9/11 As Sequel to Iran-Contra: Armitage, Carlucci and Friends

by Kevin Ryan

Dick Cheney and Donald Rumsfeld are among the leading suspects in the crimes of September 11, 2001. Reasons for this include that they were in the most powerful positions in the U.S. that day, that there is evidence they had foreknowledge of the attacks, and that they did not respond effectively. Other people who were closely associated with Dick and Don should also be investigated if they were in positions to be involved. Richard Armitage and Frank Carlucci are two such people. They both played important roles with respect to the events of September 11, 2001 and, prior to that, both had a colorful history of covert operations which intertwined and was aligned with the careers of Dick and Don. Armitage and Carlucci both also benefited from the War on Terror by way of profits made after the attacks.

For the twelve years prior to the attacks, Frank Carlucci ran the Carlyle Group, an investment firm with close ties to the most powerful members of the Reagan and Bush I administrations, and to the Saudi Arabian oil industry. The two major operating subsidiaries of that company were BDM international, for which Carlucci was chairman, and the Vinnell Corporation. Working for Carlucci at BDM from 1989 to 1996 was its vice president, Barry McDaniel, who left to become the Chief Operating Officer for an alarmingly suspicious company. That was Stratesec, the security company that had contracts for so many of the facilities associated with the 9/11 attacks.

On September 11, 2001, Carlucci was meeting with Carlyle investors at the Ritz Carlton Hotel in Washington, DC, along with the brother of Osama bin Laden. Former president George H.W. Bush had been meeting with them the previous day. Today, McDaniel is business partners with one of Dick Cheney’s closest former colleagues, Bruce Bradley, whose business partner Alan Woods is mentioned below.

Armitage was one of the signatories of a 1998 letter to President Clinton from the Project for a New American Century (PNAC), calling for military intervention against Saddam Hussein in Iraq. In 2001, Armitage was the Deputy Secretary of State reporting to Colin Powell. He was involved in the secure video teleconference run by Richard Clarke that failed to respond to the hijacked airliners. The week of 9/11, in Washington, Armitage met with General Mahmud Ahmed, the head of Pakistani Inter-Services Intelligence (ISI) who reportedly ordered $100,000 to be wired to the alleged hijackers. Moreover, Armitage was a director at Choicepoint, which provided DNA testing on 9/11 victims through its subsidiary, Bode Technology.

At the time of the attacks, Armitage was the boss of Marc Grossman, Undersecretary of State for Political Affairs, and Grant S. Green, Undersecretary of State for Management. It has been reported that Grossman met with General Ahmed as well, prior to 9/11. As Undersecretary of
Management, Green was responsible for administration of U.S. embassies abroad as well as coordination with the president on key management issues, and he supervised the State Department’s Office of White House Liaison.

Green’s position in the State Department put him in control of the Bureau of Consular Affairs, which issued visas to foreign nationals. The Bureau’s new express visa program, instituted under the leadership of Armitage and Green, provided visas to five of the alleged 9/11 hijackers. Ten of the other alleged hijackers had previously received their visas in the same U.S. consulate office in Saudi Arabia. The express program made an already bad system worse because the new process was one in which “The issuing officer has no idea whether the person applying for the visa is actually the person (listed) in the documents and application.” That is, in terms of the visas, anyone could have taken the place of the alleged hijackers and Armitage and Green were in a position to supervise that dubious process.

Therefore, Carlucci, Armitage, and Green had interesting connections to 9/11. Furthermore, Green’s background recalls the secret history of Armitage and Carlucci, two men who greatly influenced U.S. government policy in the 25 years before 9/11.

Some history

Frank Carlucci was one of the oldest and closest friends of Donald Rumsfeld, whose role as Secretary of Defense on 9/11 was central to the events of that day. They were college roommates together at Princeton and Rumsfeld brought Carlucci into his first position in the federal government at the Office of Economic Opportunity (OEO). Carlucci went on to become Deputy Director of the Nixon Office of Management and Budget (OMB), and was later appointed Ambassador to Portugal by President Ford.

Like Richard Clarke, Robert Gates and Paul Wolfowitz, Carlucci’s career as a powerbroker in the U.S. federal government transcended political affiliation. That might be due to his charm and ability to work with others, or it might be that he was an operative of deep state organizations which transcended political parties. His history suggests the latter.

Before joining the Carter Administration as Deputy Director of the CIA in 1977, Carlucci had a long history of being implicated in world-changing covert operations. According to the London Times, he was “accused of plotting the 1961 assassination of Patrice Lumumba, who won independence for the Congo; the overthrow of Chilean president Salvador Allende; coups in Brazil and Zanzibar; and numerous other covert actions.”

Carlucci denied these accusations and none were proven, but such claims continued. It was reported that Carlucci “was also accused by Italian communists of being behind the kidnapping of Aldo Moro, and subverting the revolutionary process in Portugal.” In Central America, the spokesman for the Sandinista Front in Nicaragua told reporters that Carlucci “has been a specialist in dirty work and coup attempts in the Third World.”
Carlucci was also “very close friends” with Ted Shackley, a man who was at the center of a private network of covert operatives created after the U.S. government began to cut back CIA activities in the mid-1970s. Shackley and his associate Thomas Clines knew Carlucci from the 1973 U.S.-led coup in Chile, for which Carlucci arranged funding via his role in the OMB. It was Shackley, with help from George H.W. Bush, who maneuvered Carlucci into the position of Deputy Director of the CIA.

Shackley had a long, close working relationship with Richard Armitage as well. While Carlucci was working in the Nixon Administration and later in Portugal, Shackley and Armitage were funding covert operations from Southeast Asia by way of drug trafficking. Vast amounts of cash were smuggled out of Vietnam via this operation, along with military armaments, by Clines and another associate, Richard Secord.

In 1975, Secord was transferred to Iran as chief of the Air Force’s Military Advisory Assistance Group (MAAG). With Shackley, Clines, and others, Secord established an arms sales company called Egyptian American Transport and Service Corporation (EATSCO). Later EATSCO was convicted of embezzling millions of dollars from the Pentagon. In the mid-1980s, Secord worked for The Vinnell Corporation, a fact which surfaced during the Iran-Contra investigations.

Another person referred to as a “silent partner” in EATSCO was Erich Von Marbod, who later became Carlucci’s special assistant at a company called Sears World Trade (SWT). Von Marbod was also the long-time mentor of Richard Armitage, having supervised him in operations in Vietnam and Iran. In Sept 1975, when Secord was relocated there, Von Marbod went to Tehran as the personal representative of Defense Secretary James Schlesinger. Armitage followed with his own “entourage.”

In 1979, as the Shah was falling, Von Marbod negotiated (or extorted) a memorandum of understanding from the Iranian government which essentially gave power of attorney to the United States government to terminate all of Iran’s military contracts. The document put Iran in a difficult situation with respect to armaments just as it was facing a potential war with Iraq.

Unofficial U.S. aid to the Mujahideen in Afghanistan also began in the summer of 1979. Proxy agents coordinated by the Safari Club had been invading Afghanistan for about a year prior to that. The U.S. aid to the Mujahideen, a rebel group from which al Qaeda originated, officially did not start until 1980 but went on for many years under the name Operation Cyclone. This operation relied heavily on using the Pakistani Inter-Services Intelligence (ISI) as an intermediary for funds distribution, passing of weapons, military training, and financial support.

With help from the CIA, the ISI armed and trained over 100,000 insurgents between 1978 and 1992. That is, the Mujahideen, and therefore ultimately al Qaeda, was armed and trained by the U.S. and the ISI during the time when Frank Carlucci was working as Deputy Director of the CIA, leading the Department of Defense, and acting as CEO of SWT, which was discovered to be an arms sales consultant firm. During this time, Armitage was a major driver of this policy, traveling to Pakistan and Afghanistan and even meeting directly with Mujahideen leaders.
In 1980, Secord helped plan the efforts to rescue the U.S. hostages held in Iran and some have expressed suspicions that he and Oliver North sabotaged the final operation for political purposes. Coincidentally, David Rubenstein, the founder of The Carlyle Group, had access to the secret plan for what turned out to be the failed rescue attempt when he was “shuffling through some papers in the president’s inbox.” Rubenstein was actually in the president’s office by himself one night, supposedly looking for a memo. Dan Briody wrote that “President Carter questioned Rubenstein about his late-night foray into his office, asking him pointedly and repeatedly what he had seen while he was there.”

The rescue operation appears to have failed through a hard-to-believe sequence of mechanical problems with the helicopters. It was a challenging plan, but it never really got off the ground at all. Initially, one of six helicopters failed due to rotor blade malfunction, then a second failed in a sandstorm (the common notion is that all of them failed in this way), then a third helicopter failed by way of a faulty hydraulic pump. Finally, a ground-based refueling accident resulted in the deaths of nine people. It was at this time that “Carter’s presidency did not recover.”

**Sears World Trade**

Considering the Kuwaiti links of Stratesec CEO Wirt D. Walker III, including his leadership of Stratesec’s Kuwaiti-based parent company starting in 1982, it is interesting that Ted Shackley also began working in Kuwait in the early 1980s. It was George H.W. Bush, whose family has many ties to Walker, who helped Shackley get established in Kuwait in the oil business.

Back in the U.S. at this time, Frank Carlucci was one of the most powerful people in government. He was Deputy Secretary of Defense from 1981 through 1982, while Armitage served as Deputy Assistant Secretary and then Assistant Secretary. Despite having this important job, Carlucci left government to run the mysterious SWT for a few years at the height of his government career. After SWT lost tens of millions of dollars in apparently aimless endeavors, Carlucci returned to be Reagan’s National Security Advisor (NSA), and then his Secretary of Defense.

Just before leaving his position as Deputy Secretary of Defense, in 1982, Carlucci did a favor for Secord. After being suspended from his DOD job for three months while he was being investigated by the FBI about his links to EATSCO, Secord was reinstated by Carlucci. Secord retired a year later and established Stanford Technology Trading Group International, which used “a complex web of secret Swiss bank accounts and shell corporations “to build “a lucrative Enterprise from covert-operations business assigned to them by Lt. Col. Oliver L. North.”

It was at this time that Carlucci left his DOD post for SWT, a company which was ostensibly designed to replicate a Japanese-style trading company. Through review of the company’s operations, however, Fortune Magazine suggested that SWT was actually “providing cover jobs for US intelligence operations.” The accusation was supported when the Washington Post revealed the existence of a secret SWT subsidiary called IPAC.
Carlucci joined SWT when Roderick M. Hills, former Chairman of the U.S. Securities and Exchange Commission (1975 to 1977), was its chairman. Hills quickly noticed that he was no longer in charge. In an interview with author Joseph Trento, Hills remarked that he was “shocked to see that Carlucci hired Von Marbod when we all knew he was under criminal investigation… When I went down to the Sears World Trade Washington office across from the National Archives, the place looked like spook central. Carlucci was answering to a higher authority, and I don’t think it had anything to do with world trade for profit.”

Hills resigned in April 1984, leaving SWT to Carlucci. Carlucci hired Von Marbod at a salary of $200,000 per year, or approximately half a million per year in today’s dollars. The company had 1,100 employees in offices around the world but Von Marbod worked with Carlucci in Washington, DC. Carlucci hired some other interesting people to run this “spook central” operation. There was:

- S. Linn Williams, a Princeton graduate who was the Vice President and General Counsel for SWT. For many years after his stint there, Williams was with Gibson Dunn & Crutcher, the law firm that employed U.S. Customs Commissioner Robert Bonner, who played an important role in the identification of the alleged 9/11 hijackers, and Ted Olson, whose testimony was critical to the official story about Flight 77.

- Arthur P. Ismay was SWT's Director of Countertrade. Countertrade was an important function for SWT and was also critical to Iran’s ability to obtain the arms it needed at the time. Interestingly, from July 1962 to June 1964, Ismay was the Officer-In-Charge of the presidential yacht USS Sequoia. President Kennedy held strategy meetings on the Sequoia during the Cuban Missile Crisis, and had his last birthday party on the yacht. Ismay later said he had information implicating a colleague in the Kennedy assassination. He was never questioned about it and, instead, he was told to destroy the ship’s logbook. Ismay went on to become a swift boat commander in Vietnam. After military service, he worked for Rockwell International, the company that was the predecessor to Stratesec’s sister companies, Aviation General and Commander Aircraft.

- Alan Woods was Vice President of Technology for SWT from 1983 to 1985. In his book, Dick Cheney mentioned the importance of the firm Bradley Woods to his own career in the 1970s. And as stated before, Stratesec COO Barry McDaniel is now in close business partnership with Woods partner, Bruce Bradley. Woods had previously served in the Ford DOD as Assistant Secretary for Public Affairs; Special Assistant to the Secretary (Rumsfeld); and as Deputy Director of Presidential Personnel at the White House. After his time with SWT, Woods became a U.S. Trade Representative in the Reagan Administration.

SWT is also where Grant Green comes into the picture. As stated before, Green’s role as Undersecretary of Management in 2001, under Armitage, put him in a position to supervise the issuance of visas to a number of the alleged 9/11 hijackers.

Green worked for SWT during the same four years as Carlucci, from 1983 through 1986. In fact, he was Carlucci’s assistant at SWT and then followed Carlucci to the Reagan Administration, serving as
Special Assistant to the President on National Security Affairs while Carlucci was Reagan’s National Security Advisor (NSA). In December 1987, Reagan nominated Green as Assistant Secretary of Defense and Green served in that role for two years under Carlucci, who became Secretary of Defense.

For some reason, Green has made a point of being secretive about his connection to another company created and run by Frank Carlucci. His resume does not list the company name but only refers to it as a “Major Consulting and Marketing Company.” From 1989 to 1996, Green was Executive Vice President and Chief Operating Officer of this mysterious firm. Through his political contributions, we can see that this was IPAC, or the International Planning and Analysis Center.

IPAC was the “consulting arm” of SWT. And although SWT lasted only four years after suffering huge, inexplicable losses, IPAC went on for years after that and conducted business in a secret way similar to that used to accomplish the Iran-Contra crimes. As author Dan Briody wrote, “Using a subsidiary of SWT called the International Planning and Analysis Center, Carlucci consulted on the buying and selling of anti-aircraft missiles, radar, jets, and other military equipment for the United States and Canada. IPAC was loaded with ex-military, and also provided consulting to Third World countries. But nobody within SWT even knew about it.”

Given the fact that anti-aircraft missiles were just the kind of arms that Iran was being sold as part of the Iran-Contra crimes, and that SWT was conducting this consulting at the very same time, it is highly likely that Carlucci’s company was coordinating the arms sales to Iran. The Philadelphia Inquirer suggested exactly that, saying, “this hallowed American institution [Sears] served as consultant in the Iranian arms sale.” Furthermore, the SWT-consulted arms sales were said to be accomplished with “funding from the State Department’s Agency for International Development.” The leaders of the U.S. State department at the time included Assistant Secretary Paul Wolfowitz, who was Deputy Secretary of Defense on 9/11.

A familiar failure to investigate and prosecute

In November 1986, just a month after SWT was dissolved, the Tower Commission was appointed by Reagan to investigate the Iran-Contra scandal. The commissioners included Senator John Tower, former NSA Brent Scowcroft, and former Secretary of State Edmund Muskie. Stephen Hadley, who would be Deputy NSA on 9/11, was Counsel for the commission. It was revealed that military arms including TOW anti-tank missiles and Hawk anti-aircraft missiles were sent to Iran with the help of two middlemen: Manucher Ghorbanifar and Adnan Khashoggi. CIA Director William Casey was thought to have conceived the plan. Casey was reported to be stricken ill hours before he would testify and he died under mysterious circumstances just six days later.

In November 1987, a report was issued by the “Congressional committees investigating the Iran-Contra Affair,” led by Democrat Lee Hamilton (who later was vice-chairman of the 9/11 Commission) and Republican Dick Cheney. The report stated that Reagan’s administration exhibited “secrecy, deception and disdain for the law.” Hamilton chose not to investigate Reagan or
Vice President Bush, however, saying that he did not think it would be “good for the country” to put the public through another impeachment trial.  

Hamilton’s report mentioned that the missiles involved “were sold from Israeli stock with U.S. approval. The remaining materiel came from U.S. stocks.” In other words, at least some of the weapons sold to Iran as part of the Iran-Contra crimes came through the Army Materiel Command (AMC), at the time managed by Barry McDaniel and his colleagues.

During the years when Carlucci was running SWT and IPAC, McDaniel was the Deputy Director for Readiness at the U.S. AMC. McDaniel was the main logistics administrator for AMC’s commanding general, Richard H. Thompson. Thompson and McDaniel were responsible for procuring and fielding all of the weapons systems for the Army—a job that entailed spending tens of billions of dollars to buy and maintain tanks, helicopters, missiles, sensors, and communications equipment.

In an interview as he was leaving the job in 1988, McDaniel recalled his supervision of the military’s acquisition officers worldwide. He also made mention of the importance of the Southwest Asia Petroleum Distribution Project (SWAPDOP) during his tenure. Apparently, pipelines and petroleum in this area of the world, which includes the Middle East, Afghanistan, Iran, and Pakistan, had something to do with the deployment of U.S. Army materiel during the mid-1980s. What McDaniel’s role in that deployment was, and what it might have had to do with arming the Mujahideen, is not yet clear.

Independent counsel Lawrence Walsh continued the appearance of an investigation into Iran-Contra until issuing his final report in 1993. It gradually emerged that Secord, Armitage, Casey, Clines, Oliver North, John Singlaub, and Edwin Wilson were involved in the conspiracy to provide arms to the Contras. Walsh accused Armitage of providing false testimony during the investigation.

Although NSA John Poindexter and Oliver North were convicted in the case, those convictions were ultimately overturned. And none of the investigations pursued links between Frank Carlucci, SWT or IPAC in the Iran-Contra affair. Ironically, Carlucci came back to the Reagan Administration just as these investigations were beginning as a replacement for Poindexter, in order to calm public concerns. Carlucci was backed for the job by Defense Secretary Caspar Weinberger, Secretary of State George Shultz and CIA Director Casey.

When George Bush became president, he set about rewarding those who had helped cover up the Iran-Contra crimes. Bush appointed Armitage as a negotiator and mediator in the Middle East. Brent Scowcroft became his NSA, and John Tower was nominated to be Secretary of Defense. When the Senate refused to confirm Tower, Bush gave the job to Cheney. Later, six people who had been charged with offenses related to Iran-Contra, including PNAC members Weinberger and Elliott Abrams, were pardoned by Bush.

Carlucci’s tenure as Secretary of Defense resulted in an investigation into vast corruption at the Pentagon, called Operation Ill Wind. This investigation initially focused on Melvyn Paisley, who was
a Navy contracts specialist in DOD and a consultant for BDM International. Not long afterward, the Carlucci-run Carlyle Group bought BDM and Carlucci became chairman of the company. He immediately brought in former Kissinger assistant Phillip Odeen and future Stratesec COO Barry McDaniel.

McDaniel's choice to leave his long career in military acquisitions to go into industry could be understandable, despite the fact that he was on track to become an Assistant Secretary of the DOD by his own assessment. And BDM International, although mired in the Operation Ill Wind scandal at the time he joined them, was a lucrative company to hire onto considering all the “black projects” they began to secure. But it seems unusual that McDaniel later gave all that up to become Chief Operating Officer for Stratesec, a badly performing, relatively small operation. It is also odd that McDaniel's expertise in military logistics just happened to be the right fit for running that airport and World Trade Center security outfit. That is, all of that is odd unless McDaniel's move had less obvious benefits like those of Carlucci when he made what seemed to be an inexplicable decision to quit his powerful position at the DOD to join SWT.

In any case, the lack of thorough investigation and prosecution of those responsible for Iran-Contra led to “strengthening the very institutions that made their abuses possible.” As a result, long-time covert operatives like Richard Armitage and Frank Carlucci were able to carry on with the same kinds of special operations that subvert democracy through secrecy and abuse of the public trust. Years later, Armitage and Carlucci, along with colleagues like Cheney, McDaniel, Green, and Rumsfeld, were in positions to make the attacks of September 11 an extraordinary sequel to the Iran-Contra crimes. If and when an honest and independent investigation into 9/11 occurs, these men should certainly be among those investigated.

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