

1 UNITED STATES DISTRICT COURT  
2 FOR THE DISTRICT OF COLUMBIA

3 UNITED STATES OF AMERICA, : Docket Number: CR 91-521  
4 : CR 92-215  
5 Plaintiff, :  
6 vs. : Washington, D.C.  
7 CLAIR ELROY GEORGE, : July 29, 1992  
8 : 9:43 a.m.  
9 Defendant. :  
10 -----

TRANSCRIPT OF TRIAL  
BEFORE THE HONORABLE ROYCE C. LAMBERTH  
UNITED STATES DISTRICT JUDGE, and a jury

---

ALAN D. FIERS, GOVERNMENT WITNESS, PREVIOUSLY SWORN

DIRECT EXAMINATION (Continued)

---

1 so forth. It was -- and there were a lot of issues to be  
 2 ironed out there, relative to how the various groups would  
 3 place. We were clearly going to be the implementing agent or  
 4 agency, but DOD had a role. State Department had a major  
 5 role, and so there were some bureaucratic relationships to be  
 6 sorted out.

7 Also to be sorted out in continuing discussion was  
 8 the care, cleaning, feeding, and maintenance of the  
 9 resistance forces during the interim period. We go back to  
 10 the bridge period. That bridge period was still of concern.  
 11 There still was no one -- there still wasn't a program and  
 12 NHAO aid was over.

13 And in both of those meetings, the first one in  
 14 more detail than the latter, Cliver North detailed what he  
 15 was doing with the resistance. He went down through a list  
 16 of -- a list of activities.

17 In this particular meeting, the second, he was more  
 18 cursory, as I recall, in his historic perspective, what he  
 19 was doing. But he made a very strong suggestion that we --  
 20 as part of the conversation, that there needed to be a  
 21 resistance presence in the western part of Nicaragua,  
 22 particularly in Managua, where the resistance did not  
 23 operate. And he said, "I can arrange to have General Noriega  
 24 execute some insurgent or some -- some operations there --  
 25 sabotage operations in that area. It will cost us about a \$1

1 million. Do we want to do it?" And there was significant  
2 silence at the table. And then I recall I said, "No. We  
3 don't want to do that." And there was not a lot of -- there  
4 was some cursory discussion of it, but not a lot, and then  
5 the meeting ended.

6 Q. Mr. Fiers, when you say for \$1 million, was that money  
7 that was supposed to come from the United States Government,  
8 or from some other source?

9 A. No. It was clearly -- the implication was it would come  
10 from some other source.

11 Q. Would that be a source controlled by Colonel North, or  
12 by someone else?

13 A. --- It was not explicitly stated in the meeting, but it was  
14 certainly implied that that was -- was the mechanism. I  
15 vaguely recall something about saying I could go to London --  
16 Willie saying, "I can go to London and I could -- to have that  
17 meeting and arrange that."

18 It was clearly my understanding, and I don't know  
19 about the others in the room, that the money would have come  
20 from someplace other than U.S. Government appropriated funds.

21 Q. I'd like now to whirl into October of 19 -- first of  
22 all, before we do that, did you tell anybody else in the CIA  
23 about this \$1 million mortgage proposal?

24 A. I had only one further discussion about that, and that  
25 was talking out of the -- the room with -- going back to my

1 offices with the Assistant Secretary of State and his deputy,  
2 and I said that was a crazy idea, we didn't want to do it.  
3 We wanted to stay light years away from it. We didn't --  
4 just didn't want to touch that one. And after that, I didn't  
5 mention that to anybody until a year ago.

6 Q. When you say a year ago, is that when you began  
7 cooperating with the United States?

8 A. Yes.

9 Q. I'd like now to move into October of 1986, and I'll ask  
10 you if you became aware during October of 1986 of the news of  
11 a C-123 aircraft being shot down inside Nicaragua?

12 A. I did.

13 Q. Did you become aware of that on or about October the  
14 5th, 1986?

15 A. I think that that was the date. It was a Monday, early  
16 in the morning, as I recall, and October the 5th -- yes.  
17 That's the date. Yes.

18 Q. I'd like to show you what is marked and entered as G-123  
19 (sic). If you could review this, we'll just -- I'll ask you  
20 some questions about this one.

21 A. Okay.

22 Q. This is a CIA cable, dated October the 6th, '86,  
23 "Subject: Disappearance of a Southern Front supply  
24 aircraft." It discusses information, apparently, that there  
25 was a possibility that a private benefactor C-123 engaged in