

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

UNITED STATES OF AMERICA,

Plaintiff,

v.

CARLOS CARDOEN,  
FRANCO SARTA,  
JORGE BURR,  
INDUSTRIAS CARDOEN LIMITADA,  
a/k/a INCAR,  
SWISSCO MANAGEMENT GROUP, INC.,  
EDWARD A. JOHNSON,  
RONALD W. GRIFFIN, and  
TELEDYNE INDUSTRIES, INC.,  
d/b/a,  
TELEDYNE WAH CHANG ALBANY,

Defendants.

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) Case No.:  
) 93-241-CR-HIGHSMITH

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) DECLARATION OF  
) HOWARD TELCHER

I, Howard Telcher, hereby state that, to the best of my knowledge and belief, the facts presented herein are true, correct and complete. I further state that to the best of my knowledge and belief, nothing stated in this Declaration constitutes classified information.

1. My name is Howard Telcher. From 1977 to 1987, I served in the United States government as a member of the national security bureaucracy. From early 1982 to 1987, I served as a Staff Member to the United States National Security Council.

2. While a Staff Member to the National Security Council, I was responsible for the Middle East and for Political-Military Affairs. During my five year tenure on the National Security Council, I had regular contact with both CIA Director William Casey and Deputy Director Robert Gates.

3. In the Spring of 1982, Iraq teetered on the brink of losing its war with Iran. In May and June, 1982, the Iranians discovered a gap in the Iraqi defenses along the Iran-Iraq border between Baghdad to the north and Basra to the south. Iran positioned a massive invasion force directly across from the gap in the Iraqi defenses. An Iranian breakthrough at this spot would have cut off Baghdad from Basra and would have resulted in Iraq's defeat.

4. United States intelligence, including satellite imagery, had detected both the gap in the Iraqi defenses and the Iranian massing of troops across from the gap. At the time, the United States was officially neutral in the Iran-Iraq conflict.

5. President Reagan was forced to choose between (a) maintaining strict neutrality and allowing Iran to defeat Iraq, or (b) intervening and providing assistance to Iraq.

6. In June, 1982, President Reagan decided that the United States could not afford to allow Iraq to lose the war to Iran. President Reagan decided that the United States would do whatever was necessary and legal to prevent Iraq from losing the war with Iran. President Reagan formalized this policy by issuing a National Security Decision Directive ("NSDD") to this effect in June, 1982. I have personal knowledge of this NSDD because I co-authored the NSDD with another NSC Staff Member, Geoff Kemp. The NSDD, including even its identifying number, is classified.

7. CIA Director Casey personally spearheaded the effort to ensure that Iraq had sufficient military weapons, ammunition and vehicles to avoid losing the Iran-Iraq

war. Pursuant to the secret NSDD, the United States actively supported the Iraqi war effort by supplying the Iraqis with billions of dollars of credits, by providing U.S. military intelligence and advice to the Iraqis, and by closely monitoring third country arms sales to Iraq to make sure that Iraq had the military weaponry required. The United States also provided strategic operational advice to the Iraqis to better use their assets in combat. For example, in 1986, President Reagan sent a secret message to Saddam Hussein telling him that Iraq should step up its air war and bombing of Iran. This message was delivered by Vice President Bush who communicated it to Egyptian President Mubarak, who in turn passed the message to Saddam Hussein. Similar strategic operational military advice was passed to Saddam Hussein through various meetings with European and Middle Eastern heads of state. I authored Bush's talking points for the 1986 meeting with Mubarak and personally attended numerous meetings with European and Middle East heads of state where the strategic operational advice was communicated.

8. I personally attended meetings in which CIA Director Casey or CIA Deputy Director Gates noted the need for Iraq to have certain weapons such as cluster bombs and anti-armor penetrators in order to stave off the Iranian attacks. When I joined the NSC staff in early 1982, CIA Director Casey was adamant that cluster bombs were a perfect "force multiplier" that would allow the Iraqis to defend against the "human waves" of Iranian attackers. I recorded these comments in the minutes of

National Security Planning Group ("NSPG") meetings in which Casey or Gates participated.

9. The CIA, including both CIA Director Casey and Deputy Director Gates, knew of, approved of, and assisted in the sale of non-U.S. origin military weapons, munitions and vehicles to Iraq. My notes, memoranda and other documents in my NSC files show or tend to show that the CIA knew of, approved of, and assisted in the sale of non-U.S. origin military weapons, munitions and vehicles to Iraq.

10. The United States was anxious to have other countries supply assistance to Iraq. For example, in 1984, the Israelis concluded that Iran was more dangerous than Iraq to Israel's existence due to the growing Iranian influence and presence in Lebanon. The Israelis approached the United States in a meeting in Jerusalem that I attended with Donald Rumsfeld. Israeli Foreign Minister Yitzhak Shamir asked Rumsfeld if the United States would deliver a secret offer of Israeli assistance to Iraq. The United States agreed. I travelled with Rumsfeld to Baghdad and was present at the meeting in which Rumsfeld told Iraqi Foreign Minister Tariq Aziz about Israel's offer of assistance. Aziz refused even to accept the Israelis' letter to Hussein offering assistance, because Aziz told us that he would be executed on the spot by Hussein if he did so.

11. One of the reasons that the United States refused to license or sell U.S. origin weapons to Iraq was that the supply of non-U.S. origin weapons to Iraq was sufficient to meet Iraq's needs. Under CIA Director Casey and Deputy Director Gates, the CIA made sure that non-U.S. manufacturers manufactured and sold to Iraq the

weapons needed by Iraq. In certain instances where a key component in a weapon was not readily available, the highest levels of the United States government decided to make the component available, directly or indirectly, to Iraq. I specifically recall that the provision of anti-armor penetrators to Iraq was a case in point. The United States made a policy decision to supply penetrators to Iraq. My notes, memoranda and other documents in my NSC files will contain references to the Iraqis' need for anti-armor penetrators and the decision to provide penetrators to Iraq.

12. Most of the Iraqi's military hardware was of Soviet origin. Regular United States or NATO ammunition and spare parts could not be used in this Soviet weaponry.

13. The United States and the CIA maintained a program known as the "Bear Spares" program whereby the United States made sure that spare parts and ammunition for Soviet or Soviet-style weaponry were available to countries which sought to reduce their dependence on the Soviets for defense needs. If the "Bear Spares" were manufactured outside the United States, then the United States could arrange for the provision of these weapons to a third country without direct involvement. Israel, for example, had a very large stockpile of Soviet weaponry and ammunition captured during its various wars. At the suggestion of the United States, the Israelis would transfer the spare parts and weapons to third countries or insurgent movements (such as the Afghan rebels and the Contras). Similarly, Egypt manufactured weapons and spare parts from Soviet designs and provided these weapons and ammunition to the Iraqis and

other countries. Egypt also served as a supplier for the Bear Spares program. The United States approved, assisted and encouraged Egypt's manufacturing capabilities. The United States approved, assisted and encouraged Egypt's sale of weaponry, munitions and vehicles to Iraq.

14. The mere request to a third party to carry out an action did not constitute a "covert action," and, accordingly, required no Presidential Finding or reporting to Congress. The supply of Cardoen cluster bombs, which were fitted for use on Soviet, French and NATO aircraft, was a mere extension of the United States policy of assisting Iraq through all legal means in order to avoid an Iranian victory.

15. My NSC files are currently held in the President Ronald Reagan Presidential Archives in Simi Valley, California. My files will contain my notes and memoranda from meetings I attended with CIA Director Casey or CIA Deputy Director Gates which included discussions of Cardoen's manufacture and sale of cluster bombs to Iraq. My NSC files will also contain cable traffic among various United States agencies, embassies and other parties relating to Cardoen and his sale of cluster bombs and other munitions to Iraq and other Middle Eastern states.

16. Under CIA Director Casey and Deputy Director Gates, the CIA authorized, approved and assisted Cardoen in the manufacture and sale of cluster bombs and other munitions to Iraq. My NSC files will contain documents that show or tend to show the CIA's authorization, approval and assistance of Cardoen's manufacture and sale of cluster bombs and other munitions to Iraq.

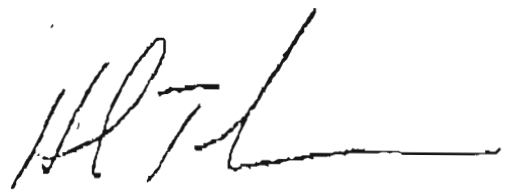
17. My files will contain notes, memoranda and other documents that will show that the highest levels of the United States government, including the NSC Staff and the CIA, were well aware of Cardoen's arrest in 1983 in Miami in a sting operation relating to the smuggling of night vision goggles to Cuba and Libya. My files will also show that the highest levels of government were aware of the arrest and conviction of two of Cardoen's employees and his company, Industrias Cardoen.

18. CIA Director William Casey, aware of Cardoen's arrest and the conviction of his employees and his company, intervened in order to make sure that Cardoen was able to supply cluster bombs to Iraq. Specifically, CIA Director Casey directed the Secretaries of the State and Commerce Departments that the necessary licenses required by Cardoen were not to be denied. My files will contain notes, memoranda and other documents showing or tending to show that CIA Director William Casey's intervention in order to maintain Cardoen's ability to supply cluster bombs and other munitions to Iraq.

I declare under penalty of perjury that the foregoing is true and correct to the best of my memory and recollection.

Executed on

1/31/95

  
Howard Telcher