

Grasheim, Walter L.

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RECORD OF INTERVIEW

Date of Transcription 1/3/91

Walter L. Grasheim, Logistics Development, Inc.,
P.O. Box 2887, Miami Beach, Florida 33140 (305) 673-0006 was
interviewed in the offices of the Office of Independent
Counsel (OIC). Representing the OIC were Associate Counsel
John Q. Barrett and Federal Bureau of Investigation (FBI)
Special Agent Michael S. Foster. (U)

At the outset of the interview, Grasheim provided a
current Florida Driver's license which contained the
following information: (U)

Name: Walter L. Grasheim
DOB: 12/16/39
Address: 4490 Pinetree Road, Miami Beach, Florida.

Grasheim advised as follows:

Grasheim's business is equipment supplies and he
specializes in selling military night vision equipment. In
1983, Grasheim attended a "special operations conference" put
on by the U.S. military at Fort Bragg, North Carolina. At
this conference a special operations unit was established to
assist in various U.S. military efforts in Central America.
General Paul Gorman spoke at this conference and asked the
unit to help him in the region. The unit asked Grasheim to
go to El Salvador to help Salvadoran military in its
counterinsurgency efforts. Grasheim was expected to help in
the area of night combat, which was his specialty. (TS)

Grasheim arrived in El Salvador in early 1984.
When he arrived he met Art McArney who Grasheim recognized

Investigation on 12/13/90 at Washington, D.C. File # IC-600-1

By SA MICHAEL S. FOSTER, MSF:rc Date Dictated 12/18/90

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from his ranger days. McArney is now working for Bell Helicopter. Upon arriving in El Salvador, Grasheim conducted demonstrations of his night vision equipment with the Salvadoran military and he met various Salvadoran military officials. (U)

Grasheim sold a large order of night vision equipment to the Salvadoran military and he had given the equipment to the special operations unit at Fort Bragg to send down. However, the unit fouled up the shipment and the U.S. Army ended up transporting the equipment to El Salvador in a Lear Jet. When the equipment arrived in El Salvador, a U.S. army officer stationed at the U.S. Embassy in San Salvador met the load at Ilopango Air Base. (S)

When Grasheim was working in El Salvador he was (b)(1)

[REDACTED] Grasheim knew a lot of Salvadoran and U.S. military personnel in El Salvador, including Colonel James Steele and Steele's predecessor, Joe Stringum. Grasheim knew Steele and his wife Sheila very well and had weekly dinners at Steele's residence in San Salvador. (S)

Grasheim also knew Felix Rodriguez in El Salvador. He met Rodriguez when Rodriguez first arrived in El Salvador on a C-12 Rodriguez flew from Panama to Ilopango. Grasheim also knew Luis Rodriguez, who was a friend of Felix Rodriguez. (U)

[REDACTED] (b)(1)

By 1985, Grasheim was selling a lot of night vision equipment to Salvadorans. Grasheim had several retired special operations officers working for him. Grasheim had a house in San Salvador and was doing very well, not only financially but in assisting the Salvadoran military. (U)

On the Thursday before September 1, 1986 which would have been August 28, 1986, there was a meeting in the U.S. Ambassador's office in San Salvador. Present were

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Steele [REDACTED] who was the [REDACTED] (b)(1)
(b)(3)
Sele Castillo who was a Drug Enforcement Agency (DEA) agent stationed in Guatemala and the U.S. Ambassador to El Salvador, Edwin Corr. Grasheim was not at this meeting but he has learned that the participants discussed raiding Grasheim's house for drugs and no one objected. Grasheim believes this was a totally trumped up charge to get him out of the picture for some unknown reason. Grasheim stated that he has never been involved in drugs or drug activity. (S)

On September 1, 1986, Grasheim's house was raided by DEA Agent Castillo and the local Salvadoran National Police. They took everything of value from Grasheim's house and destroyed what was left. Grasheim was not present during this raid because six weeks earlier he left on a trip traveling to various military post throughout Salvador reviewing their battle tactics and use of night vision combat equipment. It was no secret that Grasheim was out touring the country side because it was coordinated with Steele and in fact Grasheim briefed Steele on his trip the day after the aforementioned U.S. Embassy meeting. (U)

At the time of the raid on his house Grasheim was the Litton Corporation representative in El Salvador. The police found a small amount of drugs and a few automatic weapons at Grasheim's house, however no charges have ever been filed against Grasheim as a result of this incident. It was no secret that Grasheim had these weapons. They were automatic weapons used in the demonstrations he gave to the Salvadoran military. (U)

The raid on Grasheim's house totally destroyed his business and ruined his reputation. All of his business and personal records were seized and they meant a lot to Grasheim. Grasheim would very much like to get his personal effects and business records back and he has been unsuccessful in doing so. (U)

About a month and a half after the raid on his house, Grasheim saw a "State Department guy" in New Orleans. He told Grasheim "we were asked to do that (the raid)." And he told Grasheim that he could go back to El Salvador if he wish because no charges were filed against him. (U)

When Grasheim returned to El Salvador after his house had been raided, the U.S. Embassy wouldn't help him. The Litton Corporation took away Grasheim's orders that he

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had already written and Grasheim lost a lot of money over this. Grasheim also went to see Regalado, the head of the National Police in El Salvador, to question him about the raid. Regalado told Grasheim he was asked to do it by the U.S. Embassy. (U)

Janice Elmore was a CIA official in El Salvador at the time of the raid on Grasheim's house and she is also familiar with the situation. Elmore is now believed to be stationed at the U.S. Embassy in Peru. (S)

In 1986 Grasheim was approached by a U.S. Customs officer who told him he was under investigation for impersonating an FBI agent. Grasheim stated this story is also completely untrue. (U)

The last Grasheim has heard, the U.S. Customs Service has Grasheim's seized personal effects. Grasheim saw the material when he met with a U.S. Customs official named Victor in Miami in 1990. U.S. Customs Counsel Chavez gave Grasheim a letter stating he was not wanted by any U.S. law enforcement agencies. Grasheim has tried to get his effects back from U.S. Customs in Miami but was unsuccessful. (U)

Grasheim stated that he wants to work with the OIC. Grasheim wants to give the OIC information concerning various segments of the U.S. Government in El Salvador, including the U.S. military and CIA who were involved in improper activity concerning the resupply of the Contras. In return, Grasheim would like the OIC to help him get his seized personal effects back from the U.S. Government. No promises or agreements were made to Grasheim by the OIC representatives. (S)

Another person who knows about improper activity in El Salvador is Steele's former secretary, Hilda Martinez. She has married a U.S. Army officer and they are now living in California. Another person who knows things is Lupita Vega who was the log secretary with the Mil Group in El Salvador. (U)

When Grasheim was in El Salvador he learned that the U.S. Embassy was paying for Felix Rodriguez' car and for the fuel for the Contra resupply aircraft. The Embassy would send checks to Mexico where the fuel was provided to the resupply operation. Grasheim saw Rodriguez going into the U.S. Embassy on many occasions carrying three radios. (U)

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Around 1985, Grasheim was talking with Colonel Aaron Royer, who worked at Defense Security Assistance Agency (DSAA) at the Pentagon. Royer wanted Grasheim to meet Oliver L. North but the meeting never took place. Grasheim didn't know who North was at that time. Royer had a military items shipping list from North. Royer didn't specifically say but Grasheim believed this was military items destined for the Contras. Royer wanted Grasheim to provide him with prices and availability of various military items, which Grasheim didn't do. Grasheim believed this was also related to the Contras. (U)

In 1985, or early 1986 Steele told Grasheim that the Contras had paid too much for their aircraft, meaning the caribou and the C-123s. (U)

Grasheim has a handwritten memo between Corr and a U.S. Pentagon official from September through November 1986, concerning the raid on Grasheim's house. Grasheim stated that he is not willing to provide this to the OIC at this time. (U)

Mario Del Amigo is known as "Mr. Contra" in Honduras. Del Amigo was the person who met you at the airport and got you through Honduran Customs when you came on Contra business. In 1986, Grasheim brought Del Amigo to El Salvador and introduced him to Rafael Bustillo, Jim Steele and others who were involved with the Contras. Del Amigo sold arms to the Contras and overcharged them. Del Amigo complained to Grasheim that Secord was selling arms to the Contras and overcharging them as well. Grasheim viewed this like the pot calling the kettle black. Del Amigo had friends at the U.S. Embassy and in the U.S. Mil Group in Honduras. Del Amigo brought Grasheim to Honduras on a few occasions and introduced him around. (U)

Del Amigo used to meet with various people and discuss the supply of the Contras at Grasheim's house before it was raided. Grasheim believes that maybe one of the reasons why the raid took place was because Secord's competition used it for meetings. Grasheim believed Del Amigo was running the Contra resupply operation in El Salvador. (U)

Grasheim was in the U.S. military from 1959 to 1961. Grasheim has never had any other affiliation with the

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U.S. military other than this tour of duty and he has never had any affiliation with the CIA. (U)

In mid-1984, Grasheim was interviewed by the Defense Intelligence Agency (DIA) about his overall knowledge of El Salvador. This was a intelligence debriefing by DIA and wasn't related to the Contras. Later, a U.S. Army colonel who was a friend of Grasheim told him to not ever allow himself to be interviewed by the DIA again. He told Grasheim the DIA didn't identify Grasheim by name, but described him in intelligence reports and it was obvious who their source was. (U)

Grasheim is aware that there is a FBI security file on him because he has held security clearances in the past. (U)

There was a marine who last name is Boykin. He was part of the Mil Group in El Salvador. Boykin retired from the Marines and then went to work for the Contras. Boykin is on the cover of an old Newsweek Magazine concerning the Contras. Grasheim is mentioned in a story in the same magazine. (U)

In 1986, the U.S. military asked Grasheim to get night vision goggles to the Contras. Grasheim recalls the incident because he had to make up sets himself. A U.S. military helicopter took the goggles to the Contras in Honduras. (U)

Recently, the Internal Revenue Service (IRS) has tried to audit Grasheim. (U)

(b)(7)(c) [redacted] who is a friend of Grasheim and who was also in El Salvador with Grasheim, is living in fear right now. [redacted] like many others, did some things that may have not have been legal concerning aid to the Contras and now their careers have been ruined and they are afraid to go out. (U)

(b)(1) & (b)(3) [50 USC 403(g)] [redacted]
Felix Rodriguez reported to [redacted] seemed to have a love hate relationship with Rodriguez but they were aware of his activities. General Paul Galvin of Southcom often flew into Ilopango and Grasheim believe he was aware of Rodriguez' resupply activity also. (S)

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Grasheim came up with the idea to prepare a military raid on an airport in Nicaragua, using Tamarindo as a staging base. Grasheim told General Gorman this and then right after, Rodriguez came to see Grasheim without warning and asked to talk about the idea. Grasheim didn't tell Rodriguez about it and he believes Gorman did. (U)

Rodriguez told Grasheim that he was talking to the White House and the NSC but he didn't tell him any specifics. Grasheim took this and everything Rodriguez said with a grain of salt. Rodriguez never told Grasheim that he told Donald P. Gregg about the resupply operation in El Salvador. Grasheim has never heard of Sam Watson. Rodriguez did tell Grasheim that he talked to Vice President George Bush. (U)

Rafael Bustillo is now living in Miami, Florida. Luis Rodriguez was an operations officer at the U.S. Embassy in El Salvador. Nestor Pino, Nestor Sanchez and Orlando Rodriguez were also aware, to some extent, of Felix Rodriguez' activities in El Salvador. (U)

Grasheim met with Barbara Studley and John Singlaub and they wanted him to sell night vision equipment to the Contras. They were working with Mike Timpani, a retired U.S. Army helicopter pilot. (U)

Grasheim and Jose Blandon, the Salvadoran military official, talked about the Contra resupply operation after the Butler building went up in Ilopango. Grasheim also talked to Steele about it. Grasheim doesn't know if Steele talked to North or Gregg about Contra the resupply operation. Grasheim has never met with Corr but he believes they both know who each other is. (U)

There was a military officer stationed in El Salvador who Grasheim will not identify to the OIC at this time. Grasheim will say that he is [REDACTED], (b)(7)(c) last name not disclosed, who is now in Texas. This person asked Grasheim for a bribe in connection with Grasheim's military sales. (U)

Grasheim stated that Steele and Rankin were hard working, dedicated officers who are not corrupt and were some of the few people in El Salvador who were honest and hard working. (U)

Grasheim stated he doesn't know Bill Rosenblatt. (U)

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Grasheim does know Alan Fiers and stated he is another one who was involved in the situation in El Salvador and was aware of Contra resupply activity.

Grasheim has an original handwritten memo concerning a meeting between Corr and a U.S. government official in Washington, D.C. between September and November 1986, right after Hasenfus was shot down. In this memo it states that Grasheim threaten Corr. However, Grasheim has seen State Department documents which says he always spoke in a respectful tone with Corr. (U)

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