

JH . . . we were not present where the action was by and large. I didn't get into the details too much of what was going on in Iran.

KF How was she feeling at this point?

JH She was worried. She wanted to know when I would be leaving.

KF And your reply was?

JH I don't know. When we get the problem solved. I do remember a little bit of frustration there. That was one of the continual questions she asked and I just had no good answer for it. That was one of the questions Paul and Bill had, and there was no good answer for that. I do remember getting frustrated with Angela harassing me for the same issue that I had no good answer for. That's about all.

KF OK

JH I probably talked to every 2-3 days, depending on the schedule.

KF And I suppose you were so busy, you hardly had time to miss home comforts.

JH That's true. We didn't have an uncomfortable life at the Hyatt. The rooms were very nice.

KF Usually it was all men?

JH Yes, except for Kathy Gallagher. But that wasn't a problem.

KF No, you didn't get to want to hear the sound of a high voice from time to time.

JH No, not really.

KF Too much to do. Was it tiring, exhausting, did you like fall into bed at night?

JH No. There were a few times of long activities, but that was the exception which was another part of my frustration. I was more used to environments where I could achieve results by long hours and hard work. That's the way I operate. There was not something I could turn to and through the force of ability accomplish something.

KF Well, so it must have been an interesting experience.

JH Oh, sure.

KF A new kind of problem, really. A problem that perhaps couldn't be solved by the attitudes and approaches that had been successful for you so far.

JH Well, I think that was the case. I don't remember sitting down and rationalizing that, but it was the status quo. There was nothing that I could spend all night working on a document and achieve a result. So we would break out the rum and coke and relax in the evening. I, at times, felt somewhat guilty for living so well when the folks at home were worried and Paul and Bill were in jail. But in reality, we couldn't help either one of them by making ourselves more miserable so we tended to live pretty well in the hotel environment. The office environment

was also pleasant. If we didn't have any goal to be accomplished, it would have been a very interesting experience to live in luxury and watch the Iranian revolution.

KF In normal circumstances, do you ever have traces of guilt about sitting back and enjoying yourself. Everybody says you work long hours and people who typically do that have a little bit of difficult in just hanging out.

JH I don't think I do. If I am comfortable that there is not some duty that I should be accomplishing. Unfortunately, that situation doesn't tend to present itself very much. But, in a situation where I have my tasks at work pretty much under control, I don't have any problem doing whatever.

KF What do you do?

JH I like to spend time with the children. That's one of the main things I like to do. I enjoy what I call informal participatory sports. Our firm has a softball team and I enjoy that. Some other activities along those lines. I like to do more reading than I have a chance to.

KF In a typical week, would you have all of Saturday and Sunday with no work, or would you work Saturday morning.

JH Probably in a typical week, I would probably work one day out of the weekend. Probably I would prefer that because it is a time when you can get organized and get things done that it's hard to find time for during the week. I find myself frustrated when our weekend is too full of activities to do that.

KF So you're there pretty much on your own and you have a little time to put things in the right order in your mind.

JH Right. And see what projects are on my desk.

KF OK. At this point, one of the things I wanted to ask you about, on page 161-164, any thoughts at this stage about Paul and Bill. You must have had some feelings of compassion, for what a terrible time they were having, how well they were dealing with it, or did you feel how you would have hated to be in that position.

JH All of the above. I had known both Paul and Bill in the States before they had gone to Iran and while I was over in Iran for the contract problem. I was sympathetic and obviously cared about getting them out. At times, it seemed like it may have been better to be on their side of the fence than the other side. Like being in jail and letting someone else worry about what to do, instead of worrying about what to do. In my more rational moments though, I would not have traded places. I found hard on the times when I went to visit not having more definitive news to give. It was hard to say nothing's happening and this could go on indefinitely, but then again you didn't want to give them a false sense of security. By in large, when I was describing the things going on I would try to avoid giving any characterization as to the chances of success of our efforts. I remember late in the game when we almost had the bail posted, I broke down a little bit and gave some estimates that I thought that within a day or two everything should be in place, which turned out to be false. I learned a lesson that I shouldn't build up a false sense of hope. I guess those are the general feelings.

KF OK. Now, what about feelings about Ross.

- JH I don't remember any particular feelings. I remember when I first heard he was going to Iran, Bob Young and I were in Londong and we got some fairly secretive messages about somebody may be joining you. It was just shortly before he showed up. I was a little bit surprised and admired him for the effort. It was the first chance I'd had to work with him directly. I knew him to be a very creative individual. At that time I was not all that aware of the covert operation. As I became more aware of that I was astonished, from an American lawyer perspective, that he would set that operation in motion.
- KF You didn't know him very well then at that point.
- JH No. I guess the week that we were both in Tehran was when I got to know him more. I had met him a few times previously and then during the time immediately after the arrest when we were kind of spending the night around Gayden's office.
- KF What were your impressions of him? You said he was creative, what else?
- JH Dynamic, very personable, full of Texarkana and other stories about his experiences. I had previously known of his skills and accomplishments in the marketing area, and I could see how those attributes were there. He is a very persuasive person. I think he was somewhat frustrated that it was a situation where he could get face to face with the adversary, Dadgar, and exercise this persuasive ability. Because of the language problems and physical danger problems . . .
- KF Do you feel if Ross could have done that, something could have been moved?
- JH I don't think so. He's accomplished amazing things in the past, but I don't think it was a situation where persuasion would have carried any weight.
- KF OK, but Ross didn't bowl you over the way he sometimes bowls people over?
- JH No, I don't think so. I've heard stories about people getting on his wrong side and getting fairly severe tongue-lashings, but it was not really a situation where that came to fore. He was demanding, in a sense that he would set high objectives and we would discuss ways to achieve them. But he was understanding when we came back and didn't achieve what we set out to. He would help us sort out what had happened.
- KF That's not how Taylor remembered. Taylor remembered that he was not understanding when you came home and had achieved nothing.
- JH OK, well, maybe it is a difference in semantics. He was not happy. But it was not, "You fool, you failed again, I told you to do X, you didn't do X". He recognized that we were not in control of the situation and could not make things happen.
- KF OK. Let's go on.
- JH Page 161, talking about the Mars Attar discussions, the series about the signals, we never reached a meeting of the minds. I had proposed those as the kinds of things that we would want. Something really abnormal that would show that there was strong command, and Mars never undertook to make those happen. It was just kind of implied. We never got down to let's do this, that and the other. There never was a point in time where I expected to see a signal from Dadgar.
- KF I think I said, "he had not really expected Dadgar to be wearing odd socks".

JH But it was not a situation where if he had been, I wouldn't have attributed it to Mars Attar because we had just talked about these kind of things. It was not, "OK, Mars, why don't you try to get him to do this." Mars was thinking of more subtle signs like, how about no more people getting arrested next week. I would say, "But Mars, nobody was arrested last week. How do I know that that is because of your influence."

The meeting that is discussed on pages 161-162-163, was an interesting meeting and I believe it was the meeting on the 17th that Keane Taylor was at. I'll try to confirm that later. It was the most insight I got into things that would work, as far as making the situation better. The immediate topic of discussion at the meeting was supposedly the new charges that Dadgar brought up, with erasing tapes, etc. that was justification for raising the bail. We were prepared to talk about that.

KF In other words, he was accusing EDS of having erased the tapes.

JH Well, yes. Of having destroyed some information that was on tapes, etc. that caused vast amounts of damage to the Ministry.

KF Did you have any information about that.

JH Well, we had tried to gather as much information as we could about what we thought he might be talking about. We talked to several people in the States. That was I think the main purpose of this meeting. He had raised these new charges. We had tried to figure out what he was talking about and got the facts and scheduled a meeting at which we explained to him why these new charges were false, not well-founded, etc.

KF Did you believe they were not well-founded? Because Scully and Boulware . . .

JH Editor's privilege?

KF Just don't want to shock people.

JH The allegations as we understood them related to preservation of the data that the Ministry originally had when EDS took over. It was not the scratching of the disks and whatever that may have occurred later as we evacuated. We never understood exactly what the allegations were, but as best we could understand, it was a function of the tape library evolving. If you put a given amount of information on a tape, you label that tape #1, you can not necessary go back and find that same information on tape #1. That information would have been fed into the computer. At some point in time, tape #1 becomes obsolete and you use it for other purposes. So tape #1 may have different information on it, and if you're looking for the information that was on tape #1, it may no longer be in existence in that form.

KF It sounds to me as if they couldn't understand the system well enough to use it. They probably hadn't gotten as far as the problems they were going to meet when they came across Scully's and Boulware's work.

JH I think that's probably right. They were talking in terms of a small data center where I think Scully and Boulware's activities were more apropos than the large data center. I'm not sure that anyone tried to do anything with that.

KF I see.

JH We thought the purpose of the meeting was to rebutt these charges and we thought we would develop some factual information. This was I believe the first meeting with Dadgar after the exploratory meeting. I was hopeful we could set up a dialogue where we could identify his suspicions, address those, resolve those, and proceed in a straight forward manner to discredit all the things he'd been told. We came into the meeting with the other Ministry employees there and quickly the conversation to the concept of turning over the small data center. Dadgar's general approach was, "I have these kind of charges. These charges are coming out. I don't give much credence to these. I think these people are just making up things, but in order for me to not put them in your file to make them serious charges, you need to turn over the small data center." I didn't see any real logical connection there. The message I got was that if we would cooperate in turning over the small data center, things would not get worse. He had the ability to make things worse.

KF Specifically, to raise the bail.

JH Yes, that would be getting worse. New charges, new allegations, raise bail to cover new charges.

KJ Let me make sure I've got this right. The new allegations were that you had messed the system up at the small data center. You had destroyed information that had belonged to the Ministry.

JH Yes. The impression was that there was a never ending well of these potential charges that could come up. These people at the Ministry would sit around and create things. One way things could go was each week there would be a new charge. Dadgar would put it in the file, raise the bail X million dollars to cover that, etc. He didn't give a lot of personal credence to that but in order to justify his ignoring these things, if we would be more cooperative in turning over the data center, then he would ignore these charges, etc. The message I deduced from that was if we cooperated on this turnover effort, things would not get worse. Then we raised the issue of renegotiating with the Ministry. Resolving our contractual problems with the Ministry. He said that might be very helpful. If those problems were resolved, he might see fit to drop some of the charges, reduce the bail, etc. The message I deduced from that part of the conversation was the way to make things better was to solve our business problems with the Ministry. That's the primary basis on which I am a subscriber to the commercial hostage theory.

We talked a little bit about the mechanics about that. About what happens first, who trusts who, and the kind of approach was that if I get the word from the Ministry that you are really serious in your negotiations, then I'm in a position to make advances on your side. It would be a step by step process. Then as kind of an after thought, he talked about getting some information from other people, some of the sub-managers under Bill Gaylord on the Ministry project. We had previously offered that probably at the meeting I had with him at the EDS offices, to give him the where withall to talk to anybody within EDS at any time and he said no that that was not appropriate. That he had procedures to follow and his procedures were face to face interrogation. If these people had information that we wanted to provide to him, they would have to come to Tehran and talk to him. Now that the shoe was on the other foot, he was saying that it would be helpful to his investigation if he could talk to these people. We said we couldn't bring them back to Tehran. How about an affidavit from a third country. He said that was doable. But when I tried to explore what would happen if I provided this information, there was no XXXX.

To me, putting that whole meeting together, and at the end was that, if he was really conducting an investigation from charges, that would be the thing that would either confirm or relieve his suspicions. That should be the thing that would either get worse or get better. That was the one aspect of the meeting that didn't seem to have any tangible results associated with it. The message I deduced from the meeting was that if we cooperated in the turnover, things would not get worse. If we renegotiated our business situation with the Ministry, things would get better. And in the meantime, he would like us to provide him some more information that would help pay for his file and get him some defensible evidence on which to justify his decisions.

KF OK

JH I think that was maybe the most insightful meeting we had with Dadgar.

KF And Keane was there?

JH Yes, I believe so.

KF And Keane did his act and got mad?

JH Got mad within reason. My impression is that we probably have Keane coming on a little bit stronger than the fact was, and part of it was not the way the meetings were conducted. It's very polite. There's tea and the strong messages are conveyed more politely. Keane's not the best person at that, but he had been in the country long enough that he was more persuasive than argumentative.

Page 164, talking about the complaining Ministry employees, the most vociferous was a man who had downgraded for incompetence. I don't have any problem and don't think anybody else would in printing his name. Morteza Nassira. He was one of the Iranians who appeared in Dallas to testify at the trial.

Paragraph in the middle of the page, Bucha talking about the bribe, the phrasing that they used which I found interesting, is they kept saying, "remember that Iran will always be Iran, that things will never change in Iran", which is a hint that bribe was required.

On the Razmara situation, I think primarily Bob Young was the one involved.

Page 165, last paragraph, is that just author's license there to know what Razmara was doing?

KF No, this is what Razmara told me.

JH Is that right? Did you have a chance to visit with him?

KF Yes, I interviewed him.

JH Well, I thought that was interesting. I hoped that was the case. I thought the base contract price was forty-one, rather than forty-eight million dollars.

KF He said, forty-eight, and he got his information from Emrani, you see. It doesn't look to me as if Emrani was being completely candid with Razmara.

JH You can look at Schedule E, I believe it is. It totals it up. I said forty-one, I think it is forty-two million.

One interesting episode about Razmara -- at this period of time there was an interview with him. On January 23, Bob Young tried to visit Razmara's office and got sidetracked to another guy, the director of international relations, and was given the basic message that the Ministry knew nothing about our contract and would not get involved. We delivered a letter to him at that time. I do not have a copy of the article, but shortly after that Bob Young was unable to get in. Right around that same period of time there was interview with Razmara in the paper in which he talked about the EDS situation. Among other things he was quoted as saying that EDS was a company so vile that even the American people hated the managers of EDS. The Persian employees of EDS were fairly upset about it and at their suggestion [REDACTED] wrote a Abolhasan reply in a letter to the editor format which we had to pay commercial rates to get published.

KF Well \$100 mil., he's rounded that up from \$90 million which he understood to be the ultimate price including escalators.

JH It's hard to say, there wasn't an escalation factor built into the contract based on the cost of living which was running a fairly high rate in Iran. There were also discussions at that stage to extend the contract from a three year period to a five year period which involved more money, so I don't know how the \$90 or \$100 million figure came up.

KF Well, he obviously just took the biggest figure he could get hold of.

JH Page 169, you refer to Malloy Jones as the country manager in Kuwait. He was filling in for Bob Young, so I think deputy country manager . . .

KF So he was called acting country manager.

JH Yes, that would be more accurate. The bit about Boulware being on the stop list is a surprise to me. I never was aware that there was any thought to him being on the list.

KF Well, this whole stop list thing is terribly confused.

JH My personal belief is that probably four people originally put on the stop list were the ones requested.

Page 187, we're talking about the Embassy, it wasn't really my idea to pledge the U.S. Embassy as bail, that came from the U.S.

KF I think it was Tom Luce's idea.

JH That could well be. It was a good idea. I wish it had been mine.

Page 188, is where I react to the treatment of Lou Gelz. At this point in time Lou was pretty much on our side. Authority had been breaking down and he no longer had those areas to protect. He was much more helpful. While he wasn't completely divorced from his official responsibilities, he was pretty much an EDS friend at this time. I think the physical description is fine.

KF What I should do here then is say that in the past, he had been stuck to the rules in a way that was not helpful. But now, he seems much more cooperative. He had more personal freedom to help at that point.

JH And "infuriating Howell" is much stronger than ever occurred. I can't say he ever infuriated me. The most upset I was was with the Embassy over the deal with the passports.

KF But that was infuriating, wasn't it?

JH That was upsetting, but not quite infuriating.

KF OK

JH The description of the meeting with Dadgar really did not come from Lou Gelz. Abolhasan [redacted] went to serve as a translator and also because he had a relationship with Dadgar. He came back to the EDS offices and that's where I got debriefed on what went on. The information is fairly accurate. I don't know if you want to exercise author's license and keep the character's similar.

KF No, we'll have a scene in which you debrief [redacted] Abolhasan

JH Page 189, about the motives of the Iranians being a complete mystery . . .

KF You're now working on the theory that this is a commercial hostage situation.

JH That's the strongest theory I've seen to date. But, it's not that sentence, it's " . . . now it seemed that Dadgar's personal motivation . . ." I don't see that that logic follows it all.

KF Well, Dadgar said at this meeting that if his superiors didn't like the way he was handling this case, they could take him off and he would be very happy. Which suggests that Dadgar personally wasn't going after EDS.

JH I guess I can see the connection now. It doesn't track to me because I think Dadgar was in a slot that he was doing his thing without much control. I never saw anything to contrary that. He was still placed in a position. If anybody, Kian, for example, had stepped up and fired him, he said he would be "forever grateful" (that's the phrase I remember). But I distinguish that between taking orders from above. I never got the impression that somebody was saying, Dadgar did this, Dadgar did that. It was just that if he had lost his official position, he would no longer be in a position to do that. But then that was somewhat of a false threat because there wasn't enough of a structure for anybody really to be in a position to . . .

KF OK. Let me make sure I've got this right. You don't think he was taking direct orders from above.

JH No

KF On the other hand, you do think that if Dr. Kian had wanted to fire Dadgar, he probably could of. That's the point that Dadgar was making at this meeting. When he said, "I'd be happy to retire," that's not what he means. What he's saying is, "If they don't like it, they can fire me". "So what are you going to do about that".

JH Right. Exactly.

You said the revolution began on Friday, 9 February. I personally don't think it was a revolution, beginning until the Sunday, the 11th, of happening all at once. In some respects, the revolution started six months earlier. It was

kind of a gradual thing. When I think of the revolution, I think really of the falling of the symbols of authority that from my view was really a one day event.

Page 191, you've got the National Bank of Commerce involved in both the Bank Melli situation and the Bank Omran. I'm pretty sure there were different banks involved in those two. I don't know which is which. Tom Walter could give you more help there.

KF At the bottom of page 190, you and Taylor go to Bank Omran. I just say it was a scary ride. Can you give me more details on that? This is February 10.

JH The primary things that stand out in my mind and I'm trying to distinguish that between the time we went down to the central bank to get approval, which I think was another day.

KF But I suppose the drive downtown would have been worse on the 10th.

JH Well, it was further downtown. The Bank Omran offices were not that far from the EDS offices.

END OF SIDE TWO