



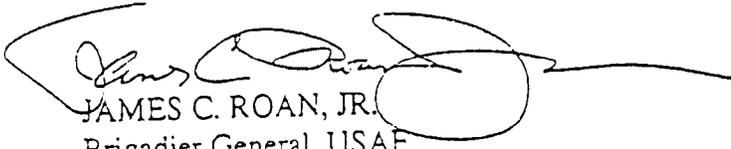
29 December 1993

FROM: HQ AFMC/JA

SUBJ: Iran-United States Litigation at The Hague

TO: See Distribution

1. Attached are letters from DOD/GC and SAF/GC requesting our assistance in supporting the Iran litigation at The Hague. As you recall, AFMC has participated in three iterations of October Surprise document searches involving specified dates and/or persons; however we have now been asked to remind all personnel of a DOD-wide freeze on disposal of any records relating to Iran. Please note that the scope of records currently addressed is much more expansive than previous search requests. Please ensure that all activities within your organizations are made aware that all records relating to Iran must be retained.
2. Thank you for your attention to this important matter. If you have any questions regarding this letter, please contact my POC, Mr. Glenn Woody, DSN 787-5727.


JAMES C. ROAN, JR.
Brigadier General, USAF
Staff Judge Advocate

- 2 Atch
1. SAF/GC Ltr, 20 Dec 93
 2. DOD/GC Ltr, 2 Dec 93



Work of JAW



to ensure clients

(ASC, AFSAC et al)

and field JAs are notified/remembered

DEC 20 1993

OF THE GENERAL COUNSEL

MEMORANDUM FOR AF/CV
AF/JA
AF/XO
AF/IA
AFMC/JA
USAFE/JA
ACC/JA

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FROM: SAF/GC

SUBJECT: Iran-U.S. Litigation at The Hague

Attached is a letter from the Acting Principal Deputy General Counsel of the Department of Defense reminding that the U.S. and Iran are still engaged in litigation over alleged U.S. failures within the context of Iran's Foreign Military Sales (FMS) program. Iran is still claiming over \$18 billion. The letter asks for our continued support to assure that the best possible defenses are put forward.

Particularly important is to remind all personnel that there is a DOD-wide freeze on disposing of any records relating to Iran. This is very important because DOD has discovered repeatedly in the last few months that essential documents are being destroyed. Please give this matter the widest distribution.

My point-of-contact in this matter is Mr. Robert Stamps, DSN 225-4918.

Gilbert F. Casellas
Gilbert F. Casellas
General Counsel

Atch
DOD/GC ltr 2 Dec 93

Atch 1



02 DEC 1993

MEMORANDUM FOR GENERAL COUNSEL, DEPARTMENT OF THE ARMY
GENERAL COUNSEL, DEPARTMENT OF THE NAVY
GENERAL COUNSEL, DEPARTMENT OF THE AIR FORCE
GENERAL COUNSEL, DEFENSE LOGISTICS AGENCY
GENERAL COUNSEL, DEFENSE CONTRACT AUDIT AGENCY
GENERAL COUNSEL, DEFENSE FINANCE AND ACCOUNTING
SERVICE

SUBJECT: Iran-U.S. Litigation at The Hague

The Algiers Accords, which secured the release of the U.S. hostages from Iran in 1981, established the Iran- U.S. Claims Tribunal at The Hague. This Tribunal has jurisdiction over claims of nationals of one country against the government of the other country and over government-to-government claims arising from contractual transactions. In 1981, Iran filed Case No. B/1 against the Department of Defense. This claim sought approximately \$20 billion as a result of alleged U.S. failures within the context of Iran's Foreign Military Sales (FMS) program. (Despite the settlement or dismissal of various elements of this case since 1981, the amount claimed is still approximately \$18 billion.) Major elements of Case B/1 are Claims 2 and 3, which deal with items for which Iran paid but which it claims were never delivered by the USG and with charges which Iran alleges should never have been made against its FMS Trust Fund account. Claims 2 and 3 involve more than 1000 FMS cases between the United States and Iran, with hundreds of thousands of individual line items in the cases at issue.

On August 2, 1993, the United States completed the filing of its first round of briefs on Claims 2 and 3. This filing was voluminous, including 300 pages of briefs and 35,000 pages of supporting documentation. The filing covered liability for termination costs and 130 of the FMS cases at issue. The next phase of the litigation will include follow-up research on the 130 cases and initial research into 44 more large FMS cases.

Development of appropriate evidence to prove that DoD actually delivered contested items to Iran or that a particular charge against an FMS case is a valid charge is a complex, time-consuming process. It involves gathering financial, logistical and procurement records from numerous sites for each Military Department and for DLA and interviewing individuals who worked on the Iranian program. The State Department, supported by OSD (DSAA), DFAS, DCAA and Military Department and DLA experts, leads site visits to find the required information, if it still exists. Analysis of the information and preparation of the briefs and supporting evidence takes place in Washington, with extensive participation by those same agencies.

Attch 2

DoD personnel assigned to this effort have already made tireless and dedicated efforts to the success of this undertaking. All three Military Departments have provided legal support to the State Department on a long term basis to ensure in the defense of this case. This support, past, present and future, is greatly appreciated both by the State Department and by the DoD General Counsel.

The 130 cases are only the beginning. As the litigation continues, we need your continued support to assure that the best possible defenses are put forward. Legal advice will be sought at all levels of your departments. I encourage you to make information about this case widely known in your departments and to urge all departmental staff, lawyers included, to support the litigation efforts fully. I would also urge you to remind all in your departments that there is a DoD-wide freeze on disposing of records relating to Iran. This is very important, as we have discovered repeatedly in the last few months that essential documents are being destroyed.



John H. McNeill
Acting Principal Deputy General Counsel