

American Whistleblower: The Gene Wheaton Story

Episode 1

NARRATOR:

You are listening to Episode One of: “American Whistleblower: The Gene Wheaton Story.” Produced by AW Media Group and Dan Storper.

(MUSIC CUE)

GENE WHEATON:

The covert operations subculture and the pyramid structure of it is difficult for the average citizen to understand. And I understand it because I saw it, but it’s awfully hard to describe.

(ARCHIVAL AUDIO OF CHURCH COMMITTEE)

“It is the right of the American people to know what their government has done ... the bad, as well as the good ...”

GENE WHEATON:

... This stuff goes back to the scandals of the ‘70s ... of, of Watergate and, and Richard Helms as CIA director being convicted by Congress of lying to Congress, of Ted Shackley and Tom Clines and Dick Secord and a group of them being forced into retirement ...

(ARCHIVAL AUDIO OF CHURCH COMMITTEE NEWS COVERAGE)

“Most of the Senators now agree with chairman Frank Church, that the CIA has indeed been a rogue elephant, out of control ...”

GENE WHEATON:

... Shackley and Clines, and all this other group, they had some park-bench meetings in 1978 and ’79 in McClean, Virginia, so that nobody could overhear their conversations, and decided that since the United States had trained them to place dictators in power around the world ... overthrow governments in Southeast Asia ... South and Central America, they said — and I’m almost quoting verbatim - “Why don’t we treat the United States like the world’s biggest banana republic and take it over?”

NARRATOR:

In the 1980s, one man on the inside of the American military and intelligence communities began to speak out about illegal activities he had witnessed during his career.

(ARCHIVAL AUDIO OF REAGAN ELECTION COVERAGE)

“Ronald Reagan appears to be heading toward a landslide victory tonight ...”

NARRATOR:

After Ronald Reagan assumed the presidency in 1981, the American intelligence community was profoundly transformed by Reagan, his vice president George Bush, and his campaign manager and future CIA director, William Casey ... in a return to the intensive global covert operations of prior decades.

GENE WHEATON:

In December of 1980, after the elections that elected Bush and Regan, but before they took office, there was a very confidential get-together in Washington, D.C. ... It was like a seminar type thing to plan covert operations for the 1980s and beyond. Let’s have mercenary revolutionary movements, paramilitary operations, militia operations around the world, and as long as you can destabilize a country with those kinds of operations, you can control it.

(ARCHIVAL AUDIO OF GEORGE H.W. BUSH SPEECH)

“I believe that public service is honorable ...”

(MUSIC CUE TRANSITION)

NARRATOR:

Vice President Bush had previously served as director of the Central Intelligence Agency in the mid-1970s, during a time when the agency had been the subject of unprecedented congressional investigations and public scrutiny. In response, Bush, Casey and allied members of the intelligence community, outsourced key intelligence operations to private contractors — including to former CIA agents.

(ARCHIVAL AUDIO OF OLIVER NORTH AT IRAN CONTRA HEARINGS)

“It was my understanding that there was a shortage of funds ...”

MICHAEL ANDREGG:

And then there was Iran-Contra, when President Reagan was engaged in secret wars and some public wars in Central America. And they sold weapons to a country we considered a terrorist nation in order to raise money for secret wars.

(ARCHIVAL AUDIO OF OLIVER NORTH AT IRAN CONTRA HEARINGS)

“There were four purposes for the funds ...”

NARRATOR:

The Iran-Contra operation — helmed by Marine Corps Colonel Oliver North and others — relied heavily on private vendors, including one former military criminal investigator: Gene Wheaton.

(MUSIC CUE TRANSITION)

(SFX: Airplanes on tarmac)

GENE WHEATON:

I was recruited into Ollie North’s network by that group during the summer of ’85 because they wanted my airplanes for missions for the Contras, and they wanted my Middle East background for helping devise a plan for movement of weapons to the Mujahideen of Afghanistan ... it was in the vein ... that the guys in the National Security Council wanted to, uh, bring me into the inner circle.

NARRATOR:

Gene Wheaton would eventually become a key Iran-Contra whistleblower, whose testimony exposed its illegal operations to the American public. Wheaton considered himself a conservative American patriot, who came to believe that certain covert operations had crossed moral and legal lines he could no longer accept.

(ARCHIVAL NEWS REPORT ON MENA STORY)

“Congressional investigators in recent months have tried to learn if Mena, Arkansas was an illegal staging area for shipping guns to the US-backed Contra rebels ...”

DANNY SHEEHAN:

He’s one of the people who was ... at the very edge of history ... he’s the one that kind of blew the whistle on Mena, Arkansas ...

GENE WHEATON:

I was on some investigations around Mena, Arkansas concerning events after a drug smuggler, Barry Seal, was assassinated, and some of the covert air operations got on to Mena ...

NARRATOR:

Wheaton's whistleblowing did not end with Iran-Contra. For years, he pursued wrongdoing elsewhere in the intelligence community — including drug running, murders of military personnel, and associated cover-ups. Wheaton followed leads, and publicized the details. However, there was one secret he kept confidential for years ... only discussing it publicly toward the end of his life.

(AUDIO FROM WILLIAM LAW INTERVIEW WITH WHEATON)

“There was a CIA-funded program to assassinate Castro. And they were — according to them — they were the ones that diverted the Castro funds and training for their own agenda to snuff Kennedy. And there was another clique above them that was worried about Kennedy not increasing the program to escalate hostilities in Vietnam, Laos, and Cambodia.”

NARRATOR:

This is the first of three-episodes that examines the life of Gene Wheaton — a military criminal investigator and private security contractor who became a key whistleblower about illegal government activities from the 1960s through the 1980s.

(MUSIC CUE OUT)

(SFX: Rural ambience)

NARRATOR:

Born near Tulsa, Oklahoma in 1935, Gene Wheaton enlisted in the Marine Corps in 1953 — beginning a decades-long law enforcement and military career. The Wheaton interviews heard in this podcast were recorded between 1998 and 2002. Gene Wheaton:

GENE WHEATON:

I've served in the Marine Corps, the Air Force, and the Army, primarily as a criminal investigator and counter-intelligence agent. After Marine service I went back to my hometown in Tulsa, Oklahoma and was a police officer there for a couple of years and then came back into the service as an OSI agent in the Air Force and served about nine years in the Air Force that way. And then during the build-up for the Vietnam war, by the time I got enough university credits to get a commission, I was too old for it, so the Army

offered me an inter-service transfer if I would transfer from the Air Force to the Army as a CID agent, criminal investigation division, so I switched from the Air Force to the Army and served at Fort Ord, California and in Vietnam.

NARRATOR:

Gene's son Gary is a former security contractor and military policeman.

GARY WHEATON:

He grew up with a large family. It was a farm family, so they had seven or eight brothers and sisters. He was instilled with very patriotic — very love-of-country — type values in those days. They did a lot of farm work. That's as far as his real childhood that I know of. Of all the things that he's done and associations he's had, he's never considered himself as, like an intelligence agent. He's always been a cop. He was a Tulsa police officer. He's always been a police officer, and that's the way he sees himself.

(SFX: Vietnam-era helicopter sounds)

GARY WHEATON:

It was the 1967-1968 time period. He was in CID. He was a criminal investigator, and agent for them. And he was stationed in Cam Rahn Bay. And he did criminal investigations for any crimes that were committed by military or federal personnel. The heroin trade that was coming out of Vietnam and, uh, he would investigate any crimes ... it wouldn't matter whether it was, uh, an E-1 private, or a three or four star general.

(SFX: Vietnam-era helicopter sounds transitions to street sounds)

NARRATOR:

Denise Wheaton is one of Gene's daughters:

DENISE WHEATON:

When he was a police officer he told me, he would go out in his car, and arrest, all of the street people ... and put them in jail, so that they wouldn't freeze to death at night. And then he would let them go in the morning, so that they could go back to doing whatever they were doing. And it's just that whole idea of, "I'm doing the right thing." He always had that, "I'm doing the right thing."

NARRATOR:

Matt Ehling is a producer who interviewed Gene Wheaton several times for television and radio documentaries. He has also reviewed Wheaton's archive of military records, investigative files, and personal papers.

MATT EHLING:

Wheaton had a unique background, with a military career that spanned several armed services, and numerous countries from the 1960s through the 1970s. After retiring from the Army, he launched a private security career that brought him back to the Middle East several times. He was a security advisor to the Shah of Iran, and helped to coordinate the flow of American arms to Pakistan, during the Soviet invasion of Afghanistan.

NARRATOR:

During these episodes, Wheaton crossed paths with many of the leading players in U.S. and international espionage. His connections to intelligence community principals eventually led to his involvement in what was later called the Iran-Contra affair.

(MUSIC CUE)

(ARCHIVAL AUDIO OF IRAN-CONTRA HEARINGS)

“Colonel North, there has been testimony, as I’m sure you’re aware ...”

NARRATOR:

In the mid-1980s, during president Ronald Reagan’s second term, headlines emerged about the administration illegally sending arms to a proxy military force in Nicaragua — The Contras.

(ARCHIVAL AUDIO OF IRAN-CONTRA HEARINGS)

“There is a testamentary document which has been introduced ...”

NARRATOR:

While not as well-remembered as the Watergate scandal of the 1970s, the stakes in Iran-Contra were equally high, with the executive branch directly undermining laws passed by Congress, and engaging in arms deals with an enemy state, and other illegal activities.

(MUSIC CUE OUT)

NARRATOR:

Ross Gelbspan was a reporter for the Boston Globe during this period.

ROSS GELBSPAN:

For people who don't remember, Iran-Contra was a scandal ... that really was the major scandal in the Reagan Administration. And it grew out of a congressional resolution, or a congressional act called the Bolland Amendment — which forbade the administration from supporting a group called the Contras in Nicaragua. They were trying to undermine

the Sandinista government. The Nicaraguans elected the Sandinista government, which was a somewhat socialist government - but they were democratically elected.

In response, the CIA set up this counter-group called the Contras. And Representative Bolland sponsored this amendment, which was passed by Congress, forbidding the administration from supporting these Contras. So as a result, the administration set up an operation that was external to the U.S. government. It privatized a lot of its operations, and it contradicted the Reagan policy of not dealing with terrorist countries. It sold arms to Iran and it used the proceeds of those arms sales to fund these Contras, who were trying to undermine the Sandinista government in Nicaragua.

(SFX: Combat sounds)

(MUSIC CUE)

NARRATOR:

Gene Wheaton was connected to the Iran-Contra operation as a transportation contractor, before he became a whistleblower. He later discovered that a large portion of the program existed in the shadows of the “official” intelligence community, and was largely illegal. To fully understand the implications behind Iran-Contra, one needs to understand how the American intelligence community itself developed over time.

(MUSIC CUE OUT)

(ARCHIVAL AUDIO OF COLD WAR FILM)

“In the past thirty years, the Soviet Union has progressed from a war-ravaged nation with a military capability greatly inferior to that of the United States ...”

NARRATOR:

During the 1980s, the United States and the Soviet Union were still in the midst of a Cold War stand-off that began in the aftermath of World War II.

(ARCHIVAL AUDIO OF COLD WAR NEWSREEL)

“The thermonuclear device was fired high over its target ...”

NARRATOR:

Since each country had nuclear arsenals, direct military confrontation was too dangerous. Instead, each used covert action to confront the other — through espionage, and proxy military forces.

(ARCHIVAL AUDIO OF COLD WAR NEWSREEL)

“The home of Secretary of State Dulles is the setting for an informal visit by ...”

NARRATOR:

In the United States, the Cold War spurred the development of an extensive intelligence bureaucracy, with secrecy protocols that shielded agency operations and budgets. The framework for an activist post-war intelligence establishment was advocated for by influential attorneys with long intelligence backgrounds — John Foster Dulles and his brother Allen. The CIA was established in 1947 under President Truman, who envisioned the Agency primarily as an information gathering service. Initially, the concept had attracted controversy— highlighting tensions between operational security and government oversight that would re-emerge in later years.

(ARCHIVAL AUDIO OF COLD WAR NEWSREEL)

“On a tour of inspection of tour of top-secret bases ...”

NARRATOR:

In 1953, newly elected President Eisenhower named John Foster Dulles as his Secretary of State, and Allen Dulles as CIA Director. They envisioned a much more robust covert action agency, and began pursuing aggressive international coup and assassination programs.

(ARCHIVAL AUDIO OF COLD WAR NEWSREEL)

“... the price North America must pay for security ...”

NARRATOR:

David MacMichael was a former CIA analyst and agency whistleblower. This interview was recorded in 2003.

DAVID MACMICHAEL:

As you can see I’m an aged person. I am, basically, a child of the Cold War.

The term national security is, is pretty much a neologism which entered the dialogue after the Second World War. Prior to that time we referred to the national defense. The first Director of Central Intelligence ... a Navy admiral ... was really thinking in terms of traditional U.S. military intelligence activities. But standing in the wings were the Dulles brothers with their ... their concept of this activist intelligence system based considerably on the traditional British model.

NARRATOR:

Michael Andregg is a long-time researcher on intelligence activities and the causes of war. In this interview, recorded in 2003, he speaks about America's publicly acknowledged intelligence agencies.

MICHAEL ANDREGG:

The U.S. intelligence community has now eighteen separate agencies. They include the ones we all know — CIA, FBI, DEA ... but agencies in each of the military branches, the Coast Guard, NSA, and so forth. That's a big bureaucracy of about 100,000 people. And there's other big bureaucracies in China and Russia, and smaller bureaucracies, but still meaningful ones, in other big countries. So everyone spies.

NARRATOR:

David MacMichael:

DAVID MACMICHAEL:

Human intelligence is the recruitment of foreign nationals to be spies, let's say, agents — and then the passing of that information gained through these people back to, to Langley, the headquarters of the CIA, where it is processed by the ... Directorate of Intelligence into so-called 'finished intelligence.' This is the analysis that one hears so much about. The other function is the conduct of "operations." And these were defined in the act setting up the CIA as "operations of an intelligence nature, which may from time-to-time, be directed by the national security council." And there was some dispute as to exactly what this meant — but basically from the earliest days, it's meant the conduct of what are called "covert operations." And these are ... range from military and paramilitary operations, which, you know, people tend to concentrate on — and others, which are ... setting up of front organizations, publications, interest groups, etcetera, in foreign countries.

(MUSIC CUE)

DAVID MACMICHAEL:

When this new Central Intelligence Agency was proposed, it was very controversial at that time. And the major opposition, perhaps surprisingly, did not come from putative liberals, but from your basic Midwestern rock-ribbed conservative Republicans who were very fearful that a Central Intelligence Agency would be used to spy on American citizens or conduct operations in the United States. And it was at their insistence that the prohibition against, uh, domestic operations was included in there. Of course, it's been violated, uh, to some extent over the years ...

(SFX: Political protest/rally sounds)

NARRATOR:

As part of the CIA's charter, the Agency was prohibited from operating within the domestic United States. However, as the decades wore on, evidence of illegal domestic CIA operations eventually emerged. For instance, under the Johnson and Nixon administrations, the agency surveilled and disrupted anti-Vietnam war and civil rights groups, and protests.

(SFX: Political protest/rally sounds fade out)

NARRATOR:

By the early 1970s, these formerly secret — and illegal — domestic intelligence operations began to be exposed in major American news outlets.

These included the FBI's political surveillance program COINTELPRO and the CIA's Operation Chaos.

After the Watergate revelations — by the mid-1970s — the American intelligence community was in the midst of very public upheaval, as Congress began to investigate allegations of past excesses and abuse, through the Pike and Church committees.

Evidence of illegal international operations — including coups and assassinations — also emerged during this time.

(ARCHIVAL AUDIO OF CHURCH COMMITTEE HEARINGS)

“... and we have every confidence that the country will benefit by a comprehensive disclosure of this grim chapter ... ”

NARRATOR:

Michael Andregg:

MICHAEL ANDREGG:

Basically, there had been serious abuses of intelligence power of many kinds over a long period of time that built up critical mass, and also the Vietnam War had just wound down. So there was a period when the country was more skeptical of claims from the government and also less — just less tolerant to put up with real abuses of our Constitution in the service of security.

(ARCHIVAL AUDIO OF CHURCH COMMITTEE HEARINGS)

“... are there any limits then on who can be investigated?”

MICHAEL ANDREGG:

The COINTELPRO program that surveilled lots of churches and women's groups and peace groups all through America was one area, but there were many others. Probably more than anything else, MK-ULTRA, which most Americans to this day haven't heard of. That was a very extensive program, extending over many years, of research on mind control technologies. But the government did some, some really terrible things both to willing research subjects, but also to a lot of people that didn't know that they were being experimented on, uh, like Army soldiers ... over 7,000 who were given LSD to see what would happen and many other cases, some of which involved deaths and, and serious injury to innocent people in the name of mind control research, in the name of national security.

(ARCHIVAL AUDIO OF JIMMY CARTER ELECTION SPEECH)

“It's time for us to get together, to correct our mistakes, to answer difficult questions, and to make our nation great ... ”

NARRATOR:

The Pike and Church committee revelations occurred shortly before the presidential administration of Jimmy Carter. Once elected, President Carter appointed Navy Admiral Stansfield Turner as director of the CIA — a move that caused friction between the administration, and some elements of the intelligence community. David MacMichael:

DAVID MACMICHAEL:

During much of Vietnam, Richard Helms was the Director of Central Intelligence. Came out like most directors do from the Directorate of Operations — the covert operations branch — and was diligent in his view of protecting both the Agency and giving the president ‘plausible deniability’ as the saying goes. So when he, in the aftermath of Vietnam, was forced to resign ... his replacement was another field operator, Stan Turner. But as the heat came on ... Turner was very cooperative with the Church Committee, first of all, very cooperative. And to many in the Agency, this broke the code of “omerta,” so to speak ... the code of silence. You lied frankly, you lied. And it was honorable to lie in defense of, you know, our secret interests. That's, you know, that's the ethic.

NARRATOR:

Michael Andregg:

MICHAEL ANDREGG:

Part of the reforms ... President Carter asked ... his CIA Director, Admiral Stansfield Turner, to clean house in the covert operations crowd. And he fired about 800 covert operators in the CIA. That was greatly resented by a lot of people in the intelligence community.

NARRATOR:

During this time period, Gene Wheaton was near the end of his military career. Fluent in Farsi, Wheaton had been posted in Iran, detailed to an American military mission supporting the U.S-backed government of the Shah. Upon his retirement, he returned to Iran as a civilian, working for the Rockwell Corporation — a U.S. military and intelligence contractor.

GENE WHEATON:

In '71 ... my family and I were transferred to Iran, where I was the narcotics and Counter-terrorism advisor to the Shah of Iran. And was on the embassy staff as the ambassador's back-door liaison with the Iranian police and intelligence agencies. I ... retired from the Army and went back to Iran as a civilian working on contract doing generally the same stuff — counter-terrorism and security on major projects.

My last assignment in Iran ... for two years I was the executive assistant to one of the vice presidents of Rockwell Corporation and director of security on a program over there called the IBEX Program — that's I-B-E-X. Rockwell was fronting for the CIA on this program with the Iranian government.

I have worked on and off on projects with CIA people ... but in Iran when I was the narcotics and counter-intelligence advisor to the governments over there, I got very close with people in the CIA. I was a Farsi linguist and I had Iranian security clearances and American security clearances, and I just ran with that crowd, and they sort of adopted me into their subculture.

(SFX: Middle Eastern street sounds)

GENE WHEATON:

When I went back to Iran in '75 after I retired from the Army, I went back with a, I guess you could say, an electronic handshake ... some people in the agency in Washington told people over there I was coming and that I was one of the good guys and that — an insider — and had these clearances, and they set me up for a point of contact in the embassy if I ever needed their help, and on the outside if they ever needed mine.

After I was brought on that program, I had three hats to wear. One was operational security of our program. That is everything from a crypto-center to top-secret security clearances for people coming to visit the site, to administrative-type security.

I ran networks of contacts, sources and informants among the Iranian revolutionaries and university students, so I'd be apprised of what was going on in the country, and keep our people out of trouble, and keep 'em from getting killed. And basically that's what I did for the two years I was there.

NARRATOR:

While in Iran, Wheaton met many prominent members of the covert operations community, including I.W. Harper, who preceded him as the director of security for the IBEX program. Harper, and a man named Carl Jenkins, had been two of the CIA's main military trainers of anti-Castro Cubans in the early 1960s, in preparation for the Bay of Pigs invasion. Wheaton also encountered people who would later become involved in the Iran-Contra affair, such as Air Force general Richard Secord, and CIA officer Theodore Shackley. Secord and others had settled in the Middle East, as military and covert operations in Southeast Asia wound down, as the Vietnam War ended.

(MUSIC CUE)

(SFX: News coverage of Iranian unrest)

(ARCHIVAL NEWS REPORT)

"For the last seven days, Tehran and other cities have seen violent clashes ..."

NARRATOR:

During this period, a political crisis was also brewing in Iran. Gene Wheaton had a first-hand view:

GENE WHEATON:

Things got so hot ... the last year before the Shah went down the tubes, there was major revolutionary activity happening in the country ... I and one military intelligence officer and one CIA officer were reporting it through the ambassador and the CIA station chief to Washington, but the ambassador — Bill Sullivan — and the station chief, were sending messages out telling them to ignore what we were saying, because there was no revolution happening.

(SFX: Middle Eastern street sounds; street unrest in Iran)

GENE WHEATON:

But it was so bad that in the summer of '78, I moved my family back to the states so I could get them in a safe place, plus I could work full time, twenty-four hours a day, protecting the rest of the people. And I went back and stayed by myself until about thirty days before the Shah left, and then I figured it was time to get out, and so I left at that time.

(ARCHIVAL NEW COVERAGE OF IRAN CRISIS)

“But we think the crisis in Iran is more urgent right now than the campaign here at home ...”

NARRATOR:

The fall of the US-backed Shah of Iran, and the taking of American hostages, created a political crisis for the United States, and threatened the Carter administration during an election year. In the background, disgruntled members of the intelligence community — who resented Carter’s intelligence reform efforts — coalesced around the Ronald Reagan/George Bush campaign. Michael Andregg:

MICHAEL ANDREGG:

Reagan's ... head of his campaign was Bill Casey, who had been an OSS operative in World War II, and became the Director of Central Intelligence. So he was advised from the very beginning at the top by seasoned, experienced political professionals in the spy world. And these were people that had money and resources and a lot of specialized training in how to exert secret political power. And they definitely helped get Reagan elected and re-establish power for that, that particular center within our government.

(MUSIC CUE)

NARRATOR:

Gene Wheaton.

GENE WHEATON:

The covert operations subculture and the, the pyramid system of it is difficult for the average citizen to understand. And I understand it because I saw it, but it’s awfully hard to describe. This stuff goes back to the scandals of the ‘70s. Of ... of Watergate and Richard Helms as CIA director being convicted by Congress of lying to Congress ... of, of Ted Shackley and Tom Clines and Dick Secord and a group of them being forced into retirement.

Shackley and Clines and all this other group, they had some park-bench meetings in 1978 and '79 in McClean Virginia, so that nobody could overhear their conversations, and decided that since the United States trained them to place dictators in power around the world ... overthrow governments in Southeast Asia, primarily, and South ... South and Central America, they said — and I'm almost quoting verbatim — “Why don't we treat the United States like the world's biggest banana republic and take it over?”

And they said the first thing that they had to do is get their man in the White House, and that was George Bush. They didn't care whether he went in as president or vice president, as long as they could get him in there. And they made sure that George Bush was the chairman of each of the critical committees involved in these covert operations things. And one of them was the Vice President's Task Force on Combating Terrorism. I've got the official wiring diagramming of it ... and that's the vehicle for the movement of weapons around the world.

(ARCHIVAL NEWS COVERAGE OF REAGAN SPEECH)

“I consider the trust that you have placed in me sacred ...”

NARRATOR:

In 1980, Ronald Reagan, with former CIA director George Bush as his running mate, defeated Jimmy Carter in a landslide victory. After the election, many members of the intelligence community who had exited during the Carter years were brought back in — some formally, and some through private contracting. David MacMichael:

DAVID MACMICHAEL:

Every institution, you know, likes to expand. You know ... And the hiring binge that went on in the CIA during the 1980's was extraordinary.

(MUSIC TRANSITION)

NARRATOR:

Michael Andregg:

MICHAEL ANDREGG:

Casey was a particular enthusiast for covert operations so they resurrected a lot of the covert operations crowd and technique to try to battle communism in Central and Latin America and elsewhere in the world.

NARRATOR:

David MacMichael:

DAVID MACMICHAEL:

When Casey came in ... yes ... the emphasis was placed on this. But this was once again the idea that, you know, after the revelations of the Church and Pike Committees, you know, and the supposed tying of the hands of the Agency – the covert warriors would be unleashed once again, and could charge again up San Juan Hill or something else.

NARRATOR:

Gene Wheaton:

GENE WHEATON:

After the Reagan-Bush Administration took office in 1981, an executive order was written. It was titled Executive Order 12333. It was signed by Reagan in December of 1981. The regulation was related to covert operations, uh, in the future. And it was ... it was authored by Theodore G. Shackley — Ted Shackley — who was the DOO — Deputy Director of Operations — for the CIA under George Bush in 1976; and by Oliver North; and by a spooky guy that floats around Capitol Hill that a lot of people don't know about by the name of Ken deGraffenreid. They passed Executive Order 12333 to allow outside contractors to run covert operations ... and this was basically to run a privatized thing, to conceal it both from the American people, and from Congress.

NARRATOR:

Ross Gelbspan:

ROSS GELBSPAN:

Under this Reagan executive order that was set up very early, the FBI and CIA could contract with private groups and could conceal the existence of those contracts ... There was basically an independent, off-the-shelf government operation going on that was really beyond the reach and knowledge of the American public and the American political apparatus, essentially.

(SFX: Airplane tarmac sounds)

NARRATOR:

After leaving Iran, Gene Wheaton continued on through the private contracting world, eventually becoming an executive at an air freight company. In this capacity, Wheaton sought government contracts through connections he had made while serving in Iran.

GENE WHEATON:

In 1985 I became the vice-president of a cargo airline called National Air. We had twin-engine turbo-prop, short take-off and landing aircraft that were made by the Spanish Air

Force called the Casa 212s. And we had the largest civilian fleet of them in the world. While running back and forth to Saudi Arabia and Pakistan and Egypt in the '80s, early, mid 80s, I kept my contacts with the embassies around the world and with the State Department, with the Agency, so that I could get quicker access into countries whenever I got a project that I could work on.

I was ... considered a fair-haired boy with Middle East background and aviation background, that different cells in the intelligence community needed me for different things, and I was so close to a bunch of these people that I was gradually ... I was almost considered one of them. I was connected. I was connected in the intelligence community, in the Pentagon, in the Defense Intelligence Agency, in the CIA and the State Department. And just after all of those years of running with all those guys, I knew them all. I knew even the ones that even didn't know each other. And were compartmentalized. And that's how I was gradually brought into the system at that level.

It was during that period, summer of '85, that some of my old CIA contacts — who were no longer full-time employees of the agency — but when they retire these guys they usually give them a contract as an outside contractor on the side, and then they have deniability, uh, for working for the Agency. They can say, “No, he's not an employee of the Agency,” but in fact they are contractors and they still carry their security clearances and have to be polygraphed every once in a while. It was at that time that some of the Agency people that were around the IBEX Program ... more or less became “door openers” for me in Washington.

(ARCHIVAL NEWS COVERAGE OF WAR IN AFGHANISTAN)

“U.S. National Security advisor Brezinski flew to Pakistan to set about rallying resistance ...”

(SFX: Airplanes taxi on a tarmac)

NARRATOR:

Gene's son, Gary Wheaton:

GARY WHEATON:

He was vice-president of marketing and security for National Air. He made contact through people that he was associated with in Iran, including embassy ... also, through, uh, Washington DC. And so his objective was to run and expand the market, and that's where they ran into the potential for the contract with, uh, Pakistan. To transfer weapons to Pakistan. He met all the characters that were — later — to be exposed in some of the Iran-Contra type of things.

NARRATOR:

Television producer Matt Ehling interviewed Wheaton about his experience of being recruited into what would become the Iran-Contra affair:

MATT EHLING:

The interviews you are hearing in this podcast were recorded between 1998 and 2002. In my first interview with Gene Wheaton, he discussed the details of his entry into what he called the “covert operations” subculture of the intelligence community. Wheaton talked about meeting with many of these people, including during a 1985 party in Washington DC.

(SFX: Ambience of social gathering at restaurant)

GENE WHEATON:

At that black tie party at the Palm Restaurant on the 4th of December in 1985, I was specifically invited by Neil Livingston and Rob Owen to come in and to meet Ollie North and ... it was a party to promote Neil Livingston’s book, it’s called “Fighting Back” and the subtitle is “The War on Terrorism.” He and a State Department/CIA spook by the name of Terry Arnold wrote that book together, and this was the coming-out party of the book and all the covert operations community — of the real snake eaters — were going to be there in black ties, and so forth. And Ollie North was there and Bud McFarlane and Joe Cappucci who was the former general who was the head of OSI — he was one of my bosses when I was an OSI agent in the Air Force many, many years before. Uh, there was ... I don’t know, 75 or 100 people in black ties milling around and having drinks and dinner and hob-knobbing ...

(MUSIC CUE IN)

GENE WHEATON:

... and, uh ... the atmosphere at that party was one of, “We are the shadow government running the United States.” It was almost like a diplomatic party or a State Department coming out party for a regime. And these guys were in charge and that was how they presented it.

NARRATOR:

Wheaton described his entrée into the covert operations world through paramilitary operator Carl Jenkins, who he had come to know through other intelligence contacts.

(MUSIC CUE OUT)

GENE WHEATON:

The guys that I had known for several years ... primarily Carl Jenkins, who was a long-time career CIA paramilitary mercenary operator, uh, probably the most highly respected of those people in that division of the agency ... he was the commander of the biggest CIA base in Laos, while Shackley was over there, and while Bill Sullivan was over as ambassador ... Carl and I became very close friends in the early '80s to the point where I would keep a bedroom in his home in Washington with clothes and papers and things so I didn't have to carry them from California — I was commuting regularly back-and-forth, when I was going overseas ...

(SFX: Interior hallway ambience)

GENE WHEATON:

Back in the early '80s, right after the Bush-Reagan elections and those people took office, Casey and Bush and their colleagues arranged for uh, several CIA career people — of covert operations background — to be “sheep-dipped” and moved over to the Pentagon as civilian Department of Defense employees. Uh, Carl had an office with those guys. And he had several times taken me down to the Pentagon and introduced me to those people, and walked me through without signing any passes or anything.

(SFX: Street sounds)

GENE WHEATON:

From there, we were taken up on the Hill to the offices of Congressman Bill McCollum, Fifth District of Florida, and I was introduced to Congressman McCollum's administrative assistant, a guy named Vaughn Forrest, and to Rob Owen who was Ollie North's outside man with the Contras ... the liaison between the National Security Council and Adolfo Colero ... and we established a rapport there at that time and then for the several months after that I would meet separately with Rob Owen on things related to the Contras.

There was a plan that was approved later on by the Congress for October of 1985 -- Congress was going to vote in 27 million dollars in non-lethal aid for the Contras and it was going to be a legitimate but covert program to supply the Contras with everything from medicines to tents and uniforms and food and whatever else they might need that was nonlethal.

(SFX: Busy hallway)

GENE WHEATON:

Carl took me to the, what they called the Humanitarian Aid Office for the State Department in Roslyn, Virginia ... We were trying to get some of the 27 million dollars of cargo to haul to Honduras for the Contras that Congress was approving or had approved, and we were told several times in no uncertain terms that the only way we could do it is work through Dick Secord and that aviation supply route, and I refused to do that because I knew that Secord had an unsavory reputation; he been forced into retirement out of the Air Force as a major general in '83 over the Ed Wilson scandal in Libya. And Albert Hakim went back as far as my IBEX program — he was the “bag man” on the IBEX program for kick-backs in Iran at the same time that Dick Secord was the head of the aviation section of the military advisory group over there. So I was advising the people around Ollie North — the liaison people between me and him — that they were dealing with a bunch of unsavory characters that had a, a, reputation, an official public reputation, of causing extreme embarrassment for the government.

(SFX: Ambience in the halls of Congress)

NARRATOR:

Wheaton began to learn that the Contra supply operation not only involved congressionally-approved humanitarian aid, but also prohibited transfers of arms to the Contras — activity that had been forbidden by the congressional Bolland Amendment. The off-the-books Contra program was being funded, in part, through the sale of U.S. weapons to Iran — an avowed enemy of the United States. Wheaton also learned about CIA-supported cocaine smuggling. This activity was later detailed by investigative journalist Gary Webb, and depicted in two Hollywood films — Kill the Messenger with Jeremy Renner, and American Made featuring Tom Cruise.

(MUSIC CUE IN)

NARRATOR:

David MacMichael:

DAVID MACMICHAEL:

How to keep the Contras going became the problem. Arrangements were made to sell so-called surplus United States weapons through an alleged private company, the so-called ‘Enterprise’, run by General Secord, and Ted Shackley and Tommy Clines ... to sell these secretly to Iran. The money gained from the sale of these weapons would then be used to support the Contras. That became known as the Iran-Contra affair.

NARRATOR:

As Wheaton investigated further, he uncovered more information about unsanctioned Contra-related activities. Wheaton began to report his findings to people in power within Washington. At the same time, public interest attorney Danny Sheehan was coming to the same conclusions about the Contra operation, except from the outside. Danny Sheehan:

DANNY SHEEHAN:

So the bottom line is ... we stumbled right on top of it ... that they were smuggling weapons to the Contras in violation of the Bolland Amendment.

Gene Wheaton ... had allowed twenty of these, of his planes from National Air to be utilized ... but he had lost one of his planes coming back from Nicaragua, and he got upset about it, because he was going to file an insurance claim on it, and Oliver North told him not to do it, because it was full of cocaine ...

NARRATOR:

Gary Wheaton:

GARY WHEATON:

Dan Sheehan was, of course, investigating all these same things ... the Christic Institute and he collaborated a lot on the investigation of Iran-Contra. I think they learned a lot from each other.

NARRATOR:

In episode two, Wheaton's whistle-blowing begins to expose the illegalities of the Iran-Contra operation to the public.

(MUSIC CUE OUT)

NARRATOR:

You are listening to episode one of "American Whistleblower: The Gene Wheaton Story." Produced by AW Media Group and Dan Storper.

END