

MEMORANDUM

To: Ken Follett
From: Tom Walter
Re: EMOTIONS

To describe my emotions relating to the entire Iran situation, I have to start with my only trip to Tehran in September, 1978. Bill Gayden and I arrived in Tehran about a week after martial law had been imposed. I had some concerns about traveling to a country in that stage of unrest.

Soon after arrival, it became apparent to me that the military had the situation well in hand and although there was a strong military presence, we were in no immediate danger. I had traveled in the Middle East some years earlier and was surprised by the relative beauty of Tehran compared to the other Middle Eastern cities. Geographically, it reminded me a great deal of Denver, Colorado, and although martial law was in effect, things seemed pretty well business as usual.

One evening we had dinner at Ruth and Paul Chiapparone's house. Emily and Bill Gaylord were present as well as Bill Gayden and me. At this point, Bill Gaylord had some concerns about the safety of our people and families in Tehran. Emily Gaylord, as well as the other people present, were very confident at this point that things were on the way back to stability.

By our last evening in Tehran, the curfew had been relaxed considerably and we were able to have a dinner including the EDS managers and their wives. This dinner was held at a private club in the foothills

of the mountains overlooking Tehran. The moon was full and dinner was served outside overlooking the city. The EDS people and their wives enjoyed themselves and seemed to have very little concern regarding the final outcome of the events in Iran.

It was obvious in talking to these people that they generally enjoyed living in Tehran; enjoyed the Iranian people that they had contact with; and planned to stay there at least for their committed tour.

On the day of departure, I was very glad to be leaving because my business was finished and although we had several stops to make, we were on our way back toward home. By this time I was absolutely confident that with the help of the United States and some accommodation of the dissidents that the Shah would remain in power and the situation would stabilize rapidly.

Upon hearing word that the Iranians were interested in questioning Paul and Bill, I was mildly concerned but not overly surprised. We had through necessity started to apply considerable pressure to the Iranian government to pay us approximately \$8 million that was already owed us for services that we had performed.

As was everyone involved around EDS, I was indignant over the gross mishandling of Paul and Bill's passport situation by the U.S. Embassy in Tehran. At this point, I assumed that the problem was with the U.S. Embassy in Tehran probably aggravated by split loyalty of its Iranian employees. I assumed that once proper authorities of the State Department understood the situation we would receive full cooperation by the State Department and its embassy. That turned out to a very naive assumption.

I heard a number of rumors in the past regarding our State Department's attitude and competency but I was not prepared for their attitude toward our situation in Iran. Our first visit to the State Department was after the passport problem but before the arrests. We were virtually called liars in their reaction to our description of what had happened to the passports. After carefully checking out our story, they realized that we were telling the truth and their attitude improved some but they still produced no results. I was disappointed but felt if we continued to work with them, they would eventually help solve our problems.

The next major event was the evacuation of some 300 EDS employees and family members. This effort was marked by a very high level of cooperation among employees of Pan American Airways, hotel personnel in Istanbul, generous support by an EDS business associate in Kuwait, and others. I have no recollection of the State Department strongly supporting this effort or in any way creating any difficulties with it.

It was a very rewarding experience to be involved in such a massive effort, planned and executed in a matter of a few days and coming off with virtually no significant problems.

Upon hearing that Paul and Bill had been jailed following their questioning, and particularly, jailed with total unreasonable bail requirements was one of the biggest shocks I have ever had, particularly considering the following factors.

- o We had been assured by our State Department that at the completion of this routine interview, they would be free to leave the country.

- o I was confident that we had done nothing wrong in Iran and had in fact performed extremely well in that country.
- o I had personally known Paul and Bill and their wives for many years and was deeply concerned for Paul and Bill's safety and concerned for their families' feelings.
- o I knew these men well enough that they had certainly done nothing wrong.

When Bill Gayden called me at home at 6:00 a.m. to tell me about the arrest, he started the conversation with "You are not going to believe what has happened in Tehran." He was right!

At this point I had mixed feelings about what would happen next. On the one hand, I felt it was certainly the responsibility of our government to help us resolve this matter rapidly, but on the other hand, our recent experience in dealing with the State Department left me with serious reservations about how much help they would be.

Our next round of work within the U.S. government establishment created a variety of emotions on my part. First, I was furious at the attitude of the State Department personnel in presuming we were guilty and the Iranians were justified in their actions. Second, I was appalled at the lack of insight and information that the Iran section of the State Department seemed to have with regard to the situation in that country. Finally, I was disillusioned to realize how little help an American company or an American citizen could realistically expect from our State Department in time of difficulty.

Although I had little to do with either the idea or implementation of the rescue team, I was generally aware of what was being done and felt

it was an unnecessary step in that I was confident we would be able to solve our problems through normal business channels and/or through the help of our government. I also felt that it was a very dangerous approach and could result in unnecessary risk to the lives of our fellows in Iran and the rescue team. As I later learned about Col. Simons' cautious and methodical nature, I realized I was probably overly concerned on that issue.

Throughout the events from the beginning to the end, I felt a deep concern for the safety of all the EDS people involved. As I mentioned earlier, I had known Paul and Bill and their families for many years. I also knew a number of the other EDS personnel. Paul Chiapparone and I had worked closely together and had been close friends through his entire employment with EDS. In addition to Paul and Bill, I was particularly concerned about Bill Gayden's safety. Bill is my closest friend in EDS. He was one of the original people that the Iranians were trying to question. Bill was in and out of the country several times, was in the country during the critical period, and was in charge of all EDS activity in Iran except the rescue team. I was very concerned that Bill would be arrested.

I was also very concerned about Bill Gayden, Paul Chiapparone, and Bill Gaylord's families. I was in constant communication with Cynthia Gayden and Ruth Chiapparone and to a lesser extent with Emily Gaylord. I was frequently torn between telling them enough about what was going on to be truthful and fair with them and not telling them enough to cause unnecessary concern.

As we moved through the critical period, I was generally responsible for dealing with the bank community in trying to establish bail in order

to get the men released from prison. The personnel in the banks that we were accustomed to dealing with in routine banking matters were very cooperative and interested in helping us. At the legal and policy making levels, the banks were unwilling to take any risks. I was very unhappy about this but was not particularly surprised.

Throughout the situation in Iran from November through February, we were able to maintain excellent telephone communications between our communications center in Dallas and various groups in Tehran. This was a great comfort to those of us in Dallas and a great comfort to those in Tehran. In addition to the comfort, it greatly facilitated our attempts to solve our problems through various means.

On the day of the jail break, Bill Gayden and I were talking on the telephone when Bill got word that the jail had been overrun and Bill and Paul were no longer in jail. For the first time we were really afraid that something might have happened to them. Our previous concerns had been more of a long range nature; now they were out in a very large city that was in total chaos with strong anti-American feelings and we were concerned for their immediate safety.

While Bill Gayden and I were still on the phone, Bill and Paul arrived at the hotel and we were obviously very elated that they were both safe and out of jail. We realized our problems were not over but they had been certainly diminished considerably. I had an opportunity to talk to Paul on the telephone for the first time in quite a long time. It was a great feeling. While this was going on, my wife, Jean, had the pleasant task of calling Ruth and Emily to let them know the fellows were safely out of jail.

At this point in time, we were all in agreement that having the rescue team in place would be a distinct advantage in getting the men out of the country. We knew that they had vehicles, gasoline, and knowledge of possible routes out of the country.

A very emotional moment for all of us was the last telephone call the night before the group left Tehran. Throughout the whole time we had telephone communication at least twice daily and were generally able to reach one another in a few minutes if we needed to. We realized that once they left Tehran we would not have that ability. We established a plan to communicate but none of us were very confident that it would work, and in fact, it didn't work very well.

The next very difficult moment came as we became aware that the Dallas Times Herald was about to publish a story that the men were escaping overland to Turkey. We felt that this story would place the men in grave danger in that it would be published in the United States while the men were still on the road in Iran. We learned that the story had been obtained by a leak in the State Department. This source had seen a cable from the U.S. embassy personnel in Turkey relating Ross' description of what was going on. We were very upset at everyone concerned. We felt the newspaper was acting irresponsibly in that they were going ahead and publishing a story even though it endangered the lives of those people involved. We were very upset, although not particularly surprised that the security in the State Department was no better than that. (To our knowledge, no action was taken against the girl who leaked information to the reporter.) We were most angry with Ross for having given any information to the State Department after the experience we had had with them at this point. We

felt that he should have known better. His reason for doing this was to solicit the embassy's help once our people reached Turkey, and they were in fact very helpful. I felt then and I feel now that it was a mistake to trust them with any information which could have created a problem for us.

Once the people coming overland were safely in Turkey, we were then concerned with the people left in the country. Through telephone communication with the embassy personnel in Tehran and with Pan American Airways (operator of the evacuation flight), we were able to keep close contact. We were able to get our people on the first flight and keep tabs on the events surrounding that flight. As it became obvious that the Iranians were conducting an intensive search for our people among the evacuees, we fully realized it was possible that the EDS personnel in this group could be discovered and detained. In that case we would be back where we started in December. That was not a very happy prospect. After several very tense hours and just before the airport closed for the night, the flight was allowed to take off and to our great relief we were able to confirm that our people were aboard the flight.

Once the two groups were joined in Frankfurt and were on their way home on the chartered flight, we could hardly believe it was about to be over. We joked that after everything else that had happened, the chartered plane would probably go down in the middle of the ocean and another major effort would have to be launched to find them and get them home from there. I was later awakened with the report of what had happened aboard the aircraft, but by then the men were safely in London about to board a Braniff flight on their way home.

The reception at the Dallas airport when the group finally arrived was a truly joyous occasion. My family accompanied me to the airport as they had been very involved for several reasons. They were very aware of my virtually around-the-clock involvement from December through mid-February; they personally knew a number of the men involved and their families; and due to the time difference in the United States and Iran, much of the business had been conducted from our home late at night and early in the morning, so they stayed fully apprised of what was going on.

It was great to see the men and their families back together and to see the men we had been so concerned about safely at home.

Overall, it was very satisfying to have been involved in this effort. Furthermore, it provided me with a very interesting background and insight with which to view the U.S. hostage problem as it later unfolded in Iran.

JTWJr:lm
01-15-82

MEMORANDUM

To: Merv Stauffer
From: Tom Walter
Date: July 9, 1982
Subject: COMMENTS ON DRAFT OF THE BULL AND THE PEACOCK

Detail Comments

1. I believe the price paid for the Range Rovers was \$30,000 for the pair or \$30,000 each instead of \$40,000 each.
2. I felt that Dadgar's call to the embassy about the letter of credit through the State Department after the guys were out should be included. *Before they left the country*. Before they left the country.
3. There appears to be too little introduction to Bull especially in the area of his reputation in the army.
4. Bill Gayden's role seems greatly understated. Bill was well known to the Iranians, yet he stayed in the country and worked on the passport problems. He then returned and stayed three weeks or so with a high level of visibility.

General Comments

1. I have some concerns about the language attributed to the EDS people in the book, even though it may be realistic.
2. The whole story is soft on the State Department, both in Washington and in Iran.
3. It might be appropriate to include a prologue mentioning our winning a judgment in the U.S. courts and subsequently attaching funds, etc. and Bull's death.