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FOR IMMEDIATE RELEASE

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The attached is a transcript of the remarks made by EDS Chairman of the Board Ross Perot at a press conference in Dallas announcing the extraction of EDS employees Paul Chiapparone and Bill Gaylord from an Iranian prison in February 1979.

*San Antonio, The Alamo*

*Historical landmarks have site*

*Stop in Austin*

*down Thursday night*

*Friday with him*

*Saturday afternoon*

AS THE REVOLUTION progressed in Iran, it became necessary for the Americans to evacuate.

EDS was involved in a number of computer projects in the country. We informed the Iranian officials that it would be necessary to take our people out for safety reasons. Within 12 hours, the Iranians started trying to pick our people up as hostages.

Unfortunately, two of our people, Paul Chiapparone and Bill Gaylord, were captured. The objective in holding these men as hostages was to assure that EDS would return to start up the computer systems when the country went back to work. The entire nation was on strike. No work was being done. The Iranians feared that when they went back to work, EDS would not return. Iran felt that its best insurance was to hold our employees as hostages. They later proposed, as an alternative, a ransom or bail of \$12,750,000. The largest prior bail on record in the Iranian justice system was \$200,000.

THE FACT THAT our men were being held as hostages was first confirmed by our conversations with Iranian officials and later confirmed by conversations between our State Department and the Iranian government.

The day these men were arrested, the senior officers moved into EDS headquarters and lived there for nearly two weeks. EDS commenced pursuing numerous courses of action.

- We repeatedly sought help from the State Department, CIA, Congress, the Defense Department, the White House, former government officials with close ties to Iran and every level of our government.
- An EDS negotiating team went to Iran to negotiate the release of the men through the Iranian legal system.
- We also organized a team of volunteers to go into training to extract these men by force if all other efforts failed and if the situation in Iran continued to deteriorate.

I called an old friend, Col. Arthur "Bull" Simons, one of the legendary figures in the U.S. Army, who was considered during his military career to be the finest leader of raids of this type. He was now in retirement. I asked him if he would consider training and leading an extraction team if all other efforts failed. He agreed.

WHILE HE WAS flying to Dallas, we identified all EDS personnel who had lived in Tehran and who had had experience as Marine officers, Rangers, Special Forces officers and Army officers or who had had specialized training that would be necessary for such an extraction.

I met privately with each individual on January 1, 1978. I told each man that I was about to discuss a matter with him that could cost him his life, and if, for any reason he should not be involved, our discussion should go no further.

Every man I talked with volunteered. These were young engineers with EDS, with wives, young children, mortgages and all the other responsibilities you would expect young people in this age group to have.

Col. Simons came to Dallas --

- Selected the team,
- Put the team into training,
- And purchased the necessary equipment.

By the middle of January, the entire team and the necessary equipment were in Iran. When you consider what the necessary equipment might include, you will realize the risks in such an undertaking.

DURING THIS WHOLE process, extensive negotiations were under way on a daily basis to gain the release of the men through the legal process. Our first preference was to pay the \$12,750,000 because this eliminated any risk of physical harm to the two men being detained, or to Col. Simons' team, now in place in Tehran.

Extensive efforts were made by our negotiating team to pay the ransom through the banking system. All the negotiations had to be conducted with banking officials in their homes. Consider for a minute --

- First, they had to identify the officials.
- Second, they had to find their homes in a city in chaos.
- Third, they had to pass through the mobs to get there, and
- Finally, they could expect a less-than-successful meeting.

The effort to pay the ransom failed ultimately because the Iranian banking system no longer functioned, and this was a requirement -- that the banking system be a part of the process.

During this period, the situation in the country deteriorated dramatically.

- The civilian population was getting arms.
- The mobs were no longer shouting; they were shooting.
- Public executions were being held.
- The new government leaders were making public statements about cutting off the hands of Americans.
- EDS had two helpless men in an Iranian jail.

Each time our negotiating team attended a meeting the members were threatened with arrest. The negotiating team displayed a great deal of personal bravery by continuing to meet day after day, trying to negotiate the release of the men.

Bill Gayden, the president of our international business, lived in the country and was committed not to leave until he brought his men out with him.

Bob Young and Keane Taylor were exposed daily in our negotiating efforts.

Our attorney, John Howell, with the Dallas firm of Hughes & Hill, displayed an unusual degree of personal courage over a period of several weeks in a country where it is customary to arrest the lawyer as well as the client.

IF THE BANKING system had been functioning, John Howell and the others mentioned above would have been able to pay the ransom, gain the release of the men and avoid any risk of physical harm to the men.

Finally, we concluded that the efforts to pay the ransom had failed and that we had to extract the men.

After the shah had been overthrown, I went to Iran to personally inspect the prison where our men were being detained.

My presence in Iran at that point involved some risk. I entered the country aboard a Lear jet from Amman, Jordan, that normally was used to fly TV tapes and cameramen back and forth for NBC. I waited until there was a flight carrying tapes, but no cameramen. I was the only passenger aboard. Upon arrival in Iran, I walked through Customs carrying the NBC tapes, had my passport stamped, delivered the tapes and disappeared into a city of 4.5 million people.

Shortly after a meeting at the U.S. Embassy, the Iranian officials learned that I was in Tehran and commenced a fairly active search. It was not difficult to avoid them in a large city in chaos. The critical day came when I was to go to the jail where Paul and Bill were being held. Col. Simons and I concluded that, since one branch of the government was looking for me and another branch of the government ran the jail, the normal creakings of bureaucracy would probably ensure my safety.

FOR SEVERAL WEEKS, an EDS employee had arrived at the jail each morning carrying groceries for Paul and Bill. One day, I arrived in casual clothes, with the groceries, and was admitted routinely. I had to show my passport and sign in.

I was then directed to a reception room where I was surprised to see Ramsey Clark talking with the general who ran the prison. Deciding that the best defense is a good offense, I walked over to Ramsey and asked him what he was doing in an Iranian jail. Both the general and Ramsey laughed. The general assumed I knew Ramsey, and extended me the full range of courtesies.

The jail was a high-security prison with walls approximately 12 feet high and two sets of solid-steel entrance doors. Guards with automatic weapons were stationed around the walls and in towers. After entering the prison, I had an opportunity to tour the grounds as I went to visit Paul and Bill.

I visited with Paul and Bill for about an hour and assured them that we would get them out. My visit to the prison confirmed what Col. Simons already knew: our team was too small to extract these men from prison by force. Some other method had to be developed.

During this period the mobs were everywhere. The mobs were armed. Our strategy became obvious: arrange for an Iranian mob to storm the prison. This strategy involved considerable risk to Paul and Bill because they were Americans, but it involved less risk than leaving them in prison at this point.

Again, we checked to see if our government could do anything to help secure their release. I confirmed, both in Tehran and in Washington, that we simply could not expect any help at all.

WE WERE SUCCESSFUL in our efforts to arrange with revolutionary leaders in the area to have the prison stormed by an Iranian mob. Fortunately, when the mob stormed the prison, the guards put up minimal resistance. Approximately 11,000 prisoners were released. Col. Simons had engineered the largest jailbreak in history.

Paul and Bill could receive no help from us in their escape from prison. We could not be in the mob. There was a distinct chance that the mob might harm Paul and Bill in the confusion. They climbed the walls and fled on foot through intense gun fire for about two miles. They walked and hitchhiked to a designated hotel for rendezvous.

On February 11, we received word that this part of the operation had been successful and that the men had arrived safely, but exhausted. They had walked and hitchhiked some 10 miles from the prison to the rendezvous point.

Col. Simons ordered our people to evacuate immediately. Within two hours, the revolutionaries entered the hotel where they had been staying, determined the location of our hotel rooms and directed submachine-gun fire into each room prior to opening the doors. Later in the week, before our departure, one of our people went back to the hotel to pick up whatever personal belongings might have been left. He visually confirmed that extensive damage had been done to the rooms, and that had Col. Simons not ordered the evacuation when he did, all of our people would have been killed.

I was in Washington at this point, making a final effort to get help from our government in getting the men out of the country. Our government could not help. I left Washington for Turkey on a chartered 707 with the Turkish Rescue Unit.

IT WAS TIME to execute our escape plan. The distance from Tehran to the Turkish border is 540 miles. Col. Simons was in complete charge. Our team was ready with all the necessary equipment in place. Col. Simons determined who would go overland with him and who would stay in Tehran to go out on the first commercially available air transportation.

Col. Simons, J. Coburn, Keane Taylor, Bill Gayden, Paul Chiapparone and Bill Gaylord went overland. Neither Chiapparone nor Gaylord had passports, further complicating Col. Simons' problems. The overland escape involved a standard procedure at each village: arrest and interrogations.

The first step at each town was to establish credibility with the local officials. The first 10-15 minutes were the most dangerous. The revolutionaries manning the roadblocks were hostile, undisciplined, nervous and fired their weapons frequently as gestures of authority. They easily could have shot Col. Simons and his team on the spot.

Col. Simons told the same basic story at each roadblock. "We are simply American workers who concluded that it was dangerous to remain in Tehran. We miss our families. We want to leave the country. The airport is closed. We decided to drive to the border."

We soon learned that each village only had authority over a small area. No one could give us clearance all the way to the border. At each village we tried to obtain a pass from the local revolutionary committee that would allow us to pass through the roadblocks in the area under that committee's control. This would lessen the chances of being shot before we had a chance to tell our story and eliminate the need for calling back to towns we had already passed through, since there was always the chance they might have figured out the true identity of our group.

THE MOST DANGEROUS part of the trip was from Rezaiyeh to the Turkish border. Our group was in serious jeopardy four times in this small area. A document, used in this area, saved the lives of the group. It was a forgery. The English translation follows.

The person who carries this letter can take six Americans through Barzagan or Serow. It is expected that all guards will give their best cooperation and assistance. They are fully inspected and identified, and if necessary, escort them.

Signed,

Islamic Revolution Commandant Committee

Seal: Library of Rezaiyeh Religion School, Founded 1344

The principal value of the letter was that the guards would concentrate on its contents instead of on our group as individuals. The interrogation still took place, but the letter had enough credibility to give the interrogators some reason to believe our people.

On three occasions, our group was assembled in village squares, a submachine gun was placed to Col. Simons' temple, and the interrogation commenced. In every case he was able to convince the local officials that we were simply Americans trying to go home.

Unfortunately, every piece of information our State Department was able to obtain about the escape was leaked to the U.S. press while Col. Simons and his team were moving overland across Iran. A secret cable from the U.S. Embassy in Turkey, revealing my presence in Turkey, was leaked minutes after receipt by the State Department in Washington. The press was moving forward to print the story. Upon being informed of this in Turkey, I authorized my associates in

Dallas to try to reach an agreement with the press to hold the story until our people were safe. The press agreed, provided that I would conduct a news conference and tell the entire story immediately after I returned.

THE NEWS CONFERENCE seemed a reasonable price to pay to protect our people's lives, and we agreed to it. We had hoped to execute our plan without any publicity, because of legal problems and the personal security problems that publicity would create for everyone involved in the rescue.

We had flown a 707 aircraft with specialized communications systems into Turkey from the U.S. We had put our Turkish rescue team into place in eastern Turkey. The purpose of the Turkish rescue team was to go into Iran if Col. Simons' team did not appear at the border on schedule, find out where it was and get it out.

Ralph Boulware was our first man to go across Turkey. His job was to meet Col. Simons' team at the border and bring it across country. Ralph had an interesting mission involving land travel of over 1,200 miles. His transportation broke down repeatedly, and for the last 600 miles, through remote mountainous areas, Ralph had to travel by renting taxis. This required an unusual amount of individual initiative.

Ralph arrived at the border only three hours behind schedule. Fortunately, the men were able to cross the border, and after some delay on the Turkish side, we commenced moving them across Turkey.

Our rescue team, led by Pat Sculley, a West Point graduate, was backed up by Jim Schwebach, former Special Forces officer; Ron Davis, whose specialty is operating in adverse situations with no weapons; and Dick Douglas, the finest light-aircraft pilot in the world. Dick was prepared to fly anywhere in Iran, including Tehran, to pick these men up. Backing up Dick was Julian Kanach. Julian is Dick's counterpart with helicopters. I won't go too much into their backgrounds, but if you knew their backgrounds, you would understand why I say they are the best. They were on the border in eastern Turkey, ready to get involved in a very high-risk operation -- flying into Iran and bringing our men out in the event they had been detained.

THE CHARTERED 707's function was to act as an airborne communications center if it had become necessary to go into Iran to extract Col. Simons' group. This could allow us to have communications with the light aircraft and the helicopter and communicate with the men on the ground.

Glenn Jackson was in Jordan with two Lear jets, ready to fly into Iran if commercial flights had not resumed.

Fortunately, none of this was needed.

Upon arrival in Istanbul, we transferred our entire team that came out overland to the 707 and flew approximately 1,100 miles to Frankfurt, Germany, to pick up the five who came out on commercial transportation from Tehran.

Joe Poche was in charge of the team remaining in Tehran and scheduled to go out on commercial airlines. This team included Bob Young, John Howell, Rich Gallagher and his wife, Kathy.

THE GROUP REMAINING in Tehran was actively, but unsuccessfully, pursued by the revolutionaries. The group was able to get on a Pan Am flight. The plane was held on the ground for six hours, and an intense search was conducted for our people during this period of time. Fortunately, the people conducting the search could not read English and did not identify our people on the airplane, so they were able to depart for Frankfurt.

By this time the Iranian authorities had learned, through leaks in the State Department, that Paul and Bill had escaped from Iran. The extradition treaty between Germany and Iran would have required German authorities to return Paul and Bill to Iran. We first learned of this after landing in Frankfurt.

We had to wait four hours in Frankfurt. Col. Simons carefully hid Paul and Bill during this period. We waited, picked up our team from Iran, flew 400 miles to London and returned to Dallas one week after commencing the escape.

The total distance traveled during this week was approximately 16,000 miles. I am still impressed that a small, private team could cover distances of this magnitude, execute the escape successfully and return everyone to his family in seven days. Modern technology and transportation make the world we live in today quite small.

One of my concerns is that at some future time, some other company, encouraged by our success, will attempt a comparable effort without first exhausting all other alternatives or having a man of Col. Simons' ability to plan and execute the rescue.

In closing, let me summarize what we learned from this experience.

- Avoid forcible extraction if at all possible.
- Be sure you have exhausted all other alternatives.
- If you conclude you must carry out such an operation, you should not attempt it under any circumstances without an experienced leader of Col. Simons' ability.

BEFORE YOU EXECUTE such a plan, carefully consider the risk of failure.

- The people involved have no legal status. Basically, they are mercenaries.
- It is not an adventure.
- If the effort fails, your company will be severely damaged. You will be damaged professionally and financially.
- Finally, you will probably be convicted of criminal acts and required to serve a prison sentence.

The risk of encountering such a problem can be minimized by getting your people out early.

We have a tremendous sense of relief that we have our men safely home and that nobody was hurt. Col. Simons always considered a mission successful when he accomplished his objective and brought all of his men back without their being hurt or injured. He met his criteria.

We are grateful to Col. Simons, grateful that our men are home. Col. Simons, who refused compensation, summed up our feelings when we watched the wives and children of Paul and Bill joyfully and tearfully greet their dads. He looked sternly at me and said, "I just got paid for the trip."

NOTE: Col. Simons died in Dallas on March 21, 1979, after a brief illness.