

Gary J. Fernandes

Notes on the Acquisition of Aircraft for the Iranian Escape

In early February 1979 I was contacted at my home by Tom Marques who requested that I participate in the acquisition of an aircraft with the following stipulations: 1) It had to be ready to go no later than the next day at 8:00AM 2) It must be able to carry a party of 40 people to one of three undisclosed locations in the Middle East 3) It must have communications capabilities to be able to communicate back to the United States while in route 4) Must have the range to fly to the Middle East locations nonstop.

In that I was aware of significant activities being undertaken by EDS personnel to arrange for the escape of two of our employees who were being held in Iran, I assumed that this activity should have the highest priority. In addition, since all the activities surrounding this effort were being directed by Ross, and I knew that even in normal situations Ross had little or no tolerance toward any assignment not being completed, it never occurred to me to even question my own ability to satisfactorily complete what later appeared to be some unsurmountable barriers in getting the task done.

Tom Marques indicated that he had heard from an associate (I believe in Houston) that an aircraft brokerage firm in the Washington area had access to a large plane that might fulfill our needs. However, I had no other information than that to go on. With the help of the yellow pages, I was able to identify the major aircraft brokerages in the Washington area and a few phone calls later I was able to pin down that a firm by the name of Omni International in Rockville, Maryland was the one I needed to talk to. I arranged through the receptionist of that firm to meet with one of the principals of the firm at their office in Rockville at 8:30 that morning.

After explaining in general terms my request to the principals of the firm, they immediately asked to be excused for a brief period of consultation. Some time later both told me that their first reaction was that I was either nuts or was representing a subversive organization who intended to involve themselves in some type of illegal activity. However, over the course of the next hour or so I was able to convince them of the legitimacy of my request and enter into serious discussions with them about the possibility of their firm being able to fulfill my request. During this period it became clear that they did have access to a Boeing 707 which at the time was being housed at a private airfield in Dallas for refurbishment. It was never clear exactly what interest the firm had in the aircraft (i.e. whether they owned it or merely represented the owner as a broker. They further indicated that there were a number of obstacles which may or may not be able to overcome in order to fill my request. These were generally as follows: (1) time was much too short. They just did not believe that we could complete the whole transaction in 24 hours (2) and if they could they were not licensed

by the CAB or FAA or whoever the appropriate regulatory authority is to lease aircraft (3) It would be difficult if not impossible to find flight crews to man the aircraft on such short notice (4) even if we overcame those obstacles he didn't think that their normal insurance broker could arrange for the appropriate insurance in such a short time (5) they expressed great concern that our unstated intent might be to take the aircraft into Iran which they said they could not allow under any circumstances.

My response was to indicate that I thought that each of the obstacles they mentioned could be overcome if we could quit beating around the bush and started to work. They, as you might expect, indicated that an easy way to get around the whole problem would be for us to buy the aircraft.

During this time I was in fairly constant communication with various EDS personnel in Dallas including Tom Marques, Merv Stouffer, Ross, and Tom Walters. I kept them apprised of the current status and gave them the specifications of the aircraft and indicated that I thought it would meet our needs. Further, I would proceed to negotiate an arrangement with Omni International. Generally, the instructions I got back from Dallas were to quit spending so much time telling them what I was going to do and do it.

I decided to adopt the strategy that had been suggested to me by Omni's obvious desire to sell the airplane by implying that we might well be interested in buying the airplane but that maybe we could kill two birds with one stone if we were able to structure a sales demonstration lease which would get us around the technicality of Omni not being authorized to do straight aircraft leases and would as well get me the aircraft for the period of time that I needed it on this "demonstration" basis. I suspect that they saw through my strategy and realized that I had no real intent to ever buy the airplane but likewise decided to play through this charade. We immediately set about to negotiate this sales demonstration lease which presented several new obstacles. (1) I was not sure how long we were going to need the aircraft (2) I did not want to disclose the exact locations nor did I know the exact locations that the aircraft might need to be flown. Further, during these negotiations they heard from their insurance broker that under no circumstances would he provide the insurance. I contacted an insurance broker in New York that I had dealt with previously and explained the problem to him. He indicated that he could send me a binder for five million dollars of hull value insurance on the aircraft under an international binding treaty in which he participated and also suggested that I not give him too many details about the arrangement. In any case, he telexed me an insurance binder within the hour which satisfied the insurance requirement. Obviously, the principals of Omni were somewhat taken aback by our ability to take care of this "insurmountable" insurance problem so quickly.

As an afterthought, I became concerned about a demonstration of the air worthiness of the aircraft in that it had not been flown for at least 60 days and had undergone some refurbishment at the facilities it was housed at in the Dallas area. I contacted Jeff Heller who is an officer in our company and had been a Marine pilot during the Viet Nam conflict to solicit his assistance in determining the air worthiness. I made contact with Jeff, I assumed he would get that taken care of with no further involvement on my part. He was able to find an American Airlines pilot who was familiar with 707's and complete a cursory ground check on the airplane.

The next problem to overcome was to find a crew that we could get on short notice who was both trustworthy and familiar with the Middle East location into which we might fly. In this area the principals of Omni International were of great assistance. We were able to find a pilot and a copilot on the West Coast who had both flown extensively in the Middle East and were currently charter pilots for various organizations flying out of Los Angeles. I spoke with them over the telephone, made the specific request and negotiated their compensation all in the space of approximately 30 minutes. It crossed my mind to question why two otherwise seemingly normal people would leap so fast to undertake such an ill defined and dubious undertaking. However, over the course of the next week, our selection of the pilots proved to be a good one. There had to be a lot of luck involved.

Negotiations of the terms of the lease of the aircraft were quite complex, specifically how much would be paid, in what form, where, and to whom. Obviously the principals of Omni knew that we didn't have many other options and priced their services fairly dearly. I was torn between getting the transaction consummated and not being gouged too badly. I made several fruitless attempts to try to determine the reasonable market value of such a lease by contacting other firms and such knowledgeable people as I could identify. However, in this case, it was certainly a seller's market and I did not have much bargaining leverage. I decided on a fairly complex scheme which required us to deposit Sixty Thousand dollars in cash in the offshore branch of a U.S. Bank. I never understood why it had to be an offshore bank. Although it may well have had something to do with the fact that the aircraft was registered in the Grand Cayman Islands or it may have had something to do with the tax structure of Omni International. In any case, I contacted Dallas and made the request to transfer the funds immediately. This was completed again in less than an hour. As the negotiations of the terms of the lease drew to conclusion I grew concerned that I had not had a legal review of the contract conducted. And therefore contacted a Washington law firm who dispatched one of their partners down to Omni International to review the contract with me. His review of the contract indicated that it was full of potential holes, might be illegal, was one of the screwiest things he'd ever seen, but probably there was no other way to get it done. I then executed the contract.

Also during this period of time the following events were transpiring: (1) the flight crew that we had hired was in route from Los Angeles to pick up the aircraft (2) made a snap decision to include two stewardess's as part of the crew. It seemed like a good idea at the time. A team of EDS personnel in Dallas was provisioning the aircraft with some supplies that might be needed at the destination (3) the worst snow storm in three years had blown into the Washington area and had literally immobilized the city effectively preventing any reasonable means of transportation around the town.

During this time, Ross and several other EDS personnel were housed at the Madison Hotel in Washington working on other aspects of the project. Periodically I would communicate with Ross to keep him apprised of the status, and during one of these conversations he asked me to be sure to make arrangements for landing clearances for three sights in the Middle East one of which was Ankara, Turkey (I can't recollect the other two) and for landing clearance at the airport in Tehran. Once again, since I had no idea what was involved I said that I would make the arrangements and immediately set about figuring how to do so. Since this request was not made until the late evening hours of Monday, February the 12th, I was unable to contact any knowledgeable CAB or FAA personnel. I continued to search for virtually anyone who could give me some insight into what process to follow. I ultimately wound up in contact with a friend of an uncle of one of my employees who was a TWA pilot stationed in Atlanta, Georgia. (I distinctly remember this conversation, in part because it took place around two A.M. in the morning). Once again after I was able to convince the individual that I was not a nut, he was of great assistance to me in outlining the specific procedures to be followed. It turned out that the process to get landing clearances in Ankara and the other two locations in the Middle East was relatively straight forward and could be accomplished without much effort; however, since Iran was in revolution the airport was closed and their equivalent of the CAB did not exist, that there was no possibility of getting landing clearance into Tehran. I ultimately reported this information to Ross who said he understood all that but what he wanted was to have the ability to land at Tehran International Airport in the event that the airport did open back up and he was certain that I could figure out a way to make these arrangements. After further consultation with the flight service that I contacted to assist us in getting landing clearances in Turkey, I concluded that the only possibility of getting into Tehran if the airport opened was to request clearances in route should that become possible and necessary.

Sometime during the evening Ross also asked me to pick up an individual by the name of Dick Davis at Dulles International Airport who would be part of the party going with the airplane. He made no mention of what Davis's role was, who he was employed by, or what I was to do with him once I got him. Subsequently I did pick him up at Dulles from a very late flight arriving from the West Coast and took him to the private air terminal at Dulles that our aircraft would be departing from. During the period of time that I was transporting Dick from the commercial terminal at Dulles to the private terminal he said no more than six words to me, as soon as we got to the private terminal he calmly stretched out on some seat cushions and went to sleep not to be aroused until the remainder of the party arrived. I subsequently found out that Dick was an experienced helicopter pilot who had flown both in Southeast Asia and in the Middle East and would potentially be used to fly a helicopter into Iran to bring our personnel out.

Sometime during the course of the evening it became necessary for me to leave the offices of Omni International and to attempt to make my way to Dulles Airport. At the time all the radios were saying that no one should attempt any travel anywhere in the Washington area because of the snowstorm. Probably because most people followed that advice, I had very little difficulty in getting to Dulles from Rockville using the backstreets cut to the Dulles access road and then proceeding slowly down the access road.

As the plane was in route from Meecham Field in Dallas to Dulles Airport, a common number of mechanical problems became apparent: (1) there was difficulty with the inertial navigation system (2) there was something wrong with the water supply on board and (3) the backup oxygen system wasn't working properly. In cooperation with the employees of Omni we were able to get some definition of the mechanical problems and the parts that might be needed in order to fix the navigation system. Since those parts did not exist at Dulles Airport we contacted a friend who is in charge of ground support in La Guardia in New York for either Braniff or American and through him we were able to find some parts and have them shipped to Dulles.

Sometime during the early morning hours of Tuesday, February the 13th the plane arrived at the private terminal at Dulles and we set about fueling, fixing, assembling all the personnel who would be departing. A number of EUS personnel were on board the aircraft on its flight from Meecham Field in Dallas to Washington.

During the course of the morning the manager of the private aviation terminal asked me how we were going to pay for the fuel and other services that had been provided. It had never dawned on me that they wouldn't just send us an invoice. I discussed with this individual how he wanted to be paid.

Could I give him a credit card, American Express or whatever. He said no that he would prefer to be paid in cash if possible. In talking with other EDS personnel who were then at the terminal I indicated that I needed a substantial amount of cash to pay for the services. I was told that Pat Sculley was the keeper of the cash and that he would give me whatever I needed. Pat and I both then went to see the manager of the terminal who presented us a bill. Pat laid his briefcase on top of the counter opened it up and much to the dismay of the terminal manager picked up a stack of bills from a briefcase full of money and paid the several thousand dollar bill in cash.

Finally, just before the plane was ready to depart at approximately 6:00 A.M. on the thirteenth as Ross was walking out the door he asked me again about the landing clearances, I told him that it had all been taken care of. He asked me specifically about Tehran and I told him that we could go in there if we needed to. Thank God we didn't need to.

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TO: GARY Fernandez
EXT: 6337 (Dallas)