

KF Megabat was not the deputy Minister of Health.

JH The Deputy Minister for Social Security would probably be a more accurate way to describe him. Within the Ministry of Health and Social Welfare there were various organizations. There was the health organization, there was the social security organization and there was the deputy minister at the head of each.

At the bottom of page 55 was Skully making sure that all the Americans had an airline reservation out. I think at this time, almost everyone was out. The only two American EDS employees in Iran within a day of two after Paul and Bill were arrested, were Rich Gallagher and Lloyd Briggs. Then Lloyd left, and Keane came back shortly thereafter.

Page 56, the EDS motto , "Eagles Don't Flock", is usually followed by "You Have To Find Them One At A Time".

On page 55-56, Ross thinking, " . . . it would be a real long time before Perot did business in another underdeveloped country . . ." EDS at that time and still does have business in Saudi Arabia and Kuwait.

I got mixed up, knowing Dallas geography, on which Hilton Inn you were talking about when Perot met with the people. There's a Hilton Inn on Mockingbird and Central Expressway, and the description at the bottom of page 70, on where Ross was going, it sounds like he was going there. But previous reference had been to the Hilton on LBJ, which is going the other way.

Page 81, Coburn finding out more about the jail and phoning [REDACTED] Majid I wondered why decided to use the guy's real name at this point in time where previously we had used a false name?

KF Because here he is not doing anything for which he would get into trouble. Besides, Dadgar knows about a lot of the things that [REDACTED] did. Then in Majid places where he does something for which he needs to be protected, I call him Nabi. Here it's quite clear Coburn is deceiving him. If I call him Nabi all the time, I'm afraid you'd be able to figure out who Nabi is. I figured the best protection was to divide him into two people.

JH That may well be. I had a similar reaction further along with [REDACTED]. Rashid

KF Yes, well, he I think I might as well give him a false name, as well as [REDACTED]. Sayyed

JH Well, you only refer to him by his first name, and that's a pretty commong name over there. And as I remember, he turned out to be a kind of a non-character. He basically agreed to go along for a ride to Turkey and then didn't show up. You know he is here in Dallas.

KF Oh, is he? I didn't know that.

JH Yes, he is one of the employees here. I presume the cycle man is [REDACTED] the Cycle Man?

KF Yes.

JH He's here,too. I say in Dallas. They're with EDS, they may have moved to another location.

Top of page 101, the discussions there about posting the bond, it was not so much a problem finding a U.S. bank, really to post the letter of credit, although there

were some problems along that line, but we found U.S. banks were easier, it was more the Iranian connection that we had a problem with. The U.S. bank would not issue a letter of credit directly to the Ministry of Justice. It would always be going to an Iranian bank. Pretty early on, we had a bank that was willing to post the letter of credit to Bank Nelli in New York, and we were working out the details of that rather than shopping around for a bank. The U. S. bank would not be that much at risk, it was the Iranian bank which would be more at risk. See what we would need to do to stop payment before the U.S. bank paid the money. The scheme would be that the U.S. bank would issue a letter of credit to an Iranian bank and the Iranian bank would issue a bank guarantee to the Ministry of Justice. If and when all the letters of credit were called, we would have to seek to enjoin payment before the U.S. bank paid money, because if the U.S. bank ever paid the money, they would have done nothing wrong, and we would be fairly obligated to pay them.

KF But still, the U.S. bank might have lost its money if it had loans outstanding with the Iranian government.

JH Yes, and that was a concern for some of the big banks who had accounts in Iran who didn't want to get involved in the whole thing because of that. We started off with one Bank pretty early on before I left the U.S. that was willing to issue a letter of credit to Bank Nelli. Later on when we went to Bank Omran, we used a different bank, and I'm not sure that when we issued the letter of credit to the State Department whether that was the same bank, or a third bank.

I'm used to seeing "Hotfoot" in all caps.

Page 106-107, at this time you were talking about 11 January, Bob Young was not there yet. He arrived with Ross and me on the 13th.

KF Right.

JH Next paragraph, describing what Paul and Bill felt about Houman, I'd be surprised if they found him to be a great source of optimism. He did not strike me as that . . .

KF Well, maybe he'd calmed down by the time you saw him, because when he saw Paul and Bill initially, he gave them the impression he was very confident he could get them out of jail.

JH That may well be. By the time I was talking to him, we were talking about reducing the bail to something EDS could pay swiftly. As I remember he was talking about cutting it in half by the time I started talking him, which is still a significant sum of money.

Page 108-109, quoting Chiapparone, sounds like an awkward speech he could translate into more than he actually said.

Page 111, Coburn's cover story, I was under the impression the cover story was more for the benefit of the Iranian employees, rather than the EDS executives still in Tehran.

KF Good point.

JH Bottom of page 112, I think the hotel was called the Hyatt Crown instead of the Crown Hyatt.

Page 122, talking about Bill Gaylord, ". . . each visiting day he would hand a letter to Keane . . .", I'm not aware if there were formal visiting days or visiting hours. We were never very restricted, other than normal business hours.

You have them leaving on 18 January. Let me check that. It may have been the day the Shah left.

KF It wasn't the same day.

JH I've got a note that the meeting at which Keane and I met with Dadgar was on the 17th at 10:00 AM. That was the first time Keane had talked with Dadgar.

KF That was at the Ministry of Justice?

JH No, that was at his office at SSO.

I don't seem to have a note on when they were transferred, it was somewhere in that timeframe.

Page 129, you have Ross catching up with Bob Young and me in London, which is accurate. I don't know if you want to capture the fact, but Bob and I had been there for 3-4 days when flights into Tehran had been discontinued. First because of weather, snow storm, then because of the political uncertainty, and we were stuck there. It was just very uncertain if and when the flights would go. That's when Bob, in checking for alternatives, found Arab Wings.

One thing we did flying in on Arab Wings is we tried to make arrangements for flights back out. We checked into their schedules and confirmed that if we got to the airport when they were flying runs for NBC film, that we could fly back out with them.

Going back into town in Keane's car -- the primary reason he took an indirect route into town was because of all the demonstrations, etc. He circled around to get to the hotel.

KF Did you and Young actually walk across the tarmac with Ross and those tapes or did you separate?

JH No, we all walked in. I don't remember the tapes, myself, but there was no regular baggage handling because the airport was essentially shut down. The lear jet flew up and landed, we climbed out, got our baggage out and walked up to the airport building itself.

KF Any customs people there?

JH Not so much customs as passport control. We went through a very perfunctory type of exercise. Some fairly minor officials were sitting there. I take it it was not all that uncommon for people to be arriving. So they just kind of looked at our papers and we went through.

Page 132, quoting Ross talking about the bathroom being so much better than the one in Amman -- as I remember the hotel in Amman, there was no bathroom. There was no separate room, it was all in one room, with a bed, toilet and no tub. I think you probably had to put your feet on the bed to sit on the toilet.

KF Ross probably had the honeymoon suite, with a bathtub.

JH No, as a matter of fact, my room was nicer than his there. I could sit on the toilet regularly. His room was a little bit more cramped than mine.

Your reference on 133, dressing casually in Tehran, one minor episode was that when he packed, he packed several shirts with French cuffs, but neglected to pack any cufflinks. So, one of the minor problems from London on was to try to get cufflinks, so he could wear his shirts. I think Keane probably found some that were serviceable enough and not too gawdy.

Page 138, fairly early after we got to Tehran, we were staying at the Hyatt, there was a nice, French restaurant going mostly unused. We were having dinner there one evening, dressed in coat and tie. Ross was dressed more casually, but nice casual. We were having a fancy dinner there. I remember Coburn walking into the restaurant in what we called his Michelin-man outfit, bulky coat, big beard, black stocking cap. This was not the kind of place you'd expect to see a guy like this. That was before I was very aware of the Coburn activities, and Ross jumped up and said, "Oh my God", and caught Jay before he could get very far into the restaurant and escorted him out.

Page 140, reference at the bottom of the first paragraph, "Perot was still using a legalistic American approach . . .", the word that occurs to me is "rational" rather than "legalistic". He wasn't so much following the law as trying to be rational.

Page 141, reference Perot's name being added to the stop list, that's news to me. I'm not aware that we had that good of information as to as what was or was not exactly on the stop list. That's one of the things we were uncertain about was whose name may or may not be on the stop list at any given time.

Page 143, middle of the page, quoting me about whether to pursue the Lobello situation, the phrasing seems a little bit inaccurate. The words that come to my mind, "we haven't done anything wrong", as opposed to "we're innocent". I remember expressing the view that somewhere, sometime, somehow, that fact had to surface, had to save the day that we hadn't done anything wrong.

The episode about Perot visiting the prison, you have a whole series of \$5 tips here, there and everywhere. I wasn't there, but my reaction is that that would cause more notice than most people going in and out who were not in a position to pass out \$5 bills all over.

Page 147, as I remember, you reference Perot going to visit with them the first time they had visitors at the prison. My memory was that it was not then. The timing was kind of tight because Ross did want to visit them and they had gotten moved. But somebody, maybe Jay and someone else went to visit them in the new prison to check out the surroundings before Ross' visit.

KF I think Jay was on this visit.

JH He might have gone twice.

KF I doubt it. Simons would have expected Coburn to get all the information in one visit.

JH You mentioned in a couple of different places about Chiapparone buying a house and the legal details. This brought to mind one of the side tasks that I had during this period of time was preparing a power of attorney for Paul to Ruth and to Tom Walter for the house deal. There was quite a bit of hassle in that in getting it signed, getting it notarized, etc.

Page 154, paragraph about Perot going through customs and passport control, I think that the last checkpoint and passport control were one and the same. (drew airport layout and went over) That's where they had presumably the stop list. After you get through there you're pretty much in a large, lobby, waiting area.

KF Departure lounge.

JH Exactly.

KF Did you have to show anything to get out of there?

JH Not normally. Normally, the Tehran airport was such that you had to take a bus out to the plane. Once you were through there, all you had to do was wait for your bus and go out to the plane. To leap ahead a little bit, when we were the "clean team", they had the currency checkpoints set up here. (another airport layout).

KF OK, got it.

JH I wonder on page 161, whether you would want to conceal Mars Attar?

KF What do you think?

JH We don't have any vested interest in protecting him, but I don't see any reason not to.

KF Do you think he's doing something illegal here?

JH I don't know, but it is probably not something that he would prefer to be publicly known.

KF OK

JH I don't know if he is still in Iran, or not. But if he is, he's got enough problems in that he is of the Bahai religion.

KF OK

JH You quote him as, ". . . to give him \$200,000 . . ." I don't remember any specific amount of money. I remember the conversation, that his approach to become friends was to sit at this house everyday. The other way, the phrase I remember, was to buy his friendship. But not a specific amount of money involved at that time. The first specific amount of money I remember was in the several million dollar range. He was at that time trying to go through the layers, as he called it, to get to the nut. To see what was really there.

KF Did he mention any sums at all.

JH He did. Not at the initial meeting. I guess we had 4-5 meetings. At this initial meeting, the issue discussed was whether he should further explore

the possibility. This was at the meeting at which he was describing the approach which he phrased as, "buying Dadgar's friendship". We gave him the go ahead to explore the possibility. Then we would meet with him periodically as he "went through the layers". At some point pretty early in the process, these figures surfaced, which were pretty much the same as Lobello's figures.

KF \$6 million

JH Yeah

KF Oh. Where did I get the idea it was \$200,000. Somebody must have given me that figure. I wouldn't have put it in unless somebody had said it.

JH Keane's probably the only other person.

KF Did it drop subsequently?

JH Well, it did. I haven't had checked my notes, and I can do that. But as he went through the various layers, the price did drop. At the end, we were never quite sure whether it was a matter of cutting through people or whether we weren't biting at one figure, the number kept dropping. What eventually happened was us getting through to a lawyer who offered to do his best on our behalf for a straight, hourly rate.

KF Am I right in thinking you took on more of a Persian approach as the days went by here?

JH Well, not really. That's a matter of flavor. That's not the way I think about it. I don't think I became less the upright, American lawyer in the sense I had lowered morals early. I think we became more willing to pursue alternatives because our first chosen course of conduct were not very fruitful.

KF But you were talking of pursuing alternatives that I imagine you would never of dreamed considering in the U.S.

JH Not quite true. We had considered that in the U.S. as a matter of fact. One of our meetings in New York was to meet with an Iranian lawyer . . .

KF No, what I meant was that if you were handling an American case, you would of never dreamed of doing that.

JH Sure

KF And you were certainly very strongly against bribery at one point. You may have discussed it.

JH Yes, I suppose so. I guess the contrast that you are trying to draw, is the  
Deep Throat [redacted] situation and Mars Attar. I had no moral qualms about pursuing the  
Deep Throat [redacted] situation more than I had at pursuing Mars Attar. I would have preferred  
to avoid both completely because I didn't think as a ethical matter that's the  
way things should be done, and also because it had a lot of dangers. We didn't  
need to have the picture taken with the money passing hands. We discussed it in  
New York, when Lloyd Briggs, about [redacted] and his different approaches. We  
thought we could either play the game and hope it works, or play the game and  
try to set them up to expose the bribery situation. The thing about [redacted]  
was that he was always a very shallow character to me. His story didn't make  
as much sense and have as much credence as Attars'. He came to a put up or

Deep Throat

Deep Throat

shut up time pretty early on.

KF OK. Let's back to here. After a few days, a week or more now, what changes have you gone through personally.

JH I guess I had become less naive. I had some hopes when I first came over that we could approach Dadgar fairly straight forwardly. Identifying his misconceptions, clarifying those, and everything would become more wonderful. I had come to believe that it was not available avenue. I was still somewhat up in the air as to what Dadgar's motives were. By this time, I had come around to believe probably the commercial hostage concept was probably the most valid. He was holding on to those people because of a contractual obligation to the Ministry. I had given up hope that Houman's efforts of getting the bail decreased were going to be fruitful. I did not believe there was any kind of legal structure that would exercise any control over Dadgar. I had abandoned any possibility of going around Dadgar. I had also abandoned another possibility of a straight forward solution with Dadgar. So that's kind of where I was. I wasn't quite that far along in that process at the [REDACTED] decision.

Deep Throat

KF OK. But what about you personally. What about your attitudes. The way you felt about being there, etc.

JH Probably, as far as personal emotions are concerned, more of a sense of frustration was building up. Not much more than that. We never got to a decision point with Attars, the way we did with [REDACTED]. Assuming that the discussions with Attars had come down to the point where giving X dollars would obtain results and we would have satisfied ourselves enough that it was real, I'm not sure which way I would have come off.

Deep Throat

KF OK

JH It wouldn't have been something I would have relished doing. But I wouldn't have vetoed it.

KF OK. Now, what about thoughts of the family back home?

JH Not that much, I guess. I had fairly frequent telephone conversations with Angela. We would discuss what was going on, what Michael was doing, what she was doing.

KF What was he doing?

JH At that time, he was 9-10 months old, he was learning to do things physically. At some point there I got the message that he was walking. Nothing real major.

END OF SIDE ONE