

# Conspiracy Theories in American History

An Encyclopedia

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### October Surprise

The October Surprise conspiracy theory holds that in October 1980, Ronald Reagan conspired with the Islamic Republic of Iran to beat Jimmy Carter in the U.S. presidential elections on 4 November. The deal: in return for the Khomeini government keeping its U.S. hostages at the U.S. Embassy in Tehran until after the election, damaging Carter's candidacy, Reagan would reward it with armaments. The conspiracy theory endured for over a decade, from 1980–1993, but has since disappeared.

The idea originated with Lyndon LaRouche, one of the most prolific, original, and bizarre of U.S. conspiracy theorists. Just after the 1980 election, one LaRouche magazine (*Executive Intelligence Review*, 2 December 1980) first laid out the conspiracy theory, then another one repeated it three years later (*New Solidarity*, 2 September 1983). The idea attracted minimal attention, however, until the Iran-Contra scandal of late 1986 seemed to fulfill the terms of the alleged deal. The former president of Iran, Abol Hassan Bani Sadr, tentatively tried out this theory in an article on 12 April 1987 in the *Miami Herald*. When commentators in the United States (Christopher Hitchens in particular, writing in the *Nation*, 4–11 July 1987) endorsed the idea, Bani Sadr felt emboldened to make ever-larger and more elaborate claims (the *New York Times*, 3 August 1987; the *Miami Herald*, 9 August 1987; and an August 1987 interview [Cockburn, 192–193; 281]).

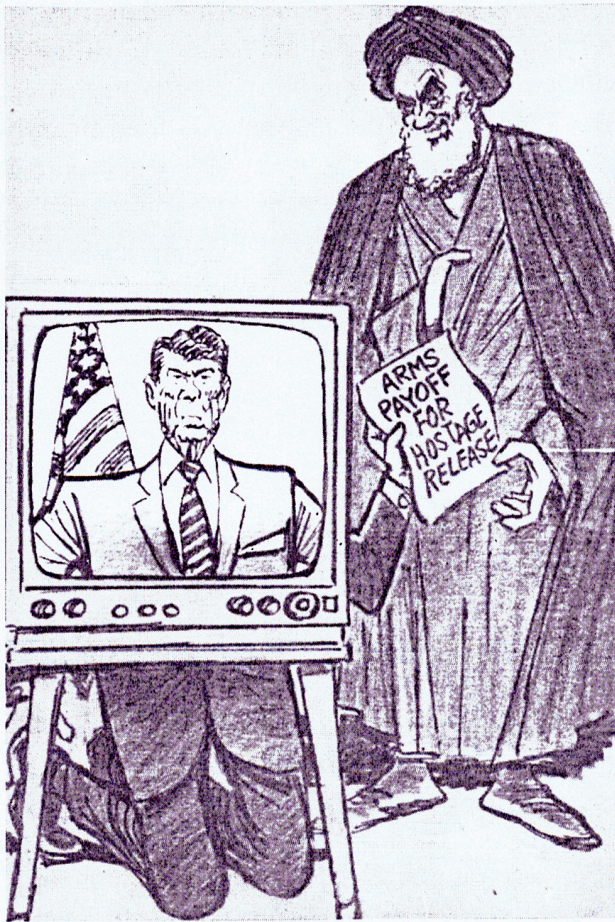
A handful of conspiracy theorists in the United States (Barbara Honegger, Martin Kilian, David

Marks, Robert Parry, Jurgen Roth, and Craig Unger) began researching Bani Sadr's allegations and stumbled upon an array of self-promoters, con men, and criminals from several countries. The cast included Israelis (Ari Ben-Menashe, Ahran Moshell, and Will Northrop), Frenchmen (Robert Benes and Nicholas Ignatiev), Iranians (Jamshid Hashemi, Ahmed Heidari, Houshang Lavi, and Hamid Naqashan), Americans (Richard Babayan, Richard Brenneke, William Herrmann, Oswald LeWinter, Heinrich Rupp, and Gunther Russbacher), and even a South African (Dirk Stoffberg). Not only did they confirm the story and add their own elaborations, but the researchers carelessly contaminated their sources by informing them of others' statements, further stimulating them to grandiose claims.

After a year, Bani Sadr returned to the topic and found his conspiracy outline fully fleshed out; he was especially impressed by Brenneke's allegations at a 1988 trial in Denver, which in his eyes offered official documentation of the plot. Encouraged by this new information, the former Iranian president now hypothesized a much larger and longer-lasting conspiracy between Reagan and Khomeini (*Playboy*, September 1988; and the interviews he granted to Jean-Charles Deniau in September and October 1988, forming the basis of their joint book [Deniau and Sadr, 48; 57]).

Although the October Surprise theory had now ripened, it remained the guilty pleasure of die-hard conspiracy theorists. Only when the *New York Times* on 15 April 1991 devoted an exceptional two-thirds of





Editorial cartoon showing President Reagan on his knees behind an empty television, presumably announcing the release of hostages in the Middle East, at the same time that he hands Ayatollah Khomeini, who stands to the right of the television, an "arms payoff for hostage release." (Library of Congress)

its opinion page to this thesis did it become a public issue. The author of this article, Gary Sick, brought to the issue an establishment pedigree (navy captain, Columbia University Ph.D., Ford Foundation program officer, Human Rights Watch board member) as well as the credibility of having served as principal White House aide for Iran during the Iranian Revolution and the hostage crisis. Sick alleged that "individuals associated with the Reagan-Bush campaign of 1980 met secretly with Iranian officials to delay the release of the U.S. hostages until after the U.S. election. For this favor, Iran was rewarded with a substantial supply of arms from Israel." Sick also raised

the possibility that George Bush was one of those Americans, thereby impugning the legitimacy of at least one subsequent Republican president.

The October Surprise instantly vaulted to national importance. Leading television shows devoted hours to the subject, weeklies made it the subject of cover stories, and Jimmy Carter called for an investigation. A January 1992 poll showed 55 percent of Americans believing these allegations to be true and just 34 percent finding them false (Goertzel, 733). As part of his preparations to run for the presidency, H. Ross Perot sent his associates to talk with Gunther Russbacher in his Missouri jail cell. In February 1992, the House of Representatives voted in favor of an investigation of the charges and the Senate followed suit soon after.

Sick himself expanded his op-ed into a 278-page book, *October Surprise: America's Hostages in Iran and the Election of Ronald Reagan*. Here, Sick characterized the 1980 election as a "covert political coup." To give his story the feel of authenticity so important to a conspiracy theory, he chronicled in loving detail events that (it turned out) never took place. Thus, discussing a phantom meeting in Madrid on 27 July 1980, for example, he provided this little touch: "The conversation was interrupted twice, when hotel waiters arrived to serve coffee" (Sick, 83).

So much attention to the October Surprise theory meant it had to be checked in sober and exhaustive detail, and under such scrutiny it promptly collapsed. Several journalistic investigations started the process, especially Frank Snepp, "Brenneke Exposed," *Village Voice*, 10 September 1991; John Barry, "Making of a Myth," *Newsweek*, 11 November 1991; Steve Emerson and Jesse Furman, "The Conspiracy That Wasn't," *New Republic*, 18 November 1991; and Frank Snepp, "October Surmise," *Village Voice*, 25 February 1992.

Two congressional inquiries then confirmed these conclusions. The Senate stated that "by any standard, the credible evidence now known falls far short of supporting the allegation of an agreement between the Reagan campaign and Iran to delay the release of the hostages" (Committee on Foreign Relations 1992, 115). The House report went fur-



ther, declaring that "There was no October Surprise agreement ever reached." It found "wholly insufficient credible evidence" that communication took place between the Reagan campaign and the Iranian government and "no credible evidence" of an attempt by the campaign to delay the hostages' release. The report also expressed concern that "certain witnesses may have committed perjury during sworn testimony" (Committee of the Whole House on the State of the Union 53; 7-8; 239).

Surprisingly, given that once started, conspiracy theories tend to live on indefinitely, this one did not. For once, research successfully discredited a conspiracy theory. Symbolic of this was that Oliver Stone decided not to make a movie on this topic. But a devout conspiracy theorist sticks to his guns and Sick continued to forward the October Surprise thesis, writing (*New York Times*, 24 January 1993) that the House report "does not lay . . . to rest" his claims of campaign contacts with Iranians; and that it "leaves open the possibility" of Republican interference with the Carter administration's foreign policy negotiations.

The October Surprise episode holds much interest as a conspiracy theory case study. In particular, two features stand out: Gary Sick's having single-handedly transformed it from a story only taken seriously on the left-wing fringe into a credible mainstream claim; and the clarity with which it confirmed the conspiracy theorists' tendency to accuse others of what they themselves are doing. On this latter point: again and again, one finds that whereas the conspiracy theorists' accusations of collusion and illegal behavior were unsubstantiated, *they themselves engaged in precisely such behavior*. Examples include:

- They claimed Casey and Bush pretended to be in the United States when they were in Paris and Madrid. Richard Brenneke, perhaps the single most important informant for the October Surprise thesis, claimed to be in Paris and Madrid when credit card receipts proved he was in Portland, Oregon.
- They accused Reagan campaign officials of plotting to save their necks, when this is what

the conspiracy theorists were doing; at least seven of them (Robert Benes, Richard Brenneke, Ahmed Heidari, Nicholas Ignatiev, Oswald LeWinter, Hamid Naqashan, and Will Northrop) were implicated in a 1986 sting operation and the October Surprise offered a way to rehabilitate their reputations.

- Sick, a former Carter administration official, accused the Reagan campaign of secretly working out an arms deal with the Iranians. In fact, as Sick himself already disclosed in 1985, Jimmy Carter initiated such a deal.
- Sick accused others of withholding information, yet this is precisely what he did, keeping quiet about the hundreds of thousands of dollars he received from Oliver Stone for the movie rights to the October Surprise story.
- Sick accused U.S. government officials of lying, yet he was less than honest himself. He wrote in his *New York Times* article that he had heard rumors of a Reagan-Khomeini deal during the 1988 election campaign but he "refused to believe them." Not so: on 30 October, 1988, at the very peak of the 1988 election campaign, he told the *Rocky Mountain News*, "At first I dismissed this, but not any more. I'm convinced on the basis of what I heard that there were some meetings in Paris."

Daniel Pipes

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### Octopus

"The Octopus" was researcher Danny Casolaro's term for the vast series of interlocking conspiracies he believed he had uncovered when investigating the Inslaw case before his death. The suspicious circumstances of his death (he was found with his wrists slashed in a hotel room on 10 August 1991) and the fact that some of his research notes seemed to be missing just as he had apparently been on the verge of a major breakthrough have led many in the conspiracy research community to believe that Casolaro had indeed uncovered something big.

Casolaro had been investigating the alleged theft by the Justice Department of a software program called PROMIS developed by the Inslaw company. A database software program, PROMIS was originally designed as a tool to aid prosecutors in tracking criminals in the justice system. According to Casolaro, however, the program had been stolen by members of the Octopus, who first engineered a secret, digital "back door" capacity allowing them undetected access, before selling it to other intelligence agencies in the United States and around the world. The illegal acquisition and subsequent sale was allegedly masterminded by President Reagan's attorney general, Edward Meese, and his coconspirator, Earl Brian, as part of the reward to the Ayatollah Khomeini for the "October Surprise," the much-rumored but probably untrue story of a plan to delay the release of the U.S. hostages held by Iran in order to aid Reagan's campaign for the presidency. The charge of theft was rejected by a federal court, although the revelations in the Iran-Contra hearings seemed to bear out some of Casolaro's ideas—at the very least, many of the same names and associations came up.

As Casolaro began to investigate further, he saw signs of the Octopus in Hughes Aircraft, in the Wackenhut corporation, which for a time supplied security for Area 51, the secret military base in the Nevada

desert, and in a series of murders in the Cabazon tribe of Native Americans in California, which had supposedly been engaged in a joint venture with the Wackenhut corporation. Many of Casolaro's leads, however, were supplied by Michael Riconosciuto, who was at the time serving a prison sentence for fraud, but who claimed he had inside knowledge of the PROMIS case.

As with the investigation into the Kennedy assassination, Casolaro believed he had uncovered a pattern of suspicious deaths of anyone who became involved in the story, a factor that led later researchers to consider Casolaro's own suicide as suspicious. These later researchers have continued from where Casolaro's fragmentary notes left off, with claims that the complicated and often contradictory tentacles of the Octopus conspiracy have been connected with the death of Vince Foster (one theory is that banks had got hold of the PROMIS software and had thrown light on secret accounts), the death of Princess Diana (Dodi Fayed's uncle, an arms dealer, appears in Casolaro's notes), and September 11 (it is rumored that Osama bin Laden purchased an enhanced version of PROMIS from the Russians that enabled him to evade capture).

Peter Knight

**See also:** Area 51; Hughes, Howard; October Surprise.

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### Oil Industry

Oil is an essential economic and strategic commodity. Oil power enabled the internal combustion engine to revolutionize industry, society, and the conduct of warfare in the twentieth century. Necessarily, the oil industry is one of the world's largest industries, and plays a major political and economic role in many nations. Conspiracy theories, however, hold that the oil industry secretly controls U.S. pol-