserved for dignitaries.

It was close to noon, and Sawahata was concerned about catching this "someone" before he left for lunch. He walked briskly into the building with Terry close behind. As they turned down a hall heading through the south wing, they entered a door that read "Arkansas Industrial Development Commission." Inside was a stately room decorated with period furniture.

The receptionist was on the phone, but recognized Sawahata and motioned him to a seat. After she hung up, she asked Sawahata if he had an appointment.

He said no, but told her it "very important to see Mr. Nash immediately." He could not wait until after lunch, he said. Nash emerged from the office a few minutes later, clearly ill-prepared for what he was about to hear.

Sawahata moved close to the other man and, in a panicky low-tone voice, said: "We have emergency. I have to leave town immediately. Let us go inside for private meeting. This gentleman with me is Mr. Reed. You know who he is."

The man who ushered both men into his office was Bob Nash, whose official title then was Senior Assistant to the Governor For Economic Development. Terry was taken back by his appearance; he was a perfect double for [Bill Cosby, back in the days when the actor starred in "I Spy," a television series about a businessman in Europe who was in reality an American intelligence agent.](#)

After closing the door to his office, Nash expressed anger that Sawahata was speaking so freely in front of Terry. "Aki, are you sure you want Mr. Reed in on this meeting. This is very awkward. What's this all about? I have lunch scheduled with you for tomorrow. Can't this wait?"

"No," Sawahata answered. "And Mr. Reed is cleared for everything I am going to say. We have difficult situation that becomes major embarrassment for all of us. A local businessman has reported me to FBI here in town, and we are not certain how far investigation into OSI's activities may have progressed."

Nash was clearly distraught. He motioned both men to a small, round antique table near the west wall of the stately office. As they sat down in the Chippendale-style chairs, Terry noticed the fireplace on the south wall and Nash's giant, dark, antique mahogany desk. Everything in the room was neatly arranged, giving it the appearance that not a lot of work was done there.

Nash sat back in his chair, leaving Sawahata nervously hunched over the table. As Sawahata chattered on, Nash kept looking at Terry as if to gauge his reaction to Sawahata's narrative about "the emergency."

Nash listened intently, shifting his focus back and forth between the two men across from him. He was making Terry uneasy with his intense stares.

When Sawahata had finished, Nash said in a slow calculated tone that bore no discernible accent of any kind: "I want you to understand, Mr. Sawahata, I'm not necessarily agreeing with the way this is being handled. It appears to me that you, Aki, have contributed to this problem. And now you've set in place a plan to take care of

these problems that is obviously going to affect me and this office. I suppose all we can do now is take a wait-and-see attitude after you go to Washington and inform your people about our problem here. Of course, I'll have to have a meeting with my people and make them aware of all this. Maybe we can exert some control at our level over the local FBI."

After a long silence, Nash turned to Terry and said: "What do you think, Mr. Reed? You know this McAfee character better than we. How far will he pursue this scheme of his? ... I mean, if he doesn't see a response out of the FBI?"

"From what I understand from his secretary, he's totally unpredictable at this point", Terry said. "The good news, from your point of view, is he's not politically connected as far as I'm aware. I think if someone in the FBI were to humor him and convince him there was an on-going investigation, he would probably cause no further problems in this area, for now at least. But he is a loose cannon, and he's desperate."

"I like the way you think. Maybe this office can unofficially intervene with the FBI," Nash suggested. "That would buy us the time we need for Mr. Sawahata to get Washington on top of this. Maybe the problem isn't as large as we think. "

Nash and Terry had dissected the problem clinically like surgeons and divided it into two categories: areas that could be dealt with, and areas that could not. Sawahata, on the other hand, saw it only one way. In his mind, he was the source of the problem. He was the professional in charge. Terry was afraid Aki was about to fall on his sword over this.

"So gentlemen," Nash said. "I have a busy schedule this afternoon. Mr. Reed, I would like to have a private conversation with Mr. Sawahata. But considering the turn of events today, I think you should plan on meeting me for lunch tomorrow in Aki's stead. He will be busy in Washington, I'm sure."

Terry left and waited outside by Sawahata's car. As he looked up at the Capitol Dome, a replica of the dome in Washington, his mind was reeling with thoughts that disturbed him.

The significance of the meeting was beginning to impact on him. He had now been drawn, through no design of his own, to the pivotal point of the intelligence loops that were orbiting around Arkansas. What he had just learned wasn't taught in political science classes.

Here he was at the core. Like Dorothy, he had looked behind the curtain and seen the true "Wizard."

Here was what seemed a strange alliance. A state run by Democrats in bed with a Republican administration in Washington, and both conspiring to evade Congress' prohibition against aiding or abetting the Contras. It was so steeped with hypocrisy.

Was the CIA the invisible force that had the power to compromise these political pillars of the nation?

Were these same invisible forces orbiting only in Arkansas or throughout the nation? He wondered. But why limit it to the nation? Perhaps the world functioned under one control. Could that control be the CIA? Was there a secret alliance of agents worldwide who operate as they please?

Religion, he had come to realize, was a form of social control. Was politics as well? Was it just a game like professional sports, simply to divert public attention from what was really happening? Was it all just a placebo?

While driving back to OSI, Terry was strangely quiet and withdrawn. He was feeling manipulated by the social order he had been raised to obey, and now he had doubts about his previous motivations in life.

"You're awfully quiet, Terry-san," Sawahata said after a few minutes.

"Aki I've got to ask you a question. It's funny I've never asked, considering all the time we've spent together. Are you a Republican or a Democrat."

"I am a political atheist. I work for the CIA."

"What does that mean?"

"That means Agency is politics. Agency is the government. Everything else is just puppets, a big game, Terry-san. You did not know that?"

If Terry Reed was not a liability before, he certainly was now. Those who see behind the curtain are always a threat. It was like someone telling the Pope in the 1300s that the world was really round and that it did, indeed, revolve around the sun, rather than the other way around.

But those who feared him would not pull the trigger themselves. They would not resort to such "dirty", "mob-style", methods. They would use a much more clean, convenient and safe way to "terminate" him. Simply manufacture a criminal profile, construct a crime, and let the "system" do the rest. Reed would find that when

irritated, the United States Government could simply use its internal resources to "eliminate" an asset.

* * *

Terry had a restless night as he lay half-awake analyzing what was occurring and his feelings about it. He could now recall Sawahata's comments after he came down the Capitol steps.

"Terry-san. Thank you very, very much," he had said.

"This is major embarrassment for me. I called Washington from Mr. Nash's office. I need to go get on secure line and explain problem in detail. But it looks like they can help. Too early to know for sure, but I must leave for Washington tonight. I am so glad you are my backup. I know I can count on you. Mr. Nash likes you."

Just as it is performed in combat, Terry had been given a field promotion, one bestowed on the spot during battle by a field commander when the officer above you in rank has been put out of action. Akihide Sawahata's injuries were not physical though. He had been compromised!

But he lay awake thinking that maybe his "field promotion" was the result of Sawahata's deserting his post. He wondered if Nash was aware of Sawahata leaving Little Rock that night when he had earlier in the evening showed up at Terry's house with his wife, two children, and what appeared to be all their worldly goods in suitcases and boxes with string wrapped around them and their names on the labels.

Sawahata had been evasive about his plan to return, if ever, when he drove up unexpectedly and talked to Terry in his driveway that night. He hadn't even remained long enough to say goodbye to Janis, who was out showing homes to prospective buyers. His Japanese wife was typically obedient, and acted as though she didn't even know why they were leaving.

"I talk to Washington," Sawahata said. "They want me out of here for awhile. They need time to analyze problem. You should alert everyone in Mena and Nella, especially Mr. Seal. Just tell him we have big security problem. He will understand. You go to lunch with Bob Nash tomorrow. Everything will be OK. I do not know when I return, it is up to Agency." With that brief sayonara, he was gone.

The next day, March 14th, the conversation began casually as the two men gazed at each other across their egg drop soup at Fu Lin's. The banter was light, with each taking measure of the other, not unlike a blind date. Circumstance had thrust them together.

Nash had taken the intervening time to brief himself on Terry, since he seemed to know a lot about his background as they talked. Reed knew little about Nash, but assumed the Black man hadn't attained this post by being stupid. He could only assume that there were faceless people behind Nash based on his comment yesterday that he had to discuss the matter with "my people." Terry felt that would be a good starting point to switch from the social talk to business.

"I'm at a disadvantage here, since I really don't know what my role is now," Terry told Nash. "Aki explained to me yesterday that I would be a liaison to your office. I presume you've had time to talk to the people you referred to yesterday. Are they in agreement with me performing as this liaison?"

"I don't mind telling you we're all walking on eggs right now. My people have been thoroughly briefed, and we all see the necessity of someone filling Mr. Sawahata's shoes during his untimely absence. To answer your question, yes, we feel you're suited to perform as liaison, considering your background and knowledge of the program here in Arkansas. I don't have to tell you how sensitive this situation is."

"What are my duties, and who do I report to?"

"You sure do get right down to it, don't you, Mr. Reed? I like directness; it's something I don't come in contact

with often, working as I do in the Capitol."

Nash outlined to Terry that he was expected to be Nash's "eyes and ears" in operations Jade Bridge and Centaur Rose, whose code names were known to him.

What worried him most, he said, was political fallout. **He went on to say that he understood why the CIA was resorting to subcontractors, "characters" he called them, who by design had been recruited because of their "seedy background." These people bothered him the most and they needed "adult supervision." Terry saw Nash as the equivalent of the liaison and "accountant" to the Laotian prince who had rented his country to the CIA years ago.**

All Nash really wanted to know, it was clear, was if all was going well. To alert him of any potential problems before they developed and, most importantly, about all "the deliveries" at the ranch outside town, especially if they were on time ... and with correct tallies.

"We will need to have lunch at least once a week, maybe more often if the situation demands," Nash told him. "Obviously, I'm not wanting written reports on this. You just keep track of who, what, where, when, why and, most importantly, how much, and we'll get along great. **I'm sure Mr. Sawahata will return soon, but in the meantime, I'd like to say it's refreshing to work with an Anglo.**"

Terry now understood Laotian Prince Souvanna Phouma's motivation. It was money, pure and simple. There were no politics in Laos ... or in Arkansas. There was only power, and offerings had to be made. He lay awake wondering -- if there was truly a "wizard" in the Land of Oz, he was probably for sale too.

After stopping by to see Bruce, Terry discovered through OSI's secure communications that Seal was in Mena. He got into his plane and headed west, thinking about Sawahata's admonition to alert Seal of the new developments. This he wanted to do in person.

After listening to Reed recite the details of the "emergency" that led to Sawahata's fleeing the state, Seal, in his usual relaxed way said: "So the Chink just discovered we was bein' investigated, huh? Hell, I've known about that ever since that dumb ass McAfee shit called the FBI back in November."

"You've known about this all along? And you didn't tell Aki?" Terry asked somewhat startled.

"Naw, I figured he needed some excitement in his life. That desk job of his will be his death yet." He couldn't stop laughing.

"You didn't answer my question. How did you know about the investigation?" Terry asked.

"I'm gettin' the best intelligence money can buy. I call it payin' commissions, Terry, you know how the world works. You were in Southeast Asia. Everybody over there was on the fuckin' take. You had to bribe ... pay somebody a fuckin' commission ta get anything done, didn't ya? Ain't no different here. It just costs a little more."

"Are you telling me you're buying inside information from the FBI? Are they in on this operation, too?" Terry asked, reflecting back to the comments Nash had made about contacting someone at the FBI.

"Well, you might say the Agency has a couple of moles in the FBI that are supposed to be runnin' cover for us over here. You know, CI (Counter Intelligence) types. That's the kind J. Edgar could never quite trust or control." The Fat Man was vibrating with laughter. It was the first time Terry had seen him laugh since Camp had been killed.

"That's the kind of Fed you never want to turn your back on. These crossover types," Seal said between breaks in laughter. Terry had experience with this kind of agent back in Oklahoma while working with Wayne Barlow.

Barlow was a "bridge agent" whose salary was paid by the FBI, but he was closer to the CIA in heart and mind than his FBI bosses would have liked.

"But I'm glad you brought me this information, Terry. And I'm sorry to see Aki takin' everything so serious and leavin' town and all. But, hey ... that means ya got promoted, huh? I always like to see my friends movin' up in the world. Ya never know when that can come in handy. Wanna go with me to slop the hogs?"

Terry was confused by the terminology. But he decided to ride along anyway to have dinner at a local diner with Barry. They had all been too busy recently, and Camp's death had left them in a somber mood. The "hook-it and ride" attitude was gone now that they believed a murdering saboteur was in their midst. Seal even had another mechanic brought down from Ohio, a person he said he really trusted. He privately told Terry that "Mike," the Black man from Puerto Rico, was sent in by the Agency to insure the aircraft were not tampered with. Mike was in charge of avionics inspections to insure none of the other Company planes were sabotaged as they suspected Camp's had been.

Driving north out of the airport complex in a one-ton Chevy truck, Seal stopped at the intersection of the airport road and the east-west highway at the north end of the field. While waiting to turn, Barry noticed a nondescript four-door sedan heading east toward them. As Seal pulled on to the highway, he began flashing his headlights at the oncoming car and pulled off the road into a service station parking lot on the north side of the road.

"Yep, it's time to slop the hogs," he said. "Reach under your seat and see if you find a paper bag."

Terry found a brown paper sandwich bag, the type used for lunches. It was neatly wrapped around its contents and sealed with masking tape. Its contents were approximately a half-inch thick and felt like money. As the car Seal had signaled pulled off the road and approached the truck on the driver's side, Seal chuckled, "**Terry, meet my very own FBI Special Agent, and I do mean own. In fact, everybody should own one; they can come in handy. He's one of my inside guys, and it's time to make my monthly installment payment for intelligence. Hand me the sack please.**"

As the car pulled within inspection distance, Terry noticed it had all the markings of an "undercover" FBI car; black wall tires, little hub caps and small antennas. It appeared that the man in the approaching vehicle was uneasy, probably due to Terry's presence in the car with Seal.

"You earned it this time," Seal said as tossed the bag into the window of the other car. Terry could not see the man's face at this point, but he could hear the other man say, "Who's that with you?"

"It's the guy out of Little Rock that flies around with the Chink. Speakin' of which, he just ran off to Washington yesterday with his butt on fire due to an 'in-ves-ti-ga-tion' he got wind of out of the Little Rock FBI office." Seal couldn't hold back the laughter, and began shaking as he added: "Ain't that a hoot? Shit, you told me about that back in November."

The FBI man obviously didn't want to have this conversation in daylight, nor hang around and socialize. He made his excuses and abruptly departed. As the agent drove out of earshot, Seal added, "**Ain't money great, Terry? With it, you can buy damn near anything.**" He then gave the Arkansas Razorback yell while spinning the truck tires in the dirt: "SOOOOOOEEEE pig."

Terry realized Seal had just bribed the FBI!

After dinner that night, and while driving back to the airport, Terry turned the conversation to his future once again. He had gotten a promotion, he thought, but he was still in Arkansas training Contras. Not his idea of a career.

"Barry, what have you heard about Cooper's operation down in Miami?" Is it gonna be up and running soon? Or was that just a false start?" Terry questioned. "I sent my resume down there, but haven't heard

anything back."

"Oh yeah, I forgot ta tell ya," Seal said. "Yeah, I been down south, and I can tell ya this isn't somethin' you wanna get involved in. You know, I know Janis, and I think she envisions some kind of life of luxury livin' abroad with you playin' spook, and that's not what's goin' on down there. These are all cowboys ... old cowboys I might add. And the livin's hard, and the pay ain't great. You better write that one off. I don't wanna be responsible for gettin' your wife mad at ya."

Although Seal did not spell it out, he was obviously warning Terry away from the shoddy operation being organized by Southern Air Transport in Miami. This was the "small Air America" Cooper had referred to in his conversation with Terry back in November. **The pilots were based in Honduras, and living in primitive quarters. While Richard Secord was billing the Enterprise an average of \$10,000 a month for each pilot, he was paying them no more than \$4,500 to fly combat missions with shoddy aircraft and antiquated equipment.**

As Seal dropped Terry off at his plane, he gave him one of those looks and said, "So what's Bobby Nash got you doin', besides spyin' on me? I hear he refers to me as one of those 'seedy characters' over in Mena." He started laughing. Terry wondered if Seal had Nash's office bugged when he heard the term "seedy character" -- Nash's exact words.

"Don't let him turn ya into Bill Clinton's bookkeeper like he did the Chink," Seal said, as he again spun his tires and drove off leaving a trail of dust.

Notes:

* By "sheep-dipped" he was referring to a procedure used by the CIA from 1959 to 1975 to set up a secret army in Southeast Asia. Select volunteer pilots were flown to aircraft carriers, which are American soil, mustered out of the military and, in exchange for time still owed Uncle Sam, given contracts of employment with Air America -- meaning the CIA. That made it all legal.

1. National Transportation Safety Board Accident report, May 5, 1985.
2. Compilation of Presidential Documents, Vol. 21, #5, at 91-92.

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Posts: 32204

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[Re: Compromised: Clinton, Bush and the CIA: How the Presiden](#)

by [admin](#) » Tue May 24, 2016 5:43 pm

Part 1 of 2

CHAPTER 13: FEEDING FRENZY

"Goddam! I don't know what all you been doin' up there in Arkansas for the Agency, but you sure got some

people's attention down here in Florida. If I didn't know you better, I'd accuse you of brown-nosin'. I attended a meeting yesterday in which you were the major topic of discussion.

"John Cathey was down here for an operational discussion and I was elected to give you a call in order to bounce an idea off of you. You got a minute to listen?"

The call had caught Terry by surprise. It was March 16, 1985. He was scheduled to fly that night at Nella and was hoping to sleep late, but it was Saturday morning and Duncan had bounced into his bed at the crack of dawn for the Saturday morning cartoon ritual. Bill Cooper's call had caught him right in the middle of a children's cartoon show, "The Roadrunner Hour", that he and Duncan were watching in bed. It was their favorite show. They especially liked Wile E. Coyote because he never gave up and was ceaselessly innovative. Sooner or later, he would catch that critter.

After changing phones to leave Duncan undisturbed, Terry heard Cooper outline a concept he said had been "kicked around" during the recent Miami meeting. Southern Air Transport (SAT), he noted, was in charge of transportation for an operation he couldn't discuss over the phone. Based upon Agency reports that were falling into the hands of "Cathey," the "customer", as he put it, was considering a start-up operation perhaps based in Mexico that could use talent Terry possessed.

They wanted Terry to do a feasibility study for a machine-tool company that would operate as a front in Mexico. Cooper went on to say that SAT was not set up to handle this type of operation, although they would be in a position to contribute heavily to the transportation side of the plan. They could provide air transport for "heavy things" that would look a lot like large machine tools. If the study indicated that the plan could work, it would require living abroad, something he knew would excite Janis.

"Sure, I'm interested, but I'm awful busy right here in Arkansas. I guess I could talk to these people about this and maybe they can find a replacement for me up here."

Cooper was quick to react to that. "Don't tell them about this right now. That could be a real touchy subject. Don't want to tip the apple cart. As I understand it things are goin' real smooth up there, except for the problem with the Chink. We don't want to upset the state officials with our plans. Do you get the drift?"

It was clear from what Cooper was saying that the Agency didn't want anyone connected with the State of Arkansas to know what they were contemplating. "Why" was not discussed.

"By the way, yesterday I saw a Fat Man we both know," Cooper said cryptically. "He said you weren't interested in crewin' for me down there. And if that's the case, I'll take your name off the list. It sounds like your plate's pretty full right now. This same Fat Man will have more details on this Mexican subject when he returns to Arkansas. In the meantime, drop me a line and give me your thoughts."

Terry was intrigued. Two days later, on March 18, he wrote and mailed Cooper a letter addressed to him in care of SAT. Terry had not seen Seal, but he wanted to get his interest in the operation on record fast. As a "PS," he addressed an issue he had not wanted to raise with Cooper on the phone. The Charlie Cautro. At the end of the letter, Terry wrote: "Your storage item is fine, but PLEASE expedite its pickup."

Terry's meeting with Bob Nash for lunch that day had been called to discuss "damage control", or how to contain the FBI's investigation of Aki Sawahata. "We were able to extract some very interesting information from the local FBI office," Nash told him. "It sounds almost too good to be true, but, apparently, **Mr. McAfee's 'crime' was handed off to an FBI agent who's under the control of the Agency, S.A. Mark Jessie**. He was given the case since it involved an investigation into international espionage, his area of expertise."

"When I talked to Linda Crow, she felt McAfee had been talking to other people at the FBI office before he was put into touch with Special Agent Jessie. What about those people? Is your source sure there's not some kind of parallel investigation going on into OSI's activities?" Reed asked.

"Well, we are dealing with the federal government and anything is possible. For that reason, the state has requested that Mr. Sawahata not return until we're assured this near-calamity has blown over. In the meantime, you just keep reporting to me."

"I have a rather sensitive question to ask you, Bob," Terry interjected. "And don't answer if it offends you or violates my need to know. Did you have any advance warning of this 'near-calamity,' as you put it, prior to Sawahata telling you last week? And did you have to buy that information from the FBI? Or did they volunteer it freely?" Reed was "fishing" to find out if Nash was buying his intelligence, just as Seal was.

"I had no advance warning," Nash answered. "I'm sure you could see it came as a shock to me. I don't wish to answer the other question. But why did you ask about buying information?"

"I just figured that if you had a relationship with the FBI, your office would have been forewarned about any investigation of OSI's activities. I've been directly involved in this program since last July and I'm curious if someone might not be 'looking' at me. Can you ask your contact at the FBI if I'm under any sort of investigation?" Nash stared at Reed, appearing to analyze his motivation for the earlier question. Reed added, "I was just curious about security. Advance warning of incoming ICBMs is something I dealt with in the Air Force."

"I'll have my sources with the bureau check everyone involved in 'Bridge' and 'Rose' to be assured this doesn't happen again. That should have been Mr. Sawahata's job. He's the Fed in charge of this program, or ... so we thought."

Based upon Nash's statement that the state had not been forewarned by the Feds, it appeared to Terry that Barry Seal was getting much better "intelligence" with his "commission system" than the Clinton administration was through official channels. Seal confessed he had known about the investigation into Sawahata since last November.

As Terry sat eating his egg roll, he realized he hadn't asked Seal the most important question: Why hadn't Seal alerted anyone? Or, if he had, who did he alert and why was no action taken? Terry wanted to keep to himself the knowledge Seal had given him the previous week at Mena about paying commissions. For all he knew, Nash might be on Barry's payroll, too. He wanted the answers to come directly from Seal's mouth, as he seemed to have better intelligence.

Terry was beginning to sense a definite, divisional rift between the state and federal governments. Nash and the state appeared to not be in the "federal loop." But Terry wondered. Was the CIA playing with these guys from the state and setting them up for some kind of "fall?" The Clinton administration was certainly amassing lots of potentially damaging political exposure, he thought.

Terry left Nash and flew to Dallas, the site of the nearest Mexican consulate, to familiarize himself on the legalities of setting up a foreign corporation in Mexico. He had taken to heart what his grandfather had told him years ago while fishing ... strike while the iron is hot, and he wasn't going to let this opportunity pass him by, even in light of the field promotion.

What he had already learned was that the Mexicans refused to conduct serious business either over the phone or by mail. The man he had spoken with there after repeated calls, Consul-General Raul Gonzalez Certosimo, said Americans had reduced business to the impersonal. He insisted on a face to face meeting with any serious investors that were interested in developing Mexico. At first Terry thought this was a cultural thing, a formality and a carry-over from Spain and Cortez. But the truth, he would find later, is Mexican officials know it's impossible to hand someone a sack of cash over the phone. He found government representatives were extremely cautious when it came time to collect "special processing fees" and usually conducted this type of business only on a one-on-one level.

Terry was burning up with anticipation about the thought of an Agency backed Company. He and Seal had had a lengthy classroom discussion about CIA "cut-out" operations and "proprietary." This had been the foundation of their early-on agreement to exchange Terry's manufacturing knowledge for Seal's knowledge of how to handle "handlers." Seal knew a world where intelligence manuals didn't exist, where the unthinkable isn't written down. In all of Terry's years in Air Force intelligence, he had never seen a textbook on how to manage a proprietary. Seal was a proprietary all by himself.

Terry was hearing a lot about Southern Air Transport in Miami, a longstanding Agency front, and decided it would be a good model to study. At one point, SAT was listed as the CIA's largest proprietary, with assets of more than \$50 million and employing more than 8,000 people. The CIA, overall, is estimated to have several hundred fronts operating in the United States and overseas. [1]

Seal informed Terry that SAT was serving as a holding company for the CIA and secretly owned other black companies. Weta Okami smelled opportunity with this new knowledge. He was particularly intrigued by the concept of proprietary companies controlling other cut-outs.

Seal had become Terry's sponsor in the black world, and his instructor in this undocumented training environment. **The CIA at one level operated without controls and was truly a paperless company without auditable ledgers, and shaded from the eyes of Congress' General Accounting Office. This was the level on which Seal operated and Terry, realizing the benefits, wanted to join him.**

To further tantalize Reed, Seal said he saw burgeoning opportunities for anyone with "business smarts" and a good idea. He said the Agency was seriously lacking in ideas, and needed innovative and creative people who could perform a service. In other words, they needed good subcontractors.

This fit right in with William Casey's belief that intelligence could only be gathered accurately and efficiently by people outside government who were legitimately connected to the international business community. Casey believed you recruit from the field whomever you need and then send them to "spy school." Casey once told one of the authors that during World War II he had learned a lot from the British method of melding the business and intelligence communities. ["They're one and the same," he had said.](#) *

CIA Director Stansfield Turner's approach to CIA management was just the opposite. Turner, Casey's predecessor, believed that you turned CIA-trained professional spies into businessmen to penetrate the areas where intelligence was needed. Terry had already been to spy school and was now involved in international trade. Seal saw him as a "shoo-in."

"Terry, the opportunity is right now if ya want it," Seal had told him. "You don't apply for the kinda job I have. You gotta be aggressive and make your own slot. These guys claim ta hate it, but they admire a level of aggressiveness that borders on insubordination, understand? Between the CIA and their Nicaraguan operation, and the DEA and their objectives, there are GS bean counters standin' on street corners with sacks of cash and no ideas.

"You've obviously got some talent they need or they wouldn't be talkin' to ya. I'd pursue it if I was you. For the most part, I'm just a pilot to them. I transport what they want transported and keep my mouth shut. You, on the other hand, you've developed expertise that they badly need. If they're talkin' an offshore operation controlled by SAT, or some other big proprietary, you better jump at the opportunity. And keep me posted on what it is they got in mind for ya. I'd be real curious if there's some way I could work into that, too, if it's offshore."

Seal had become a kind of coach, calling the plays and scouting the opposition. His comments about working himself into this offshore operation were a surprise to Terry. Seal had seemed totally "self-contained." He had his own businesses, his own airplanes, what appeared to be lots of money, prestige, and an ability to handle the handlers. Why, Terry wondered, would he be interested in getting involved in yet another operation? Wasn't he ever satisfied?

But Terry did not know about the problems Seal was having with his handlers, nor did he know of the Agency's plan to bring the Arkansas operation to an abrupt halt as soon as the current class at Nella was graduated.

"So why would you be interested in an offshore operation?" Terry asked. "Aren't you pretty well set up in Louisiana? Wouldn't it be difficult for you to get involved in another fulltime operation?"

"It's like my daddy said, ya don't catch fish unless ya got a baited hook in the water. And I'm always trollin' for somethin'. Besides," Seal added, "with the problems the Chink brought on, I'm sure they'll shut "Bridge" down right after graduation."

And it looked like graduation, projected for August, would be coming along on schedule. Things were going much smoother with the "Contra Training Class of '85," which had been broken down to 10 pilot trainees and four ground controllers. To everyone's surprise Medina entered into a truce with Tulsa, who was a real "soldier of fortune" type, spoke fluent "border" Spanish, and often bunked at the complex several days at a time. **Tulsa appeared to be taking over the official position of being the unofficial linkage to U.S. Army Special Forces from Fort Chafee, who began co-mingling with the trainees immediately.**

The best test of teaching is observing the student applying his newly acquired knowledge. With the feedback from the field in Central America about the performance of the class of '84, the instructors had a model from which to fine tune the curriculum. In short, most of the mistakes made during the previous year's training were being eliminated.

Due to his workload, and because the possible opportunity in Mexico was what he truly wanted a shot at, Terry worked out an arrangement with Tulsa to take over some of the night-time flight training, reducing his role and his workload.

His "interface" time with Bruce at OSI and his weekly lunches with Nash in Little Rock to report the number of "green flights," or cash deliveries, as well as his developing machine-tool business, were consuming a lot of Terry's time. This forced him to reduce flight instruction at Nella to an average of two nights a week and weekends.

The source of the "green" was still a mystery to Terry. But, by his own accounting, an average of \$40 million a month was being air-dropped by Seal over the Triple-S Ranch. **The image of the dollars pouring from the skies reminded him of psychological warfare flights in Southeast Asia where millions of leaflets were dropped in order to win the allegiance of the civilian population during the war. He wondered if the "greenbacks" were having the same effect here in Arkansas.**

He was curious, though. Was it taking this many portraits of dead American presidents to "win over" the Arkansas power structure? Or was something else going on? **He was amused at the Congressional skirmishes over funding. Only a few weeks later, on April 24, he would read Congress had refused to appropriate \$14 million in Contra aid, an amount that wouldn't keep the Contras going for a week. Terry knew how much money it takes to fight a war. Task Force Alpha, his old unit in Thailand, used up \$1 million a day just on interval operational and administrative costs, and that was 15 years earlier. He and Seal had theorized that these miniscule amounts of funding, debated for weeks on the Senate floor, were merely a test of political wills.**

By early April, a more personal problem was beginning to bother Terry. He had a hangar, but he couldn't park his airplane in it. He brought this up while dining with a "shady character" from Mena at SOB's.

"I can't get Evans off his butt to fix the Arrow I have stored in my hangar. He's always too busy, and I have no way to contact Cooper about it. You got any ideas? I'd love to get my plane into town and Cooper's out."

"Yeah. Borrow Mike for a day," Seal replied as he downed his soft drink. "He's a good mechanic, and I'll tell him you need his services."

Shortly thereafter Terry flew to Mena, picked up Mike, and flew him back to the North Little Rock Airport. By using an instrument known as a bore-scope, Mike was able to inspect the internal condition of the engines' cylinders and pistons and confirmed Cooper's original diagnosis. It would require a complete new cylinder, piston, and associated parts that Mike had to order from the factory.

This didn't get the plane out of the hangar, but the first step had been taken. When he later again brought up the subject of the Charlie Cuatro during a discussion with Barry, his only reply was, "Maybe they'll forget you got it and you can keep it. A person never know when he's gonna need 500 pounds of C-4. At least that's what my grandpappy used to say." He loved Seal's humor.

The Arrow and the Charlie Cuatro would have to wait. Terry had his hands full trying to fill Sawahata's shoes. His goal had become to do the best he could and hopefully "bootstrap" his existing knowledge into the foreign operation, if it ever became a reality.

By now it was mid-April and the goals Terry had set for the new year were not being met. He had lost no weight, had added new keys to his key chain, and hadn't spent additional time at home. He was, of course, working diligently on the fourth resolution, to become a millionaire in four more years.

By now things were also going smoothly within the secret arms manufacturing loop. Contractors and subcontractors were brought on line; some knew who the "customer" was, while others did not.

Through Bruce, Terry learned that there was bi-monthly barge traffic receiving "special handling" by the Army Corps of Engineers as it trans-shipped caches of weapons silently upstream to Lock 13 at Fort Smith, where ground transportation took over for the short drive to Mena. Seal's "Dodger" flights took over from there, transporting the badly needed weapons to staging areas in Central America.

Reed was beginning to feel he was smack in the middle of a strange quagmire. He was learning, often by accident and osmosis, about everything, but was in charge of nothing.

But if Terry felt he had no authority, Seth Ward thought just the opposite. From what Ward had learned from his private intelligence network at the Rose Law Firm, he had decided that Terry was in charge, at least of the CIA's weapons business. As Reed taxied his plane onto his aircraft tie-down spot at the North Little Rock Airport, after a return trip from Piggot, Ward was waiting in his 450 SL silver Mercedes. The convertible's Navy blue top was up due to the windy conditions that day.

Ward approached him as he was tying down the aircraft and asked in his usual overbearing manner, "Been out flyin', huh? Where ya been?" Terry did not want to answer specifically.

"Went to visit a customer. Why?"

"Where, up in Piggot? Or over in Mena?"

It was obvious Ward was on to something. He was letting Terry know that he was aware of some locations where the CIA manufacturing was going on. Terry used evasive tactics to no avail. Ward told him to get into his car because he wanted to talk. Once inside, Ward got right in his face.

"OK. Have it your way. Play games," he snickered. "Better tell your people I know what's goin' on at Iver Johnson's. Hey, I own a company and I want some of that work. Go tell whoever's in charge that Skeeter (his son) wants in on this." Terry said nothing, got out of the car and started to walk away.

This lack of response apparently infuriated Ward, who crawled out of the sports car and yelled, "Now ya

done made me mad, Terry." He kept walking until he caught up to Reed, grabbed his arm, spun him around and stuck his face into Terry's -- Marine drill instructor style.

"I'm the one who sponsored you into Arkansas, and you better show me some respect! You owe me! Now I'm not askin' ... I'm tellin' ya POM and Skeeter better have a slot made for 'em at the government trough or else some real bad publicity might start leakin' its way into the papers. Not to mention that Webb [Hubble] is a close personal friend of the County Prosecutor's. So don't provoke me, Terry. Go tell whoever you answer to that the Wards are comin' in. We got the horsepower and this is our backyard. Get it?" With that he walked away.

Terry felt he was suddenly auditioning for a remake of the film The Godfather. There were many similarities, he was realizing, between what he had heard about the behavior of organized crime bosses and this self-labeled "Little Rock Industrialist" who was obviously comfortable in the role of "enforcer." The only difference so far was Reed could not recall an instance in any of the Mob movies he had seen where one warring faction was threatening to go to the police for help. Ward's threat to seek revenge through the friend of his son-in-law, Webb Hubbell, was a reference to Pulaski County Prosecutor Chris Piazza, a very powerful man in Little Rock. Terry could only theorize what sort of problems Piazza could create for the Agency's operations. But, as Terry analyzed the Seth Ward debacle, the short term solution to this power play seemed simple, but would come with a lot of long term risk. Ward must be let in.

The company Ward had referred as the one demanding a slot at the feeding trough was one with which Terry was familiar. It had been the source of some Ultra-Light parts during the period the two men had been business partners. It was called POM Inc., which stood for Park on Meter. It was a major manufacturer of parking meters, and its factory in Russellville, Arkansas, was owned and operated originally by Rockwell International. In the 1984 edition of the Arkansas Directory of Industry, on page 155, their expertise was defined as "parking meters, screw machine parts and power press parts." It was obvious that Ward had taken into account the capabilities of his equipment which could, in fact, just as easily build gun parts as it could parking meter parts. An outside observer would probably never have been able to tell the difference in the company's behavior if they got into the "gun loop."

Ward had purchased the company for the specific purpose of buying his son, Seth Ward II, or Skeeter as he was called, a job and a title. But Skeeter was president in name only. The younger Ward had had a string of business ventures that had turned into failures, and the elder Ward once confided to Terry: "I decided to buy a company so big that Skeeter couldn't fuck it up.

"I really want my son to be an entrepreneur like you," he privately told Terry, whom he liked. "But I'm afraid he takes after his mother's side of the family. " Ward was six feet, four inches tall, but his only son was five foot, six inches, taking after his short, Scandinavian mother who had been a professional opera singer in her youth.

The elder Ward, then in his late sixties, was the embodiment of the World War II Marine fighter pilot he had once been. A cross between Seths' two personal heroes, John Wayne and Robert E. Lee.

Reed both admired and hated the man at the same time. **His aggressive, fighter-pilot business style was something Terry wanted to emulate. Ward had a sixth sense when it came to refining a problem to its core and then solving it. Terry couldn't help but admire a person who could build a sizeable financial empire within his own lifetime.**

At a "Business School 101" banking luncheon, Terry had marveled at how Ward could manipulate the starch-collar banking community who always managed to say "no" to the poor people. It was fun to watch him hypnotize the banker to the point where he took all the risks and Ward would get most of the profits, if the venture was successful.

At this luncheon, Terry observed Ward lure an unsuspecting banker into a shaky business deal by convincing him that he was going to invest a large quantity of his own capital into the venture and that the bank needed to

match or exceed his investment in order "to stay in the game." In fact, Terry knew Ward was putting in nothing, since he had inflated the books on the acquisition they were discussing. That's where he first heard Ward say to a young, eager banker: "There's a big difference between horsepower and horse shit. Are you in, or are you out? It's time to belly up to the bar, son."

[What Terry didn't like was Ward's predator attitude](#), his view that all other humans were simply cannon fodder to be used and discarded at his convenience. This attitude was probably what got him through World War II and contributed to his "us" vs. "them" fighter-pilot mentality. **He boasted to Reed he had "slaughtered" many Japanese during the Pacific campaign, and it was apparent he had carried this "slaughtering" mentality into civilian life and the business world. He was used to getting his way in whatever he did, and he was now not asking, but demanding, a piece of the Agency's arms business.**

Terry knew problems were in the offing. The sharks were gathering with the scent of blood in the water. It was Agency blood and Agency money Ward was after. If Ward knew about it, certainly others like him did, too. It was a breach of security plain and simple.

Before he was able to talk to Nash, Seal arrived in town for some "personal bankin'" at Dan Lasater's investment banking firm where Terry had earlier made the cash deposit.

At the usual dinner spot on the river, Terry brought up the problem. "I know this guy. This is blackmail, plain and simple. He wants in on the parts business or he's going to blow the lid on this, or so he says. But what bothers me is we have a leak. How'd he find out?"

Seal, who prided himself on knowing everything, was truly surprised. There was something, after all, that he didn't know and that involved a connection between the Triple-S Ranch and Ward.

"Now who is this old fart, exactly?" Seal asked. "I know he was involved with you in the Ultra-Light business, but how does he make the connection to us (the CIA) and the parts business? That's what interests me the most," Seal said, giving his undivided attention.

"Probably the most direct connection right now, and I can think of others, is the Triple-S Ranch where you're depositing 'the green.' He owns it and his son-in-law, Finis Shellnut, is the go-fer that lives out there."

"I thought that was Dan's place all this time! And I know this guy, Finis. He works for Dan as a bondsman. Now ain't that interestin'. But how could he have found out about the parts? Finis has nuthin' to do with that. I don't talk about anything except money when I'm at Dan's. Finis doesn't know who's flyin' the planes. And even if he did, how would he make the connection?"

What was bothering Seal was that there was a peripheral relationship, which he had not been aware of, between people he had been banking with and the people who controlled his drop zone for "the green". He was discovering that the man who said he owned the property was not the true owner at all. Why had he been misled? he wondered.

Also, a man Seal knew only as a bond salesman and employee of Lasater's was in reality the man living at the Triple-S Ranch, and the one retrieving the cash. **But the connection between Shellnut and Ward intrigued him the most. "Well maybe that explains some of the shortfall I've been accused of lately concerning my nightly deposits," Seal theorized.**

When asked what he meant, Seal said: "The books don't match. When I pick up the cash down south, it's all accounted for, supposedly. And I've been accused lately of havin' my hand in the till. Maybe this guy Finis is pocketin' a little for the Ward family. Think I'll go talk to Dan about that. But you were sayin' there's another connection to Ward as well."

"Yeah. He's got a pipeline right into the governor's office."

"OOOWHEEE. Teeeeell me about that!" Seal exclaimed, sliding closer to Terry. "Ward's oldest daughter, Suzy, is married to Little Rock's ex-Mayor, Webb Hubbell. Besides being a close personal friend of Bill Clinton's, Webb is a big wheel at the Rose Law Firm here in Little Rock. And guess whose office is right next to Webb's?"

"With all this incestuous shit goin' on, I hate ta take a guess. What are ya gonna say, Bill Casey?"

"Naw, better than that," Reed laughed, "How about Hillary Clinton, the Governor's wife."

"Bingo! There's your fuckin' leak. Somebody in state government had to inform the Ward family about the parts business through Webb Hubbell and I'll betcha that somebody is Bill Clinton himself, if he's as close a friend to Hubbell as you say. You gotta expect these kinda problems in this business. This is not blackmail, Terry, it's nepotism. This is how it works in a banana republic."

Seal sat quietly digesting what he had heard, along with his oysters. When the band quieted enough to continue the conversation, Seal said: "So Ward has basically threatened us, huh? Let him in or what? Let's call his bluff. It could get real interestin'. This whole thing is turnin' out to be somethin' very unprofessional. Let's bring it to a head right now! Tell him The Fat Man from the Agency said to go fuck himself. "

Terry was confused about Seal's confrontational stance. Ward was the kind of person that would react to a response of this type with a like response and he could see the FBI getting yet another "tip." Reed could imagine the front page of the Arkansas Democrat: "FBI DISCOVERS SECRET CIA-BACKED GUN RING HERE." The lead in to the story would say: "Terry Reed, a local businessman, was arrested by FBI agents yesterday and charged with more than one hundred counts of Federal and State arms violations ..." He didn't want to think about it.

"I really don't see what's to be gained from that approach, Barry," Terry countered.

"Hey, you're the one who said you wanted to live abroad and work for the Agency. Run a front company, you said. If ya want to get out of here real fast, one way is to expose it, forcing the Agency to shut it down. That means they would have a sooner need of your Mexican operation. You and I could run it together. That's all I was thinkin'."

As the two men parted that night, Terry could tell Seal was abuzz with what he had learned about the almost incestuous relationships of some very important Arkansans. To Reed, the term razorback conspiracy was becoming a very befitting title for the power-based marriage of convenience between banking, manufacturing, politics, the CIA, and greed. Seal confided that this new-found knowledge would be valuable to him, especially the connection between the governor's mansion and the drop zone. In effect, on a napkin in SOB's that night, he traced a path from the Triple-S Ranch to Lasater's firm, through the Ward family, into the Rose Law Firm and, finally, in the back door of the governor's mansion. Seal said he wasn't quite sure how he was going to use this information. His only warning to Terry was the same expression heard at the rodeo as the cowboy in the shoot spurs the Brahma Bull, "get ready to 'hook it and ride'."

All this made Terry uneasy and more determined than ever to get the Mexican business plan off the ground. If, in fact, there was something to pursue, Terry wanted to get going with it. Things were beginning to come apart in Arkansas, he felt. Sawahata had fled, and Nash was concerned solely with political damage control. Ward was trying to muscle in on the "action." Seal seemingly wanted to do as the cavalry is instructed when abandoning their fortifications and "burn the fort", then it appeared he wanted to retreat to Mexico. Barry had said only one thing that night Terry agreed with completely -- it was all turning into something "very unprofessional." It was becoming one big Chinese fire drill.

Seal's kamikaze stance, and what seemed to Terry an unfounded sense of urgency, were unquestionably related to the full plate of problems facing him in various parts of the country. Seal was about to go into the Witness

Protection Program since he now had a \$500,000 price placed on his head by the Medellin Cartel -- and he and his government handlers knew it.

As a result of the White House leaks concerning the Sandinistas' involvement in narcotics trafficking, Seal's undercover identity as drug pilot Ellis McKenzie had been compromised. The Medellin Cartel now knew that Seal was the one who had penetrated their organization, was working for the Feds, and had masterminded the CIA and DEA's photographing of the Nicaraguan "sting". The photos not only purported to document Daniel Ortega's people assisting in the transshipping of cocaine, but had ensnared some high ranking Cartel bosses as well. Jorge Ochoa, one of the leaders of the Cartel, wanted to repay McKenzie/Seal for his excellent undercover work by killing him. And Ochoa had the network and the money to get the job done.

Perhaps this was why Seal was demonstrating such a reckless attitude, a side of him Terry had never seen in the past. Based on Seal's behavior, Terry felt it was time to talk to Nash about Ward/POM's demand to be let in. Surely he would see it as another security risk for the state and could perhaps exert some degree of control over the Ward family. Terry assumed Nash was briefing Governor Clinton, and Clinton could maybe "lean on Ward" by rationalizing with Webb Hubbell, through his wife Hillary, through the Rose Law firm. The lines of communication were becoming so complicated, Terry nearly needed a diagram.

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Posts: 32204

Joined: Thu Aug 01, 2013 5:21 am

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[Re: Compromised: Clinton, Bush and the CIA: How the Presiden](#)

by [admin](#) » Tue May 24, 2016 5:43 pm

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These meetings by now were reminding him of what the military called "standup briefings." Nash appeared only wanting to be entertained with the "numbers of it all", such as how many "green missions" had been flown, how many barges went up the river, etc. But this rendezvous at the restaurant would be a special one for Terry. Nash's reaction to the Ward development would have a major bearing on what Terry would do next.

Prior to the meeting, Terry met with Bruce to see if there was some way Sawahata could be contacted. He told Bruce things had "escalated" beyond control. It was now April. Whatever risks would be involved with Sawahata's return were far less than his staying away, Terry figured.

Bruce promised to try, saying he had a way to contact people "back east" in case of an emergency. Terry said to consider it an emergency and then left for the restaurant.

Before Terry could bring up the subject of the "new development," Nash informed him of something that showed who was really in charge, at least at the state level.

Nash let him know that a decision had been made to bring a new firm into the weapons loop. It was called POM and was located at Russellville.

"I'm sure with all your talent, you'll be able to get these guys up to speed quickly on their contract," Nash said, in a rather demeaning tone. "I understand you know the owners and you should all be able to work

well together."

Terry objected immediately. He told Nash about the confrontational meeting with Ward at the airport and said he believed this amounted to blackmail. "How can somebody like this be trusted?" Terry asked. "He'll sell us all out to the highest bidder. I know what motivates this man and it's power. Give him 30 days and Seth'll be running the whole show and eventually compromise the entire program."

"I'm sorry you feel that way. You must be listening too much to the 'big man in charge'", Nash responded. This was the way Nash always referred to Seal, never using his name. He continued, "But my card reads Arkansas Industrial Development Commission. Money is flowing here as a result of our state's backing our country's national foreign policy. We need to take advantage of this opportunity, and companies native to Arkansas should be the first to benefit. POM is a native Arkansas company and I don't need to remind you that the Ward family is highly-connected politically. I suggest we just leave it at that and go on about our business."

Terry digested Nash's attitude and decided to feign acceptance in order to end this meeting. **He needed time to assess what his next move would be in light of such reckless, selfish and irresponsible behavior.** Right then, he was contemplating the option of getting out of the "land of opportunity" before disaster struck.

Nash was apparently filling the power vacuum left as a result of Sawahata's departure, and, from the way he talked, he also didn't have much love for Seal. It sounded like power-play time, and Reed wanted no part of it.

Before he could return home that day, a call was made to his house by J.A. Matejko from Iver Johnson's Arms, Inc. When Terry returned the call, he was told by an upset Matejko, "Terry, I don't know what's goin' on, but you need to get over here real quickly. I got a problem."

At Jacksonville, an hour later, Terry and Matejko huddled in his office. Matejko began, "All I know is, some big old crazy fart named Seth Ward and claiming to be connected to the governor's office barged in here today demanding blue prints for what he said was secret CIA work he knew was going on here. After I told him I didn't know what he was talking about, he got all upset, pushed me aside, came in here and used my phone without permission. I could hear him askin' the operator for the phone number for the governor's mansion. Then he sat there and wouldn't leave. I tried to ignore him, but the old asshole just sat there. It finally came lunch time and I left.

"But then later I get this call on an unsecure phone from a guy named Skeeter Ward who says he's in Russellville. He proceeds to tell me that he's bid on and won a government contract to build gun bolts. He wants me to mail him the blueprints tomorrow so he can order the steel in order to run the job. What in hell's goin' on here?"

The feeding frenzy had already started. The maggots were starting to swarm over the cadaver. Unprofessional was an understatement now. This was serious.

Terry had to act fast. He had always found Skeeter Ward, despite his flaws, to be somewhat reasonable ...when he wasn't around his father and trying to impress him with his business savvy. Terry told Matejko he would look into the mess. He then flew to Russellville to control the meltdown he saw coming.

"What's it gonna take, Skeeter, to get your dad under control and out of Iver Johnson's. Hell, he's camped out over there, blabbing about 'CIA-made gun parts' in front of people who don't even know what's going on," Terry asked, already predicting the answer.

"Well, it's pretty simple. Just give me some work so that he thinks he's got you all over a barrel, and I think he'll go away. You know dad. He's not happy unless he's stabbin' someone and twistin' the knife," Skeeter replied with a grin.

Terry realized there was no reasonable method to prevent the "muscling in" of the Ward family, at least not in the short term. He returned with blueprints to an M16 bolt and carrier assembly. Iver Johnson's discretely subcontracted to POM the task of secretly producing 500 units a month. Like cells maturing and dividing, the loop had expanded, on its own.

This was not a new problem for the Agency. As in any banana republic, it dealt with, once the puppet government is up and running, it gets greedy, arrogant and even begins to think it's really running things.

Arkansas was no different. What Terry was seeing was the seamy, dirty, internal power struggle common to the evolution of any Third-World government. Bill Clinton had made big promises to the electorate. Most people weren't questioning the new-found prosperity from new industry moving into the state. Nor were they questioning the state-backed financing that made it possible. But growth has a way of becoming addictive and Governor Clinton's ballot casters were wanting more frequent fixes.

The insiders, like Ward, knew it was feeding time for the hogs and they were lining up at the secret government trough. This was growing beyond what the Agency had envisioned. Its plan did not include the good ole boy nepotism that was beginning to take over. Aside from being a feeding frenzy, it was also a power struggle, plain and simple.

Millions in cash were pouring in as a result of the Boland Amendment's prohibiting military aid or support to the Contras. What the Agency had thought was a haven for laundering black funds and ill-gotten gains had fueled a raging fire now requiring constant replenishment. Nash and the Clinton Administration seized upon this to go one step further. They could utilize the cash float to their advantage and the Agency couldn't complain.

The Clinton Administration took advantage of the Agency's compromised position and began loaning out these secret funds to select industries. The state's financial problems evaporated, just as Oliver North's had when, on April 1st, 1985 he began cashing Contra traveler's checks for his personal expenses.

Governor Clinton was at least as smart and he knew an opportunity when he saw it. And opportunities like this don't come along every day. Was that why Arkansas Development and Finance Authority (ADFA) was formed?
*

Seth Ward and businessmen like him were the first to reap the benefits. ADFA records reflect that Ward was one of the first to "belly up to the bar," as he put it. POM, according to these records, received a \$2.75 million loan on December 31, 1985 that was used to build an addition to its Russellville plant and to purchase equipment necessary to fulfill its obligations to its new-found "customer," the same one Air America had served. And who processed the extensive paper work for the POM loan? None other than Webster Hubbell, the attorney for the firm, the son-in-law of Seth Ward, the Rose Law Firm partner of Hillary Clinton, the personal friend of Bill Clinton, and now, in 1993, the Associate Attorney General of the United States.

* * *

The month of May was frantic. Terry now considered his number one priority in his spare time was to concentrate on his Mexican business plan. He decided to best himself by developing a "black prospectus" that was so attractive the CIA couldn't resist implementing it. He would take the plan to a level of maturity that would force a decision to be made, one way or another.

The parts loop now had one new member, POM, which was finding out it was more difficult to build MIL-SPEC parts for guns than it was parking meter components. It was determined that POM's antiquated manual equipment was incapable of consistently holding the tight tolerances that Ivers Johnson's was capable of doing on their state of the art Computer Numerically Controlled (CNC) equipment. This was forcing the younger Ward

to begin searching for new equipment of the (CNC) variety to upgrade his capabilities.

"There's more to this government shit than dad and I thought there was," Skeeter complained. He even asked Terry to recommend brands of computer-controlled lathes to manufacture the bolt in question. Terry found this amusing since he and Matejko had purposely selected one of the most difficult parts to be made. In Air Force jargon, Reed had tossed them a bone and they were busy chewing on it. This bought everyone some time to deal with POM.

Terry learned from Bruce that Sawahata, who had been "cooling off" in Japan, would be returning the latter part of May. None too soon, Reed thought.

The Nella training was in full swing. No one had crashed, although new security was added because the local sheriff's office had begun investigating what it thought was a major drug operation being conducted at the Mena Airport.

Police in Louisiana, frustrated by the protection Seal was receiving from the DEA in Florida, felt they were being stonewalled by the Feds and that "some kind of invisible evil force" was keeping them at bay.
*

They had alerted the local authorities in Mena and asked them to surveil Seal's planes. The sheriff's office was now photographing everyone arriving in any of Seal's known aircraft. This led to Terry being photographed in front of Rich Mountain Aviation on one occasion as he alighted at Mena for aircraft repairs. The then-sheriff, A.L. Hadaway, said later that he believed Terry to be "military or CIA," adding: "I didn't take him for any drug trafficker."

A return on the Agency's investment in Arkansas had been realized, in spite of the risks involved. Oliver North, knowing of the success of Operations "Centaur Rose" and "Jade Bridge" in Arkansas, wrote a memo to National Security Advisor Robert McFarlane dated May 31st, 1985, that spoke cryptically of the trained Nicaraguans coming into play along with Seal's delivery of arms. Entitled "The Nicaraguan Resistance: Near-Term Outlook," it talked of "plans to transition from current arrangements (Anglo air crews supplied by SAT) to a consultative (sic) capacity by the CIA for all political matters and intelligence" once Congress lifts restrictions. "The only portion of current activity which will be sustained as it has since last June (1984), will be the delivery (by Seal) of lethal supplies."

The resupply operation, "Centaur Rose", out of Mena, was also in full swing. **Arms that had been stockpiled over the winter months at Nella were finding their way through "holes in the American defense network" and into the waiting hands of the Contra soldiers. Feedback from the front told of the Class of '84 performing heroically, but still unable to fly C-123s without the aid of Anglo pilots.**

Terry was relieved when Cooper finally arrived in Little Rock to repair the Arrow N 30489 and deliver it to Central America along with the C-4. At least that was the plan when he arrived in mid-May.

Terry provided Cooper with tools and picked up the spare parts from Joe Evans in order to replace cylinder No. 1 on the 200-HP, fuel-injected Lycoming engine. Terry "assisted" during the successful "surgery." But other problems were found. Cylinders Nos. 2, 3 and 4 were burnt and scored and needed replacement as well. The engine damage was the result of "the fuckin' hillbilly mechanic over in Mena" not adjusting the fuel mixture properly, Cooper said. The aircraft was not in condition to make the long flight to Central America, so it was decided to risk the short flight back to Mena so that Evans could "fix his own fucking mistakes."

The C-4 would have to stay where it was, for now. Terry was happy just to get his hangar back and to be able to use it for its intended purpose ... to store his own Company provided airplane.

Flying his own Seneca II, Terry escorted Cooper, who ferried the unairworthy Arrow back to Mena, where he turned it over to Rich Mountain maintenance for a major overhaul. Cooper had come to Arkansas for more than

one reason though. He had identified areas of deficiencies in the previous class. Since he was involved in the field upgrade training for C-123s, he decided to help update the lesson plans for the instructors at Nella.

Tulsa had just received a 1974 Cessna 421, N69889, which he was using as his primary training aircraft. While there, Cooper elected to ride along as a check pilot on that afternoon's training sortie. **The Cessna used by Tulsa had been stolen from Orlando, Florida, the previous January and was actually tail number N 5SF, according to Jerry Bohnen's research.** (See Bohnen's Letter, Chap. 7.)

After returning from Tulsa's flight, it was Terry's turn at bat. That night near sundown he, four students and Cooper as "check airman" departed Waldron, Arkansas for a workout.

After several hours of air work within the Military Operations Area (MOA) over Western Arkansas, Cooper volunteered to assume right seat (instructor) duties in order to give Terry a respite. While sitting in the back and observing this aging aviator, Terry could see first-hand what a really good pilot he was. Cooper was performing engine-out procedures for the students in the dark over mountainous terrain in an airplane loaded near gross weight. Here was a man whose mind performed as Terry hoped his own did. It became a contest for the student to attempt to "load Cooper up" with a combination of in-flight emergencies until the safety of the flight would be jeopardized.

Terry marveled at Cooper's ability to prioritize his workload regardless of the degree of difficulty of the assigned task and his ability to control his fear. Here was a 60-year-old man with a mind like a bear trap causing Terry to realize he had found a role model for himself when he reached his 60s.

What a way to go, Terry thought as Fort Smith Approach vectored the twin Cessna to a heading that would intercept the localizer of the ILS (Instrument Landing System) and cleared them for a practice approach to runway 25.

If you have to die at the age of 60, as Terry's father had of cancer, now this definitely was a better way to go, he thought. Being splattered all over the Boston Mountains while doing something you love and are good at, had to be better than writhing in agony as his dad had done in his final weeks.

This pudgy, bald-headed guy, at his age, should be home bouncing grandchildren on his knee. But here he was, his left engine feathered, adjusting his approach for a simulated hydraulic failure, dealing with a simulated in-flight fire checklist, repeating his memorized missed-approach procedures to his student, and still with time to chat with ATC about the thunderstorm that was brewing to the west. All of this while manually flying the airplane, wearing an instrument hood to block his outside view, and all done from the right seat.

If only there were more time to get to know this man better, Terry thought. What made this guy tick? Is stress the secret of youth? He had never met Chuck Yeager, but he couldn't imagine any man cooler in the cockpit than Cooper.

After successfully executing the missed approach at Fort Smith, it was Terry's turn again in the instructor seat. This time, Cooper wanted Terry to go through some simulated emergencies with his students, an area of weakness of the earlier class. The storm was now upon them. Torrential rain was pummeling the plane as it impacted the water droplets at 160 MPH.

With a young Nicaraguan, Leonel, at the controls, they were setting up an approach for a simulated delivery at the Nella field. The flustered trainee was concentrating solely on the mountainous terrain and preoccupied with the aerial delivery. He was needlessly exposing his aircraft to simulated hostile ground fire by blindly following the panic filled instructions from the ground below. By not using all available sensory data and selecting the most logical approach course to the DZ, he was being lured by the enemy into an aerial ambush ...a deadly small caliber flak-trap. Cooper knew instinctively from his combat experience with Air America that Leonel was "fucking-up by the numbers." This was exactly how slow-flying cargo pilots get killed and lose their crew, the bird and its contents.

The rain drops were like millions of little missiles hitting the fuselage, deafening the trainee as he attempted to maneuver the aircraft, respond to the ground controller and control his fear all at the same time. As he initiated a left turn in the darkness, Cooper leaned forward and whispered to Terry "shut down the left engine, let's see what this fuckin' beaner's made of."

The blackened cockpit was illuminated only by the glow from the twinkling avionics on the instrument panel. Leonel didn't see the hand reach toward the engine control quadrant. Terry deftly pulled back the red knob on the left engine mixture control causing the three-bladed Hartzell propeller mounted on the gear-driven 375 HP, fuel-injected and turbo-charged Continental engine to immediately go to low RPM, high-drag windmill mode. The aircraft yawed abruptly to the left. Terry didn't speak until the plane rolled beyond 60 degrees of bank angle, hoping Leonel would identify the problem and respond accordingly.

"Rudder ... rudder ... right rudder! Now, attitude, bank angle, airspeed! Leonel... what the fuck are you doing? Why am I seeing trees in my windshield?" The young pilot, lacking visual reference to the horizon, seemed to freeze on the control yoke, disbelieving the data being presented to him on the aircraft's artificial horizon.

"I'm gonna die with you. Did you go to Mass today? I didn't, I'm not ready to die. If I can't talk you through this recovery, we're all gonna go down together. Now, believe your instruments! Push hard right rudder! Roll wings level, and lower the nose." Slowly, Leonel regained altitude control of the aircraft while wrestling to control the vertigo that was earlier consuming him.

"Now, watch your airspeed; don't let it get away from you. Now nail that blue line. Look at the altimeter; remember where the ground is! Atta-boy; now let's shut down the bad one dead foot, dead engine ... remember? We need to climb ... soon!"

Leonel feathered the left engine's windmilling propeller, sufficiently eliminating enough drag to allow the Cessna to begin a shallow climb out of the pitch black, mountainous Nella valley. Once the aircraft was stabilized, trimmed and climbing back to altitude, Terry looked back to see Cooper, his bald head shimmering in the done light, shaking his head.

"If this is the best you got, I suppose they'll have to do. There's a big rush down there to get these guys in the air in order to replace the contract crews. The commies are gettin' the best combat hardware Moscow has to offer. Hind choppers and all the fuckin' SAMs ya can name and number. The Agency is afraid we'll lose a crew and expose the whole program."

A prophetic remark!

On the run back to Little Rock from Mena, Terry turned the conversation to what most interested him, namely Mexico. Cooper professed that he was not really in the decision-making loop for that.

Cooper said he had become a "slave" to a hot sweaty airfield in Central America that was reminiscent of Thailand. He talked of unairworthy, "antique" aircraft fitted with inferior avionics. After detailing the Agency's airlift operation he was involved in, he joked: "Yeah, I guess I've become an antique, too. But it is nice to get your adrenalin goin' again. I been reunited with a bunch of my old Air America flyin' buddies. **Livin' there's a bitch ... but, hell, it gets us away from our bitches.** And it sure beats playin' golf with all the old farts."

This group was what the media later referred to as the "over the hill gang," old flyers who just couldn't let go. They had been reactivated secretly by the Enterprise, and they saw it as one last hurrah before their juices gave out.

"It's great to get back in 123s, even if it is just upgrading your beaners to heavy metal category," Cooper added.

But Terry wanted to know about Mexico.

"I was at SAT (Southern Air Transport in Miami) and set in on that one big meeting," Coop told him. "I think these guys are pretty hot on this idea of a cut-out down there. This guy from Washington, John Cathey, is a fan of yours."

Terry then brought Cooper up to date on the ongoing "catastrophes" in Arkansas. The "feeding frenzy" taking place by Arkansas manufacturing companies, the loose security and the turf war Seal had warned him about that was developing between competing law enforcement agencies, who were convinced there was major illegal goings on at Mena and wanted to get a piece of the action.

Cooper laughed. **"I guess Southeast Asia had its advantage over Mena. It was a lot farther away, and they didn't have any fuckin' Feds snoopin' around there. If they had, we'd all ended up in jail."**

Terry assumed this was a reference to the rumors that circulated wildly during the Vietnam war that Air America crews were allegedly involved in nefarious activities. Namely, heroin smuggling out of the Golden Triangle defined by the geographical intersections of Burma, Laos and Thailand.

Terry went on expressing his concerns about the Mena operation. "It's getting so bad over there, you had better not plan on any graduating classes after this one. Tell whoever's in charge down there that we'll be lucky to complete this one. We got Feds falling over Feds, and local cops investigating them."

The FBI in Louisiana, feeling that they were being stonewalled and kept in the dark by their own and other federal agencies, decided to conduct what appeared to be a "sting." (See chapter end.) An undercover FBI agent, Special Agent Oscar T. Eubank, using the alias of Sonny Eggleston, flew into Mena in a stolen Cessna T-210, N5468A, and asked Rich Mountain, the CIA's fixed base operator, to make illegal modifications on the plane. If the FBI had been successful in getting this work done on a "hot" plane, the ironic effect would have been a Fed entrapping a Fed.

Seal thought this was hilarious. As the Agency's chief asset there, he even secretly funded a federal lawsuit charging the F.B.I and the local police with, in effect, doing damage to the Agency's business. The suit was later mysteriously dismissed, but Terry saw all this as totally unprofessional behavior and a risk to security.

Cooper thought this was hilarious, too.

As Terry dropped him off at Little Rock to catch a commercial flight back to Miami, Cooper said after being entertained by the stories, "Sounds like you need a SAR (search and rescue) flight to extricate you from this mess up here. When I get back to Miami, I'll do some snoopin' around and see if there's sincere interest on this Mexican thing for ya. In the meantime, give these beaners hell for me, 'cause, if you don't, I will when I get 'em down south."

On Sunday, May 19th, Terry gave in to his wife's demand that they mingle socially with what Janis called "more normal people." They decided to have a picnic at a campground on the Arkansas River with one of her real estate coworkers, Cheryl Hall, who was a close friend and confidant, and her husband Wally, the sports editor of the Arkansas Democrat.

Terry, like any other husband, had to give way to spousal pressure. A picnic was the last thing on his mind since he had been told Sawahata was on his way back. But Janis demanded that her husband spend some time with her that afternoon. The new baby was active and kicking, and Janis was now fully nested having decorated the new nursery.

After a day-long picnic watching their children play together and listening to Wally talk about jocks, they all returned to the Reeds' house on the golf course and decided to have a barbecue.

Janis and mother nature had other plans. While in the middle of the barbecue on their deck overlooking the river,

Janis walked out from the kitchen and said, "My water just broke." With her husband as her coach, and after an agonizing 19 hours of labor, she gave birth to their second son, Elliott, who weighed eight pounds, 10 ounces. Now there was a little Weta Okami and a backup for Duncan.

Sawahata finally returned from his long absence, without his family, on June 1st and was quick to congratulate Terry on his new son and on how well he held the operation together. After all, hadn't Aki played a part in it by giving him the time off to go to Eureka Springs? Terry had even wanted to make "Eureka" Elliott's middle name. Janis saw no humor in that. They settled on "Kent Kerr."

Reed spent the better part of a day bringing Sawahata up to date. He had spent the bulk of this time in Japan, he said, and his family was still there.

"Agency send me out of country," he told Terry. "I lose considerable face. But they give me opportunity to return and repair things here. I understand you have big problems with state officials. You can relax now, I am in charge. I will not fail again."

It sounded like the Agency was perhaps exploiting Aki and using his Japanese culture against him. By taking him back and giving him another chance, they probably reasoned he would work twice as hard as he had before leaving, since in Japan failure is taken as a personal disgrace, and Aki had earlier failed ... at least in his own mind. It's like in the Mob, he "owed them one."

All emphasis was on flight training going into the month of June. Sawahata knew he was working on borrowed time, and all efforts were being marshalled for damage control. Most of this effort, from what Sawahata said, was attempting to control the law enforcement agencies that were trying to close in on the Agency's operation.

Aki said, "The jig is up, as they say in the South. Do not know how much longer we will be able to keep nosy sheriff, DEA, FBI, IRS, and Customs out. Things are so bad, FBI has every fucking pay phone in Mena bugged. Please, Terry-san, tell other instructors to speed up training so we can close operation."

Terry heard of sandwich bags of cash being distributed throughout the Mena area for added "security" and allegiance.

But the "X-factor" had to be dealt with again. In mid-June, Terry was on a night training sortie when a secure distress call was relayed to him from the command post. Seal had blown an engine while returning on a "Dodger" flight, and had been forced to make a precautionary landing at Texarkana.

"Arkansas aircraft Boomerang 1, return to Waldron immediately," Medina's voice said over the aircraft's ultra-high frequency ITT McKay radio. "We have an emergency."

Terry was sure someone had crashed. He flew directly to Waldron as instructed, and taxied up to the white one-ton truck parked at the end of the field.

"Who's dead?" he asked Ramon Varnados while the students got into the truck.

"Nobody yet. But ya need ta get immediately over ta the Texarkana airport. Barry blew an engine and was able ta put her down over there. But he's carryin' some sensitive cargo, and wants ya ta come pick it up ASAP."

Terry flew to Texarkana. He found Seal sitting in a Rockwell Commander, N4677W. The left engine cowling was lying on the ground, and light was reflecting from the oil smeared on the left wing. **Reed had no knowledge of it, but this was another stolen and recycled plane. This one had disappeared nearly two years earlier in Washington State.** It was a 1978 Rockwell Commander whose actual registration number had been N 4697W. This plane had been an easy changeover, only one number had to be altered. In January, 1990, it suddenly and mysteriously reappeared at the same airport from where it had earlier disappeared. This was the only one of the seven aircraft used by Seal that was ever seen again.

"I already checked her out," Seal said in his usual laid-back tone. "She's dead on arrival, and I need to get outta here. I got a duffel bag inside. You need to drop me off at Mena, and then high-tail over to Russellville to deliver this."

In addition to the duffel bag, Terry noticed Seal had two pilot map cases sitting between the pilot and co-pilot's seat. Barry entered the craft, and Reed could view him disconnecting wires from the aircraft's main electrical buss that led to the two map cases. Once disconnected, he carefully packed the excess wiring and cables into the boxes and handed them to Terry saying, "don't drop these babies; they're fragile." Terry loaded them in his plane along with the duffel bag.

"What are these?" Terry asked.

"Some real valuable electronics on loan from the Agency. I can't leave these lyin' around; they're not just for anyone's use. You might call these the 'key to the secret door.'" Terry let it go at that, concentrating on the task of flying the short hop to Mena.

During the flight, Seal commented, "Wouldn't ya know it. Damn-near crashed on my last mission. That's the way it always happened in Vietnam too, didn't it Reed?"

The two men then engaged in a conversation about pilots they had known who had "bought the farm" in freak accidents, when Seal suddenly changed the subject.

"As soon as we get ta Mena, I'm gonna split. You gotta get this duffel bag over to Russellville and into the greedy little hands of Skeeter Ward. He should be waiting at the airport in his plane."

"Skeeter? I presumed this would be dropped at the Triple-S Ranch as usual."

"Naw, there's \$300,000 in here, earmarked for a special project." He started laughing.

"Wanna let me in on the humor?"

"Naw, Terry. No offense but you don't have a need to know. But since you know the Wards, you're gonna love the punch line to this joke." He had no time to question Seal further, they were now on final approach to Mena.

After dropping Seal at Mena, Terry flew off to Russellville with the duffel bag full of cash. Several months would pass before he would see Seal again. In less than two weeks, Seal would be entering the Witness Protection Program beginning an extended period of courtroom appearances as a key government witness.

Upon landing at Russellville Municipal Airport, Terry spotted a late-model Beechcraft Bonanza parked at the west end of the field. Its landing lights began flashing when Terry's plane approached. On the ground control frequency of 122.7 which he was monitoring, he heard Skeeter's voice say "Barry, can you see my lights; is that you? You're late."

When Terry responded "No, but Barry sent me with something for you," Ward didn't respond.

Terry taxied up to Ward's plane, shut down his engines and got out with the duffel bag. Skeeter was not comfortable with seeing Terry. He remained in his plane and opened his door.

"Where's Barry?" Skeeter asked nervously.

"Back in Mena. He says there's \$300,000 here for you."

"He told you that!?"

Ward seemed shocked that Terry knew what was in the bag.

"Yeah, is there a problem?"

"No, just give it to me; I need to get outta here. But I think Seal's playin' games with all of us. "

Ward taxied off immediately and performed no engine run-up, no magneto check or any flight prelim.

Skeeter continued violating every rule in the book as he skidded his plane onto the runway and took off with a tail wind, something a pilot is trained never to do unless in an emergency.

Terry guessed this must have been an emergency. As he watched the Bonanza rotate at mid-field, staying close to the ground to build airspeed, and then departing while flying low over the Arkansas River with no navigation lights, Terry thought: Shit! Skeeter's flying like someone carrying contraband!

SAC (12D-283) (P) 7/19/84
 Attn: SUPERVISOR RONALD WAYNE KELLY
 SA THOMAS W. ROSS

FRED L. HAMPTON, dba
 RICH MOUNTAIN AVIATION;
 ET AL.
 NARCOTICS
 OO: LITTLE ROCK

ADMINISTRATIVE:

This memo is not to be disseminated outside this agency.

On July 16, 1984, SA CLIFFORD H. DYAR III advised that a single engine aircraft had been recovered through undercover buy in LR 87C-18534. He advised that to protect the ongoing undercover operation, the aircraft should be recovered by local authorities and returned to owner. SAs DYAR and OSCAR T. EUBANK are aware of the efforts to have an undercover agent contact captioned subjects at the MENA AIRPORT and both are in agreement that the recovered aircraft could be utilized for this purpose.

It is requested that SA EUBANK, in an undercover capacity, fly recovered aircraft to subject's hangar at the MENA AIRPORT for repairs and/or modifications. Tentative arrangements have been made to have the aircraft recovered by the Polk County Sheriff's Office after a three or four-day period.

It is felt that SA EUBANK and appropriate undercover personnel can recontact subjects concerning the airplane, with the object of establishing themselves as narcotics traffickers, in accordance with the initial objectives on which this investigation was instituted.

2 - LR 12D-283
 2 - LR 87C-18534
 1 - SA CLIFFORD H. DYAR III
 1 - SA OSCAR T. EUBANK
 1 - SA EUGENE L. CROUCH
 TWR:jn
 (7)j

13-1. Evidence of an FBI "sting" against CIA assets operating out of Mena, proving that crimes are invented to trap people. (two pages.)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 11/19/84

On November 6, 1984, Special Agent OSCAR T. EUBANK flew a Cessna 210, tail number 5468A, from North Little Rock, Arkansas, to Mena, Arkansas.

Upon landing at Mena, Arkansas, the plane was taxied to RICH MOUNTAIN AVIATION where it was parked.

At RICH MOUNTAIN AVIATION, CECIL RICE was contacted and SA EUBANK, using the nom de plume of SONNY EGGLESTON, asked Mr. RICE to place a dark tint on the aircraft windows and to install bladder tanks.

Mr. RICE agreed that this could be done and it was agreed that a later telephone contact be made so that price could be discussed.

SA EUBANK then departed after tying down the aircraft in front of a hanger with faded paint which indicated it was owned by RICH MOUNTAIN AVIATION.

Investigation on 11/6/84 at Mena, Arkansas File # LR 87C-18534

by SA OSCAR T. EUBANK/kf Date dictated 11/13/84

NOV 27 1984

x Airtel 2/8/84

TO: SAC, NEW ORLEANS (246D-7)

FROM: SAC, LITTLE ROCK (246D-7) (P)

SUBJECT: COINROLL,
OO: NEW ORLEANS

Re Little Rock teletype to New Orleans

ADMINISTRATIVE:

[REDACTED]

[REDACTED]

On January 26, 1984, SA LARRY CARVER, DEA, Little Rock, Arkansas, advised that he has made arrangements for their aircraft to be piloted by DEA Agent, which will be utilized in an undercover operation in which HAMPTON and EVANS will be periodically contacted at RICH MOUNTAIN AVIATION in Mena. SA CARVER advised that the operation is tentatively scheduled for mid-February, 1984.

DEA undercover Agent will be accompanied by Little Rock Division pilot, SA OSCAR T. EUBANK.

Notes:

* Casey said this to co-author John Cummings during an impromptu conversation at a political dinner in New York in 1979. Cummings brought up the topic of intelligence because he was interested in Casey's view on the mass firing of CIA employees by then-CIA Director Stansfield Turner. Casey was an old intelligence hand, having been part of the fledgling U.S. intelligence agency, the OSS (Office of Strategic Services), during World War II and the man responsible for running agents in Germany. Casey was a major figure on Wall Street, and served as head of the Securities and Exchange Commission under Richard Nixon, and was also a key behind-scenes player in the Republican Party.

* ADFA was created in 1985 under State Legislative Act 1062 as successor to the Arkansas Housing Development Agency to finance qualified agricultural business enterprises, capital improvement facilities, health-care facilities, housing developments, and industrial enterprises (italics ours). Its 10 public board members are chosen by the Governor. It raises its money through bond issues, but was given initial capitalization of \$6 million from the State Treasurer. Neither state tax funds nor the state's credit is pledged directly to guarantee the ADFA bonds. But under a separate law enacted the same year, should ADFA defaults exhaust the \$6 million, the "authority is authorized to ... draw funds for principal and interest from the State Treasurer." [2]

* Local police in Louisiana along with Federal agents there felt that Seal was being protected from their investigation through Seal's manipulation of federal agencies elsewhere.

1. CIA BASE, a computer data base on the CIA compiled by former intelligence officer Ralph McGehee, Herndon, Virginia, 1992.

2. ADFA annual report, 1988, p. 6.

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CHAPTER 14: COMPANY-PAID VACATION

It was June 1985 and the White House was pulling out all the stops. Donations for the Contras were being extorted from third-country cut-outs, from the King of Saudi Arabia and the Sultan of Brunei, and from right-wing fat cats in America. [1]

Operations "Centaur Rose" and "Jade Bridge" had been a huge success. Pilots had been trained, and no one had been caught in the act yet. In fact, few people were even aware of what was going on. The Agency had resorted to civilian "contractors" in its time of crisis, and the Arkansas operations were likely becoming a model to be studied at CIA Headquarters in Langley, Virginia. **Despite the congressional debates, the Reagan Administration had found the "thin line" -- that dark area, between legal and illegal.** Unknown to people like Terry Reed, the decision was being made to duplicate this entire program "offshore," where top to bottom control and security can be bought for less in a more cost effective banana republic.

Aki Sawahata had now become Terry's primary, and one-way communications pipeline, to Oliver North, aka John Cathey, and into Southern Air Transport in Miami. But while Terry was feeding information into this pipeline, he was getting nothing back.

So he was excited when Bill Cooper telephoned him on June 22nd and said, "I did some pokin' around for ya, like ya asked and have been asked to relay this message. They got some guy comin' in this who hasn't been identified yet. I'm bein' told he's another SAT Agency guy, and my inside contact on this tells me they'll be wantin' ya to take a trip to Mexico soon in order ta firm up your plan. I guess you mentioned havin' some kind of ex-business partner down there already, and that's got 'em goin' full rich on your deal. Their after-burner isn't kicked in yet, but the ITT gauge is readin' high enough it could ignite at any time. By the way, how's my class comin'?"

Hidden in this collection of flight jargon was the clear indication that Terry's business plan for Mexico was beginning to bear fruit. From what Reed was hearing, the Agency seemed especially interested in the aspect of the plan that could possibly include some old business acquaintances of Reed's who were already operating in Mexico ... the Hungarian firm Technoimpex.

Cooper went on to ask for a specific date when Terry could undertake a "fact-finding mission" to Mexico. He added he was returning to Central America, and needed to pass on Terry's prospective itinerary for the trip to some "new player" who was down there and who was real interested in heading this operation.

Although Cooper pressed Reed for a trip timetable he could relay to the unspecified "head shed", Terry could not give him one. Cooper's call had caught him ill-prepared, and Terry's schedule was a full one. Cooper said he was under pressure to do a "quick turn-around" in Miami, and told Terry to forward his answer to him at SAT.

On June 24th, the following Monday, Terry wrote Cooper. He'd been thinking about the call all weekend. It wasn't only the CIA who had to buy into his business plan for a machinery firm that could serve as an intelligence front, Terry had to sell his wife on it as well. It had been two years since he or his wife had had a real vacation. This would be a perfect chance to kill two birds with one stone, develop his plan, and take his wife away for a while.

There was no way Janis would agree to him leaving her behind while he toured Mexico. He still had to sell her on the idea of hectic schedule juggling of her real estate activities. **And like many a gringo, she thought of Mexico as someplace dirty where you can't drink the water, and street urchins accost you on every corner.**

Janis was fully aware of Terry's flirtation with Mexico, and the Agency's business plan he was creating. Because of this, she had ordered and already received the State Department travel advisory calling the neighbor to the south a "third world ... dangerous country" full of banditos, and with highways so unsafe you can't drive at night. "Bring your own car parts," it recommended. Terry, who had lived in and traveled by motorcycle throughout Thailand, another "dangerous" Third World country, saw this simply as arrogant State Department propaganda. He knew that traveling in the United States could be far more dangerous.

In the written plan he had submitted, Terry had included the possibility of bringing in outside investors with international ties beyond the U.S. He had speculated that a Hungarian firm operating in Mexico City might be interested in a joint venture of some type. He felt this would help camouflage the new venture, just as Iver Johnson's had done in Arkansas. It had been an established firm brought in with local investors supplying some of the startup capital.

By "penetrating" an existing machine-tool operation through a stock purchase or merger, he had written, would be one way to avert less official scrutiny. And this probably would be necessary anyway due to a Mexican law in effect then requiring 51 per cent ownership by a Mexican national. Terry recalled that George Fenue, one of his ex-business partners in the Northwest Industries/Hungarian machine tool venture, had told him their trading company, Technoimpex, planned to expand to Mexico. He wondered if this had been the case.

He had gone through his old rolodex and located the name of an old KGB "ally," Jozsef Bona, the kingpin of the Technoimpex joint venture, with his firm Northwest Industries back in Oklahoma City. After a couple of well-placed calls, he discovered Bona's head was still not on a pole outside FBI Special Agent Wayne Barlow's house in Edmond, Oklahoma. He was, in fact, alive and well and functioning as director-general of an industrial machinery firm called Cortec, S.A. headquartered, as luck would have it, outside of Mexico City.

When Reed reported earlier about bringing in a company with East Bloc ties, his unseen handlers began panting. As Seal had told him, "I don't know what ya said to them, but whatever it was, say it again. They're really hot on this now."

International "camouflage" had been Reed's central theme. The concept was to put a high-technology trading

company in a Third World country -- in this case Mexico -- and develop the proper supply conduit that could deliver "things," in addition to machine tools, the company's cover business. The timing was perfect. Reed's report quoted the Mexican consul Terry had spoken with in Dallas, who had said: "Presidente de la Madrid (Mexico's president) is looking very favorably on granting exclusions to current law and allowing 100 per cent ownership status to companies that offer Mexico an opportunity to develop an export economy. Machine tools are essential to Mexico's manufacturing plan, and I will help you."

In mid-1985, Mexico's major source of hard currency, oil exportation through the government-owned and operated industry known as Pemex, was in dire straits. With the price of oil in a free fall, Mexico was focused almost totally on attracting tourists with pockets full of green backs, or any other stable foreign currency. They were apparently getting very serious about supplementing their tourism dollars with those from export manufacturing.

With the assistance of the Instituto Mexicano de Comercio Exterior in Dallas, Reed thoroughly researched the pertinent international and Mexican laws governing the exportation and importation of high-technology equipment into Mexico. The only obstacles Terry could foresee were the human ones and the X-factor. Mexico, he had learned, was totally centralized with all decisions being personal ones and made only at the federal level in Mexico City. For this reason, Reed had said it was essential to visit Mexico City and personally tour the ports capable of handling heavy cargo.

He found a big disparity between what he was being told by Mexico's commerce experts and the printed data supplied to foreign businessmen by the Mexican Government concerning port facilities, warehousing, cartage services and overland trucking companies. Since it appeared the written data was incorrect and obsolete, he decided it was necessary to see first hand what physical barriers and limitations the "proprietary" might encounter. He wanted to make absolutely certain that what he proposed in his plan to the Agency would actually work.

But Sawahata said "no frucking way" when Terry approached him about the need for a couple of weeks off to make an Agency-related trip to Mexico.

"Terry-san, Washington and Mr. Cathey put major pressure on me to graduate current students. Decision has been made. This will be last class due to difficulties controlling politicians here in Arkansas. I need your undivided attention to duties at hand. I need to keep very low profile, and desperately need your assistance. If you help now, I will do everything in my power to assist in getting you to Mexico later if that is what you want."

Terry agreed reluctantly. He would bide his time and build his base of support within the Agency. He had been told Cathey was on his side already and now, with Sawahata, he figured that would be two Agency people pulling for him. That combined with Seal's support and Cooper's helped to make it a lock. That's what he hoped, anyway.

For that reason he would have to delay the Mexico trip until graduation time, scheduled for August. Janis, who loved Europe but decided she already hated Mexico, reluctantly penciled in the last week of August and the first week of September as tentative dates of a "working" vacation. Summer became a blur.

Terry's days were devoted to machine tool sales and Agency weapons parts activity. Nights and weekends were for training sorties. Elliott was two months old and crying for dinner that only mommy could provide when Cathey called that Friday night on July 19th.

"I was just going through my birthday list for special people," Cathey announced. "Sorry I overlooked your birthday on the 16th. I just noticed you and the Fat Man have the same birthday. It makes me think you calculated risk-takers were all born under the same sign. There must be something to that astrology crap. But, Happy Birthday! Hell, you're still young, you're only 37. I hear nuthin' but good things about you from Sawahata. I guess you really helped out during his little emergency down there. I know about your other interest, and I've been talkin' to a guy who you need to meet. I understand you'll be taking a little Company-paid vacation

in late August, and I'll try to get you guys together while you're on that trip. He's fluent in Spanish and has special interests in getting involved with you on this, if the Company pursues it. By the way, have you made contact with that Red guy in Mexico City?"

Terry was impressed that Cathey knew when his birthday was. He responded that he was ready for a change of scene. "Gosh, it's been so long since I've had any R&R; I feel like I've been on a remote tour in Southeast Asia and they lost my rotation papers."

Cathey laughed. "Take the wife and kids, and don't eat the worm in the tequila bottle."

Cathey's cryptic reference to "the Red guy" was to Bona, a top-ranking KGB agent who they both knew from the prior "monitoring activities" Reed had performed for the FBI. Cathey did not identify the person he wanted Reed to meet in Mexico, and he wondered if it were the same guy Cooper had referred to earlier.

* * *

The second and last graduation ceremony conducted as a result of operation Jade Bridge took place on August 25th, 1985, at the Nella camp. Terry had flown Sawahata over for the non-marked event with Janis back in Maumelle frantically packing for the trip to Mexico. The ceremony was short, but the otherwise festive event was dampened by the fact that the complex was now closing down. Within a matter of days, nothing would be left, except the ground scars where the portable buildings once stood. Medina and Diego would leave with the class of 12 (two had been "eliminated") for Central America. Only those connected with the operation would know for certain that it ever existed.

Sawahata was being secretive about his future, but had apparently re-gained enough face to continue his Agency duties as an Oriental spook. He had let it slip that he would soon be attending a language school specializing in middle-eastern cultures. Hopefully Aki had learned an important lesson in Arkansas, and would not now become entrapped by some Arabic equivalent of McAfee.

All were breathing a sigh of relief that Rich Mountain Aviation was still standing despite the fact that police and federal agents were closing in on what they thought was drug money laundering, or so Sawahata said. As far as anyone knew, the weapons manufacturing would continue indefinitely. Since "Centaur Rose" was not being terminated, but only relocated, Sawahata had told Reed the parts would probably be shipped to the alternative assembly and staging site, MRL in Piggot, after Mena and Nella were shut down. Why hadn't he thought of that he wondered? Piggot was near the Mississippi River, and that would definitely be the cleanest way the Agency could transport the weapons. Shit ... waterways again.

At the graduation ceremony, Sawahata discreetly said to Reed, "Terry-san, I will keep my promise. I talked to Mr. Cathey yesterday, and he said he talked to you. He is considering you for big promotion. I will help any way I can. Contact me through Bruce when you get back from Mexico."

Based on Aki's private briefing, Terry was beginning to feel he was also graduating. Maybe he was finally getting his chance to get out of the minors and into the big league. He certainly hoped so. Now would be an excellent time to be promoted out of Arkansas. The arms business that the Agency was leaving behind, he felt, was riddled with eminent disaster as long as sub-contractors like the Ward family were involved.

The other instructors were going their own ways, somewhat saddened by the uncertainty of events which may result from their hurried curriculum and the dangers that lay ahead for their "Latino Freedom Flyers" in Central America.

But Terry was sure their unified unselfish effort had been worth it. The countless hours of sacrifice, danger, intrigue, and confrontation with seemingly insurmountable problems were now somehow put into focus. **Terry was glad he had taken a personal stand, had become involved and had contributed to a cause in which he fervently believed.**

He hadn't demonstrated on campus back in the sixties, so up until now he had not experienced the feeling of exhilaration as a result of taking matters into your own hands, and to rebel. But he now knew. He, John Cathey, Barry Seal and the others had rebelled. They had not silently sat by while people seeking freedom screamed out from the pain of oppression. Instead they had acted. "Fuck Congress!", Cathey and Seal had both said. And Reed wholeheartedly endorsed their most articulate view.

What a terrific movie this whole adventure would make, he thought, but who would ever believe it? And, little did he know, it was only time for intermission.

Cathey had called Terry several days earlier to give him his travel itinerary for Mexico. "I understand you're driving to get the flavor of it all, so if possible you need to be in Vera Cruz on the 31st. I've got the name of a hotel there that comes highly recommended by your contact. Its name is Hotel M-O-C-A-M-BO. It's supposed to be a five-star place or so Max says."

"Who's Max?"

"Oh yeah, I almost forgot. A guy by the name of Max Gomez will find you there. Be sure to register under your own name."

Gomez was the codename for Felix Rodriguez, who had been involved with the Enterprise since January when brought in by Donald Gregg, then-Vice President George Bush's National Security Advisor. Less than a month later, North wrote Rodriguez asking him to use his influence with the El Salvadoran military to provide aircraft maintenance facilities for planes resupplying the Contras. Rodriguez was a man who prided himself on having friends in high places. One of these was George Bush, with whom he had been photographed on more than one occasion.

* * *

Janis waited until the last minute to transfer her real estate workload to Cheryl Hall, not really knowing for sure that her workaholic husband would actually take a trip. In any case, she was hoping he wouldn't go because she wanted to go somewhere else. All she could recall of Mexico was torrential rains and the misery of Montezuma's revenge in otherwise beautiful Cancun. The thought of taking the children on a 3,500-mile driving vacation in a Chevy conversion van to a Third World country didn't quite fit her image of **a foot-loose, yuppie couple sipping pina coladas by the pool under a palapa.**

Late in the evening of August 25th, they left loaded down with -- what else -- bottled water, pampers, passports and immunization records for everyone.

After crossing the border and sitting and breathing diesel smoke emanating from the long line of trucks waiting for Mexican customs, the border urchins were upon them trying to sell local Mexican tabloid newspapers with photos of maimed bodies. To calm his wife, he told her the usual line: "Hey, this is an adventure. Cheer up. What's the worst that can happen?"

After departing Matamoros where they bought their Mexican car insurance, he was glad he was driving and not flying. As their van dodged the craters on Highway 180 he couldn't help think about the fragility of the machine tools that would have to be shipped into Mexico. He turned to Janis, who, between taking care of the children and reading the map, was also doubling as a traveling secretary.

"Take note of the condition of this highway. Based upon the road surface, any machine tool shipment to Mexico City could not originate at Brownsville, Texas. They would have to be flown in. That ought to make SAT happy."

Janis attempted to record the condition of this road segment, concerned she would not be able to read her own scrawled notes as a result of pot hole-induced vibrations. "Based upon this road surface, I'm starting to wonder if our tires will even survive, let alone sensitive electronics. See, those State Department brochures were right," she chided.

The gulf city of Tampico was their first night's stop in Mexico, mid-way between the Rio Grande and their meeting place. This made it a two-day road trip from the border to the "black" rendezvous in Vera Cruz. The hotel billed by North as five-star had seen better times. It was a large complex located on the south side of town with a large pool and an ocean view similar to what someone would find in Miami.

Other than an electrical system that could not power a blow dryer and electric curlers at the same time, it was adequate. After maintenance up-graded the amperage of the old style screw-in fuses for the gringos in cuarto 505, all was well. Most of the people staying there were wealthy Mexicans who enjoyed the luxury of their own maids and nannies! Mexico was starting to look better to Janis, even though she had discovered the country could probably swallow them up if it were not for the traveler's guides they purchased at the border. Mexico, they found, felt it wasn't necessary to clearly mark its roads, especially in towns.

Terry had registered according to Cathey's instructions. The registry read Mr. and Mrs. Terry K. Reed. (See chapter end.)

Terry was frolicking in the pool with Duncan when the Mexican waiter approached the pool's edge. "Senor Reed?"

"Si," Terry responded.

"There is a gentleman in the bar waiting to meet with you."

Terry got dressed and walked into the lounge. It was 1:30 and he was approached immediately by a rather handsome, swarthy Latino who walked up and said in a rhythmic Hispanic accent, "See any boomerangs lately?"

These were the code words, to which Terry replied: "Mainly in Arkansas, but I guess they're spreading south."

The man smiled. "My name is Maximo Gomez. Come, let's sit by the pool. We have lots to talk about. Our mutual friend, John Cathey, speaks highly of you."

As they strolled toward the pool, Reed studied him. Max was near his own height, around 6 feet, weighing 190 pounds or so. His black hair was short, neatly cut and beginning to recede. Terry guessed he must be in his mid to late forties. He was neatly, expensively but casually dressed, wearing light colored slacks, a loose-fitting Panama "walking shirt," worn on the outside, and sandals. His attire, combined with his accent and tan complexion, made Reed think he'd probably spent most of his life south of the border.

As they were being seated by the pool, Gomez switched suddenly to Spanish. "Senor Cathey dice usted habla Espanol, verdad?" [Google translate: Mr. Cathey says you speak Spanish, right?]

Reed nodded his response.

Gomez continued, "Y nuestro amigo dice que tiene odio para todas Comunistas?" [Google translate: And our friend says he has hatred for all Communists?]

"Yes, the only good one is a dead one, unless he owes me money," Reed answered, stealing a line from his old commie-hater, Hungarian mentor, Emery West, and responding in a manner he figured Gomez would appreciate.

Gomez laughed heartily, "I'll use that one in the future." When he laughed, he had an almost innocent look about

him, but, as he snapped orders to the nearby waiters demanding immediate service, Terry noticed his expression quickly transformed into a more sinister one: the look of one who could take things very seriously if crossed.

Being Latino, Gomez did not want Janis or the family involved at all. It was awkward for Terry, but he suggested that Janis go sight seeing or shopping. "Max" clearly did not want her there.

"One thing you must learn," Gomez said. "Latin men get together without their women around. They have no place in business. This a very good custom, something the gringos could learn from, don't you agree?"

The rest of the afternoon was spent sitting under a Paisano umbrella drinking Agua Quina and discussing Congress, commies (Gomez thought one was synonymous with the other) the Contras, and the cut-out they were hoping to start. As they exchanged war stories Terry gained information about what "Mexican free trade" was all about. Boastfully, Gomez told him he had lived in Mexico earlier and prided himself on his ability to "purchase" services for the Agency, which included "bribes to Mexican ex-presidents, on down."

From this conversation/briefing Terry learned of the United States government's need to have an "offshore" location for a weapons warehouse and trans-shipment point to support the Contras. This fit like a glove with Terry's plan, which Gomez obviously had been studying.

The part of the plan that seemed to intimidate Gomez, however, was his total lack of manufacturing knowledge. This would become an area of tension between the two men later. For now, Max said only, "I'll learn all about that when the time comes. It can't be too difficult if your commie friends in Mexico City understand it." He was intrigued with the "commie connection," as he called it, but he warned Reed about "never trusting a communist." He was going along with bringing in the Hungarians only because Cathey wanted to.

"I don't agree with it," he said.

Max boasted to Terry that he had been "hand-selected by the White House" to set up and oversee this operation. He made it very clear that he would be what Terry later termed the HMFIC, "the head mother-fucker in charge." Gomez' constant name-dropping, flamboyant style and what seemed to be a volatile personality led Terry to believe that Gomez had other highly-placed friends besides Cathey. And based on his war stories, if true, he was highly-experienced in covert and counter-insurgency operations.

Terry sensed early that Gomez was not the kind of person he would seek out as a friend. They were being thrust together for "business" reasons, and as the day wore on Terry got a sixth-sense feeling about Gomez. He was not the kind of guy that you wanted to "get into your six," a fighter pilot's term meaning an enemy plane getting behind you and out of sight.

In short, at the end of the marathon meeting that included dinner by the pool without the family, Terry felt the "interview" had gone pretty well. The primary thing he felt Gomez could offer was a way to "grease up the system" and more importantly, knowledge of who specifically to "grease."

Terry had informed Gomez that an area of great concern in the business plan was for the front company to be successful in its own right after being given a reasonable period of cash transfusion from the Agency. From what he had learned, sure death for any cut-out would be its inability to "blend in" with the real business world. This meant that a new venture like Terry's would have to run at a profit on its own or competitors quickly would see through the veil.

Mexico had levied a 100 percent tariff on all imported machine tools at that time. What bothered Terry was whether Mexican companies wishing to automate could afford to pay the artificially high price for imported equipment. Gomez had a quick solution to the two-part problem.

He was certain he could "arrange it" so that the tariffs on imported heavy machinery for the new

operation would be "eliminated", thereby giving the CIA's company a pricing advantage over its competition and providing it with an instant market. This, both men decided, would be an enticement to a prospective partner.

Together, they worked out a routing for the remainder of Terry's trip. He would stay in Vera Cruz in order to inspect the port facilities available for commerce by ship. From there, travel on to Mexico City for a meeting with government officials and the Hungarians, and ultimately wind up with a tour of the west coast ports.

Terry was satisfied, and encouraged. Yet something gnawed at him about "Max." He sensed after the long meeting with the CIA man that under that facade of stone, beat a heart of steel. **He would not know until later that he had just been "hired" by the man whose career was built around the murder of Che Guevara.** (See photo section.)

When Terry returned to his room, he anticipated what he was sure would be his wife's reaction. "I know," he said, "We're on vacation and I'm spending no time with the family. But I promise I'll make it up to you tomorrow."

But he was already forgiven. "I couldn't bear the thought of being cooped up in here, so the boys and I went exploring. Duncan will tell you all about the big ships we saw at the harbor, but first, tell me about your meeting," she said excitedly. He began to try to capture for her the personality of Max Gomez. He would write in a letter to Cooper more than a month later: "I'm just now recovering from my meeting with Max Gomez (ha!) a very interesting character."

Gomez left that night, but Terry spent two more days in Vera Cruz inspecting the port facilities and talking to local government officials who had their Mexican equivalent of the Arkansas Industrial Development Commission. Armed with brochures of foreign-built computer-controlled machine tools, he was instantly greeted and invited into local business organizations.

He felt he was truly going in the right direction. It was clear he had something Mexico wanted, state of the art manufacturing technology.

On his way to Mexico City, he visited the Volkswagen Beetle plant in Puebla to do a market analysis. There he learned they had great respect for German and Japanese machine tools and wanted a local supplier.

In the capital, the world's largest city, he met with officials of the Mexican immigration service and government representatives who dealt with foreign corporations. After two days of discussions with them, it was time to renew his acquaintanceship with Bona.

After driving to the northwest perimeter of the city to Naucalpan, where the Hungarian-controlled company Cortec was headquartered, he was in for a surprise. Bona turned on his European charm when he discovered Janis was accompanying her husband. She and the children were waiting outside in the Chevy conversion van, a true luxury vehicle by Mexican standards.

"You have Janis with you? Bring her in! We'll have a celebration. My wife still talks about her and the trip they made to Esztergom [in Hungary]. What fun we had."

While Terry left to bring in his wife and show off his sons, Bona ordered his secretary to break out the best Hungarian wines. It was, he proclaimed, "fiesta time, or was it siesta time? Who cares which one it is. I love it here in Mexico." As they sat down to drink and reminisce, Bona almost forgot what time it was. When he finally realized it was late in the day, he exclaimed, "Oh, I almost forgot we must send a car to the airport to pick up Fenue."

George Fenue, Terry's long-lost business associate and the man who had been his host in Budapest five years earlier, was arriving in Mexico. Terry had last seen him a year earlier, at the Chicago machine tool show. They

had gone to dinner and had a few "liver shots" (drinks) together.

While waiting for Fenué to arrive, Bona explained he was being "recalled" to "the Motherland." The good news for Terry was Fenué was being promoted by Technoimpex and was taking over operations in Mexico. This was too good to be true, Terry thought.

The Reeds returned the next day to Cortec's offices for another round of partying, only this time without the children who were being cared for by a paid nanny at the hotel. Fenué was present now for the day's festivities and both began discussing business. Fenué confided that the "home office" was disappointed with Cortec's performance to date. Their Mexican business partner, who by law owned 51 percent, was contributing nothing to the company and, at the same time, stealing them blind.

Terry's timing couldn't have been better. He'd caught Cortec in a transitional phase, trying to become profitable. Fenué mused that his country was learning "this democratic and capitalistic shit has a downside, they want you to make a profit." Bona, he said privately, was being recalled since he was of the old way of thinking and just didn't seem to care if the company became profitable. Besides, he added, headquarters had a new assignment for him. Reed could only wonder if that meant Bona was going to apply his espionage talents in a KGB hot-spot somewhere else in the world, or if, perhaps, he was being sent to Siberia for punishment. Probably not the latter, considering that Bona still appeared as sly as a fox.

Fenué was eager to listen to Terry's proposal for a new joint venture. The conversation focused primarily on the machine tool aspects. But that night, while dining at an expensive five-star restaurant in the plush, European ambiance of the district of Mexico City known as the Zona Rosa, Fenué began to probe into Terry's real motivation for wanting to move to Mexico.

"You can tell me -- we're friends. What is it these silent partners of yours want to gain out of all this? I think there's an easier way to make money than investing down here, especially when you consider these ridiculous tariffs placed on machine tools."

A myriad of thoughts raced through Terry's head. Here he was, dining with someone he was sure was a communist agent. A man he liked, to be sure, but a communist agent nonetheless. And Terry was fronting for the CIA. Another strange alliance? He had looked behind the curtain in Arkansas and seen that American politics was a charade. Was geopolitics a charade, too, he wondered?

Terry chose his words carefully. "What would you say if I told you, hypothetically, that my backers are so connected politically that I could get the tariffs virtually eliminated if we proceed with this joint venture?"

"I would say I was very interested, but then I would ask who these people are. They sound very powerful to me. Almost too powerful. Before I could sell this concept to my people, I would have to know who I'm dealing with ... for sure." Terry left it at that. He would have to go back to Gomez or Cathey to see how they wanted to handle this.

All in all, the trip had been a great success so far, in more ways than one. The door might be opening for a real joint venture, he thought. And Janis was starting to realize that Terry was right, something she always hated to admit. She'd been lied to by her government supplied pre-travel brochures. Only propaganda, she thought, courtesy of the U.S. State Department. Once past the border, she had seen no real poverty, no starving children everywhere, no banditos. They had even driven at night.

And now here she was in the Zona Rosa looking at the opulence on display by the Mexican elite. The European architecture combined with the Aztec and Mayan influences to create an aura of fantasy.

What intrigued her the most, having been raised in a midwestern middle class family, was the distinct class system. In Mexico, a little money moved you way up the social ladder. She had discovered that many people here had maids, and nannies and servants. With two young boys and a career, her life in Arkansas

bordered on continual chaos. She was beginning to see the world through her husband's eyes. He had always loved the Third World, something she was now beginning to understand. Mexico had a pace and style unknown to Americans. The people seemed happy which was somewhat confusing because of the North American propaganda she had ingested about the supposed poverty there.

As he drove toward Guadalajara the next day, Terry saw endless possibilities developing with Fenue. He and Gomez had only discussed the business aspects of luring an international partner into the joint venture as part of the cover. Their plan was to get Cortec, if possible, strictly as a stockholder in a machine-tool venture. **Another idea was now forming. The Agency, through Terry, could set up a franchise to the parent company, Cortec, and attempt to run it autonomously, probably in Gaudalajara.**

That franchise division would move the "secret shipments" of arms without the knowledge of the partner. Beyond that, another concept was unfolding, in his mind at least. He had not discussed the possibility with Gomez, but what if the partner became a willing participant in the arms traffic?

Holy shit! He thought. The Hungarians, if they played ball and could be trusted, would provide the new venture with access to East Bloc arms!

The smog and traffic of Guadalajara snapped him out of his deep thoughts, at least for the moment. After taking two days to make the rounds of the various government agencies and dictating his reports to Janis while driving, they struck off for the west coast port city of Manzanillo. Looking at the Mexican equivalent of a Rand-McNally map, the Reeds thought this drive would be a piece of cake.

The map showed a new four-lane highway, route 54, extending from Gaudalajara to Colima near the coast. But they found this road existed only in the political rhetoric of Presidente Miguel de la Madrid, whose family lived in Colima. This had been a campaign promise and, in Mexico, a road can "exist" if you simply put it on the map.

After a tortuous trip on a two-lane winding road filled with switchbacks and jack-knifed trucks, Janis penciled in under her heading marked "Highway Infrastructure, Guadalajara to Manzanillo ... non-existent, air freight only." Southern Air Transport (SAT) wins again.

Due to the delay in getting to the coast, they proceeded up Highway 200 to the port city of Puerto Vallarta, situated in the center of a beautiful bay, bypassing Manzanillo, which appeared at that time to be inaccessible by well surfaced road. At Puerto Vallarta, he performed the same exploratory work as he had at Vera Cruz. They spent two peaceful days at a tourist hotel on the bay's north side. Janis played the role of the Norte Americano turista and spent the days sipping pina colodas by the pool while watching Duncan play in a tidal basin.

When Terry returned to the hotel after visiting the comandante of the Puerto Vallarta International Airport to analyze its cargo-handling capabilities, she was sitting pensively in the shade and informed him, "I've been watching ugly Americans all day. Why is it Americans live a life of misery and then attempt to make up for it by taking frenzied vacations?"

She had spent the day watching tourists from the U.S. with pale bodies arriving at the hotel and wearing clothes just purchased from the hotel's "Banana Republic" clothier shop. They all were caricatures, running up their credit card bills and carrying coconuts filled with anesthesia. Why? What were they running from and what were they searching for?

She had analyzed her own suburban culture and concluded that it was grotesque. What was really going through her mind now was that life could be very different for her and the children if they settled in Mexico. Up until that day, her husband's "pipe dream" of running a CIA proprietary on foreign soil was something she thought of only in the abstract. Why hadn't she taken him seriously? Hadn't he always "created reality" by the sheer force of his will?

"So tell me the truth," she asked her husband. "Do you think you can really make all this happen? Up

until today, Terry, I have to confess, this whole thing seemed like a pipe dream of yours. I guess I needed this day off here by the pool to clear my mind. It's really happening, isn't it? You're actually meeting with Mexican dignitaries and the CIA is actually paying for this vacation! It's scary, but I have to admit it's exciting. Is this what you really want to do? Because if it is, what can I do to help?" Her adventurous soul had been tapped.

Terry was somewhat surprised. He hadn't fully realized that he had to "sell" her the way he was trying to sell the Agency. He had assumed all along that she would be a willing participant. But, in any case, he was glad she was now on board.

The trip continued up Highway 200 until taking Route 15 back to Guadalajara. This road surface was considerably better. Janis penciled in: possible for manual equipment, negative CNC (fragile computerized equipment).

Their plan as they checked into a center city hotel was to spend one night and leave the next day for the trip home. But as they dined that night in the peaceful ambiance of Mexico, they both realized that their return to Arkansas meant an immediate resumption of the rat race. It was September 9th.

"Why are we going back tomorrow?" Terry asked her. "I just heard about an area near Lake Chapala that's south of here. If Max decides to put this operation in Guadalajara we should take advantage of this time together to explore the area. Call your office. Have Cheryl cover you for another week. What the hell, the CIA's paying the bills."

The next day they headed for the ancient city of Chapala, 50 miles to the south. The lake is Mexico's largest and within its waters swims the famous Mexican whitefish. On its northern shore is a string of communities, the largest being the town of Chapala with a string of villages connected by the carretera extending west from Chapala. It is an area favored by about 5,000 foreign pensionados, mostly American, and wealthy Mexicans who view it as a vacation retreat.

The lush valley surrounding the lake, protected by a mountain range on the north, gives the area a much cooler micro-climate and blocks out the smog from Guadalajara. The ancient Indian village of Ajijic, five miles west of Chapala, was the cultural center of the area. It had strict, but self-imposed, zoning codes that retained its rustic character. There, Janis would learn strollers are worthless on cobblestone streets. No matter, here the nannies carry the children!

They checked in at the Posada Hotel and Restaurant, owned by a Canadian couple, and learned that Chapala Realty, owned by another Canadian named Richard Tingen, was the place to find whatever you needed.

The following day they went to Chapala Realty to inquire about the essentials, schools, grocery stores, doctors, pharmacies, auto repair shops, etc. They were directed to **a woman named Diana Aguilar, an American originally from Southern California who had been raised in Mexico. She informed them, much to their delight, that an opulent life style was possible in Mexico for \$600 a month.**

They had told her they might be moving to this area and the Reeds spent two days with her driving around in their van, "touring" homes (there you don't just look at real estate). A fast friendship developed with Aguilar, who was 36 and lived with two of her three sons in Ajijic. Her Mexican husband, an accountant who lived and worked in Guadalajara, enjoyed a typical upperclass "Latino" marriage, with each living individual lives and pursuing their own careers. She actually ran the real estate office. Her pleasant demeanor and language fluency attracted Americans who were looking for real estate.

They toured the lake's entire north shore and were shown homes in Jocotepec, Ajijic, Chula Vista and Chapala. Janis, familiar with real estate, marveled at the homes and observed that all had servants quarters, and gardeners -- who took care of the pools!

"Forty dollars a month! You can get a live-in maid for \$40 a month? We're spending \$400 a month just on day care" Janis exclaimed in amazement.

"Forty's actually high," Aguilar noted. "I pay my maid \$25. Forty will get you one that's bilingual." Janis was starting to realize something else about living in Mexico, there were a lot of perks.

Tomorrow they would have to return to reality. But that was tomorrow. That night they put that out of their minds and concentrated on the sound of the rain drops tapping on the red tile roof and reverberations of the thunder rolling across the lake. They moved even closer together in the sarape they were sharing.

They sat in front of the fireplace of their rustic cottage sipping vintage Mexican wine and recapping the places and things they had found in the last two weeks in Mexico as the torrential downpour washed down the Posada's manicured compound. The magic of Mexico had transformed, and seduced, his wife.

The trip had been a business success in more ways than one. It had been a renewal for the two of them, something unplanned when they started back in Little Rock. Janis had not been part of the black world he had lived in at Nella, nor in any of the other intelligence loops in Arkansas. **They had come to realize that the tourists she had found so distasteful at the hotel in Puerto Vallarta were a reflection of themselves and what they had become.** Maybe, they thought, happiness and pleasure doesn't have to be confined to only two weeks of the year.

But Terry had had some revelations on this trip. He had been right about Mexico and he knew his wife could now understand how the Third World pulled him like a magnet. She had been able to see the hidden beauty and intrigue through her own eyes. But more importantly, they were a real team again. The critical mass was being reunited.

As they re-entered the U.S. at Laredo, Texas they experienced the only disturbing aspect of the trip. Upon entry, U.S. Customs demanded "proof of ownership" for Elliott. When they produced a passport for the infant, the customs inspector challenged the photo and informed the Reeds of a "child smuggling ring" being run out of Mexico, and suggested that they might be spiriting a Mexican orphan into the U.S. This "GS weenie", in Seal's vernacular, backed off when Terry pointed out that Elliott was an Anglo with blond hair and blue eyes.

"Welcome back to the USA," Janis said wryly. "Isn't it great to be back where you're so wanted?"

He had had to drag her across the border going south and now he had to drag her back north. Janis had discovered there was no need to travel half way around the world to encounter the exotic excitement of the third world. It was only a border crossing away.

* * *

It was now mid-September when they pulled into the driveway in Maumelle. They had fully expected things to be hectic and they were not disappointed. Business at his firm, Applied Technologies, Inc., was beginning to take off.

Why do things always seem to happen in one's absence? It appeared that all the Arkansas industry he had been chasing for months was now chasing Terry for up-dated price quotations for machinery purchases.

Before getting fully immersed in business details, Terry went to see Bruce and find Sawahata. Bruce told him that Sawahata was in Washington, but that the OSI office in Little Rock would remain open indefinitely. Terry called Sawahata on OSI's secure communications and went over the high points of the trip. Sawahata said he was going to be talking with Cathey, who was extremely busy, but would take the time to pass on the positive news about the trip.

Asked by Terry about how to proceed, Sawahata told him to prepare a detailed report and send it to SAT in

Miami. When asked about Seal's whereabouts, Sawahata said he was "working undercover on a special project."

"A whole new management team," he said, was being assembled to evaluate the feasibility of the proposed Mexican cut-out.

Terry was confused. Who, he wondered, should he report to with the Nella operation shut down. Sawahata was now just a voice on the telephone and Terry seemed to be supervised by no one in particular.

Terry had been sent to Mexico by Cathey and had been interviewed by Gomez, but he was about to find out another boss had been brought into the Mexican loop. He was ill-prepared for the October 1st telephone call from a man identifying himself as Robert Johnson, who said he was Chief Counsel for Southern Air Transport (SAT).

"This whole thing sorta got dumped on me recently," Johnson confided. "I'm looking at a file that's pretty disorganized, but there's all kinds of reports here indicating you've been the main source of a lot of this data pertaining to Mexico. I'd like to go over it with you in detail. My job is to review this project for legal considerations."

Terry had no idea who this man was. He had never heard this name before and no one had ever mentioned him. He knew that people in Arkansas had not been told about Mexico and Terry began to suspect this might be a pretext call from someone in Arkansas state government seeking to uncover the Agency's future plans.

Terry bought himself some time by saying his report was not yet complete and he needed time to type it and send it on to Miami. The man on the phone said that would be fine. He told Terry to mail it to SAT, in care of Cooper, and he would intercept it.

Unable to contact Cooper by phone, he did as Johnson had instructed. He prepared a recap of the trip's highlights and sent it to SAT on October 2nd. The report also highlighted an interesting development that had occurred since his return. In light of articles appearing in The Wall Street Journal concerning trade with Mexico, Terry was confident there was genuine interest within the machine-tool industry as a whole to develop a Mexican market. He, therefore, had put out feelers for other possible investors in the joint venture, not wanting to limit his search to only the Hungarians. He had baited the hook and gone fishing for a company with the proper international connections and he was beginning to feel tension on the line.

This was reflected in the section of the report that read: "For the real good news, I have our Asian connection. The company is named Gomiya, U.S.A. I've had dealings with them on and off since 1980. I know nearly all of the personnel in the U.S. as well as quite a few of the high-level managers in Japan. I spoke to Mr. Frank Fujikawa, the manager of the American division and they are really "up" for expansion into Mexico. All they lack is the catalyst (me) to get things going.

"Gomiya, Japan, is an international trading company with public stock on the Japanese stock exchange. You might want to check them out, but they are my first choice, especially since they are set up for this and willing to 'play ball'. I will be seeing Mr. Fujikawa in Dallas soon where, with your permission, I will go into greater details with him."

With the report, Terry enclosed a map he had drawn of North America and entitled "Proposed Distribution." (See chapter end.) It showed how the "supply pipeline" for the company could be developed to establish tentacles from Mexico to Asia, the United States and Europe. Under this plan, if the cut-out found the proper investors, they would develop a supply network giving the CIA access to weapons worldwide, all of which could be shipped and disguised as machine tools.

But, not knowing for sure if the Agency would implement the Mexico plan, Terry still wanted to seize upon the increased business opportunities developing in Arkansas. Since his return Terry was devoting a lot of time to his own firm. He was no longer associated in any way with McAfee's company, which was on the verge of collapse

and total bankruptcy with his creditors seizing its assets.

Terry had established an office in his home and one customer he was developing was in fact, Skeeter Ward. The subject of machine tools had become of primary interest to POM, the Wards' parking meter firm in Russellville. Since Terry was the only machine tool dealer who actually knew the "true application" of the equipment POM needed, he had a built-in advantage over any possible competition. Terry, in effect, had a "security clearance" the others couldn't obtain.

As a result of Terry's applications engineering work with the younger Ward, POM had targeted a brand of equipment built by Mori-Seiki, Ltd. of Japan.

Terry found it amusing when the Arkansas media reported that POM was planning a large expansion of its plant because of new government contracts it had recently received. He knew the source of the "government" work and he also knew that the U.S. Bureau of Alcohol, Tobacco and Firearms would have loved to have known about the "contract".

During the fall months of 1985, Terry settled into a routine that bordered on normality. There were no training missions and there was time for the family. But he was getting restless. He had whetted everyone's appetite with the Mexican venture -- including his wife's -- but there was no response from the lawyer Johnson.

He was getting positive responses about Mexico from the Japanese and the Hungarians. Janis had purchased a Berlitz course and was studiously attempting to become conversant in Spanish. **But the Agency was silent, except for a call from Cooper reassuring Terry that Johnson was, indeed, who he had claimed to be. Not only was Johnson SAT's General Counsel, Cooper said, but also "a stockholder" in SAT, and one of [those "Yale lawyer types"](#) who had lately started running the Agency.**

Then, suddenly, in late November, Barry Seal, who had seemed to have dropped off the edge of the earth, reappeared. He called Terry, saying he was in Little Rock in order to do some "bankin'" at Lasater's.

"I'm in town and we need to do dinner at our usual place. I've got good news for ya."

As they settled into the corner at SOB's, Terry's curiosity had the best of him. He noticed Seal had put on a lot of weight and seemed to have aged considerably.

"Where the hell you been. I figured the Bermuda triangle must have just swallowed you up. Or was it something I said?" Terry joked to get the conversation started.

Seal told him only that he had been "undercover" and apologized for not keeping in touch, "Let's not talk about 'old business'. Let's discuss new business. I got some inside knowledge that not only affects you, but is gonna affect Arkansas ...in a big way. The good news is the Agency wants ta do your Mexican venture. You've got Cathey really excited. The bad news is I've been out of the loop so long, you need to bring me up ta speed so I can get involved in this project in order to help you."

Terry started from the top. It was napkin time, once again. He recapped his Mexican trip and outlined the proposed arms supply network. When he came to the part about Max, Seal started laughing uncontrollably, leading Reed to realize he had earlier encountered Gomez.

"What's so funny?" Reed asked.

"So, you met the Super Beanerthe infamous commie-hater." Seal continued laughing.

"Goddam it, why didn't Cathey warn me about this guy? I can't tell if he would be a good manager for this operation, or if he just wants to use it to get at the Hungarians and personally strangle Bona to death. It would have been a real great vacation except for that meeting. I think Max ate one too many worms from the tequila."

Seal turned the conversation away from Gomez and to the Arkansas oligarchy. "The Agency's gettin' real pissed at these guys here. Talk about outgrowing their britches, they're stealin' fuckin' money from the Company. Terry, that's like robbin' the Mob, it's somethin' ya just don't fuckin' do. I guess Bill Clinton and his gang have been workin' on a lot more than their 10 per cent cut. The decision has been made ta pull the plug on the whole fuckin' deal."

"You mean they're shutting down Operation 'Centaur Rose'?"

"Yeah. This worked out real great up here and we all proved it could work. **But the Agency's got much bigger plans for Mexico, bigger plans than are included in your proposal. Terry, they want to build whole fuckin' guns down there ... from scratch, usin' your machine tools. Shit, man, you've really opened their eyes on this manufacturing stuff. I even brought along some blueprints on the first weapon they want ta build down there."**

Seal had discussed Agency interest in perhaps expanding the Mexican operation from one of simply housing and transporting weapons to actual manufacture. From what Terry was hearing, a decision had already been made to include manufacturing in the overall scope. Terry liked this. Subsequently, the program would be refined into two phases. Phase I was the original "offshore" front company getting established in Mexico and Phase II would be utilization of machine-tool equipment being imported to actually build weapons. High technology for Mexico was on its way.

Seal produced a full set of drawings for a weapon that could fire plastic explosive cartridges, a weapon reserved for military use only. But the Agency had decided it was what every right-wing Third World country needed. It would be a good weapon to begin building their offshore manufacturing concept around due to the pent up market for it. The CIA had even done its own marketing analysis.

"Now keep this quiet," Seal cautioned. "It's real sensitive info and these guys here haven't been notified. But Bob Nash is in deep shit. That nigger is gonna have trouble swimmin' with all that chain the Agency is gonna wrap around him. Yessirree, things are gonna get reeeal interestin' around here. And Governor Bill's gonna learn who's in charge ...the hard way. He'll be lucky ta get elected as dog catcher after they're through with him."

Getting back to Gomez, Seal said, "We gotta tolerate him for now. He may appear like a loose cannon, but what's important for both of us is for you ta take them up on their deal, get your butt down to Mexico and be in position ta receive me once I help blow the lid on the whole Arkansas operation."

"How you gonna do that?"

He swallowed his last oyster and said: "Let me worry about that. That's my job."

The rest of the time was spent with Seal telling Terry about a secret meeting he was trying to arrange between his CIA handler and Gomez. As a result of his "undercover operation", Seal said he was "real hot" and wanted to set in place special security for the meeting.

"Remember how to piggyback?" Seal asked. "I think this is an appropriate time to use this procedure for somethin' other than carryin' cash."

On the napkin, he drew a flight plan for a "pre-canned" piggyback mission and codes to be used over the phone

when he would call Terry's house.

"I'll refer to my handler as my brother. I'm trying' ta get this meeting set up ta take place out of the country for security reasons. We won't be gone long, they'll miss me up here if I'm out of the country more than a couple a days. Just be prepared for my call and don't say anythin' stupid over the phone. It's not secure."

"Can you give me an idea where we're going?"

Seal winked. "I'll take you for a trip on the darkside."

RESA	RESERO	PERSONAS	CUARTO	CHEQUE
			505	Nº A 2750
HOTEL MOCAMBO S. A.		ALIMENTOS FOODS		1020
Big Fed. de Cruz MOCAMBO		IMPUESTO TAX		153
FECHA DATE	8-31-85	SUB-TOTAL		1,173.00
NOMBRE NAME	REED TERRY	PROPINA TIP		300
FIRMA SIGNATURE	<i>Terry Reed</i>	TOTAL		1473
HOTEL MOCAMBO S. A.				
CARGO				
Veracruz, Ver., a 31 de Agosto de 1985				

RESA	RESERO	PERSONAS	CUARTO	CHEQUE
			505	Nº A 2750
1	Coca Cola			100
1	Tesquila			280
1	Vodka			320
1	Verona			320
				1020.00
				153
				1173
CARGO				

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378 1008

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NOMBRE	CUARTO	Nº PERE.
REED TERRY	505	2
CALLE	B 3050,00	
CUIDAD	TARIFA	
RIB. CAN. NAL. HB	RIB. EST. DIDD	R. P. C. MOC-80380-001

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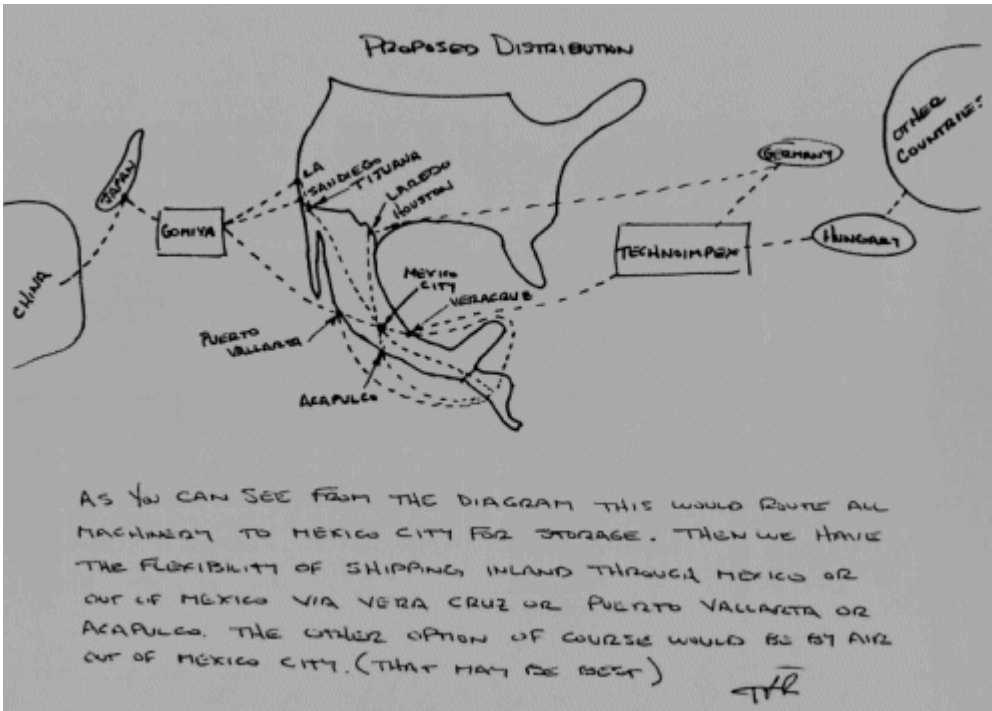
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INRE 1478		
FEED EFUO 11328		
BAL. B1 80505-2	0	
31-08-85		
DEUD 11328	0	
FEED EFUO 11328		
BAL. B1 80505-2	-11328	
31-08-85		
BAL. 1,473.00		
RESPT. 905.00		
RESPT. 5,040.00		
BAL 322.00		
SUITE 3,850.00		
IVA 1,478.00		
BAL. B1. 7,740.00		
BAL. 1200.00		
BAL. A1. 8960.00		

FIRMA HUISPES

Por una Pagina de obligaciones obligacion, a pagar incondicionalmente a la orden de HOTEL MOCAMBO S. A. en la Ciudad de Veracruz, la cantidad de \$

14-1. Receipt. lower right, from hotel in Vera Cruz, Mexico, where Terry Reed first met "Maximo Gomez" along with newspaper ad., lower left, that Reed and Seal wrote and placed in Denver Post. Above right, is Jozsef Bona's business card.



14-2. Distribution diagram explaining the concept of Machinery International drawn by Reed after fact-finding trip to Mexico.

Notes:

1. North Testimony, Iran-Contra hearings, 100-7, part 1, at 78-79.

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