

FBI

TRANSMIT VIA:

- Teletype
- Facsimile
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PRECEDENCE:

- Immediate
- Priority
- Routine

CLASSIFICATION:

- TOP SECRET
- SECRET
- CONFIDENTIAL
- UNCLAS E F T O
- UNCLAS

Date 7/29/80

TO: DIRECTOR, FBI (97-5696) (Attn: SA [redacted] ^{b7c}
 Division V, Room 4427)
 FROM: SAC, JACKSONVILLE (97-57) (P)
 SUBJ: WILLIAM A. (BILLY) CARTER, III
 LIBYAN-ARAB-GEORGIA FRIENDSHIP SOCIETY
 FARA - LIBYA
 OO: BUREAU

ReBuairtel to Jacksonville dated 7/2/80, and Jacksonville
 telcall to SA [redacted] Division V, CI-2, C Unit, Room 4427,
 7/29/80. ^{b7c}

Enclosed for the Bureau are five copies and for Atlanta
 and WFO one copy each of FD-302 signed statement of Lewis Isaac
 Nasife, employee of Charter Oil Company, Jacksonville, Florida,
 statement taken 7/29/80.

Information copies for Atlanta and Washington Field
 in view of past and possible future investigation in this
 matter. ^(CWP)

LEAD:

JACKSONVILLE

AT JACKSONVILLE, FLORIDA

ALL INFORMATION CONTAINED
 HEREIN IS UNCLASSIFIED
 DATE 8/14/80 BY SP5/SLM

Will furnish to the Bureau media information regarding
 captioned matter generated by local media.

97-5696-53

23 JUL 31 1980

- 2 - Bureau (Enc. 5)
- 1 - Atlanta (97-106) (Enc. 1)
- 1 - WFO (97-2204) (Enc. 1)
- 2 - Jacksonville

LEF:asn
(5)

PLACE BEHIND FILE

Approved: _____

Transmitted _____

(Number)

(Time)

Per _____

REC at 4:11 PM To Dept of Justice 7/31/80
 Mr. Tolson & Mr. Casper 5/5/80

(CWP)

(CWP)

(CWP)
ENCLOSURE

Entire file reclassified
 furnished to SSG 2/1/80
 HPSC/SLM

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 7/29/80

Lewis Isaac Nasife was interviewed on July 28, 1980, in the presence of Mark Hulsey, Jr., Esquire, Senior Partner, Smith, Hulsey, Schwalbe and Nichols Professional Association, 500 Barnett Bank Building, telephone 904/359-7700. This interview was conducted in the offices of Mr. Hulsey, who is an attorney for Charter Oil Company of Jacksonville, Florida. Following this interview, the interviewing agents requested that the results be reduced to writing and a signed statement prepared for Mr. Nasife to read and sign the following day.

On July 29, 1980, Lewis Isaac Nasife furnished the following signed statement to the agents identified below. Present during the reading and signing of this statement was Mark Hulsey, Jr., Esquire.

"July 29, 1980
Jacksonville, Florida

"I, Lewis Isaac Nasife, make the following free and voluntary statement to [redacted] and [redacted] who have identified themselves as Special Agents of the FBI. I was born January 6, 1931, at Philadelphia, Pennsylvania, and I have been employed by Charter Oil Company (Charter), Jacksonville, Florida, as a buyer for crude oil for approximately two years. I have a Business Administration Degree from Temple University, Philadelphia, and reside at Post Office Box 494, (Sawgrass), Ponte Vedra Beach, Florida, residence phone [redacted] extension [redacted]

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"At the beginning of this interview, I was advised by S. A. [redacted] that the FBI was conducting an investigation regarding a possible violation of the Foreign Agent Registration Act on the part of William A. (Billy Carter), III.

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"By way of background, Charter Oil Company, beginning in the first part of 1979, entered into negotiations with Carey Energy Corporation (Carey) for the purposes of acquiring Carey assets. These

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Investigation on 7/28/80 at 7/29/80 Jacksonville, Florida File # JK 97-57
by SA [redacted] LEF:acs Date dictated 7/29/80

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assets included a refinery located at Freeport in the Bahamas. I took part in the negotiations to purchase Carey and these negotiations culminated in the acquisition by Charter of Carey assets as of September 21, 1979. At this time, Carey was, under Bahamian laws, in a form of bankruptcy having defaulted on payments to National Oil Corporation of Libya and National Oil Company of Iran for purchases of crude oil for the Freeport refinery. The purpose of Charter purchasing Carey was among other things that Charter management felt that with its expertise in buying crude oil and refining it, they could make a profit where Carey had previously failed.

"It is noted that Charter Oil Company's management decision to purchase Carey Energy Corporation and the negotiations that followed were totally unrelated to any contacts I had with Billy Carter or any of his associates.

"To the best of my recollection, several weeks prior to August 17, 1979, I received a telephone call from Jack McGregor. McGregor was a former vice president of New England Petroleum Company, a subsidiary of Carey. Jack McGregor advised me that Billy Carter was an old Marine Corps buddy of his. I knew from newspaper accounts that Billy had hosted a Libyan trade delegation in Georgia, and appeared to have a line of communication with at least some Libyan Government officials. McGregor told me that Billy could arrange for the purchase of Libyan crude oil through his sources. The fact that Billy Carter would profess to have such contacts was not unusual to me in that I routinely received calls from individuals known to me to not be in the oil industry or having any knowledge of crude oil purchases, yet professing to have contacts to obtain oil. During this telephone conversation with McGregor, a meeting was scheduled for August 17, 1979, with Billy Carter at Americus, Georgia, to follow up on this potential opportunity.

"On August 17, 1979, Jack McGregor and I met Billy Carter and his associate, Henry Randolph Coleman, better known as Randy, at Billy Carter's residence. At this meeting, Billy told us he had strong contacts with Libyan political officials. He represented, among other things, that he could obtain contracts for Libyan oil which would not be embargoed. By this

he meant that should Muammar Qadhafy generally embargo Libyan crude oil to the U. S. that this contract would be an exception to that embargo.

"Billy Carter said that if this arrangement were successful, that he wanted any commission paid to himself in the United States and that he fully intended to comply with U. S. tax laws regarding such commissions. Carter said that he was not hiding anything and that this was a "straight" business deal. Billy informed us that he was an invited guest to Qadhafy's tenth anniversary celebration in Libya and that upon his return from Libya, he would inform me regarding progress of this arrangement.

"I sent two letters to Billy, both dated August 21, 1979. The first letter summarizes our discussions and sets forth our tentative agreement. The second letter contains suggested guidelines in negotiating the supply contract with the Libyans. Copies of these letters are attached.

"At this meeting on August 17, 1979, Billy explained that he had developed a rapport with certain Libyan political officials.

"Following my meeting with Billy Carter in Georgia, I went to Libya and discussed with Libyan commercial oil representatives Carter's proposal. These were officers of the National Oil Corporation of Libya (NOC) and Brega Marketing Company (Brega) with whom Charter had previously negotiated existing crude oil supply contracts. I was concerned and did not want to jeopardize these existing crude oil commitments Charter had with Libya, which were totally separate from any commitments Carter might secure. I was assured by these officials that any negotiations Charter had with Carter would not jeopardize such existing arrangements. These same NOC-Brega officers said that Billy Carter was dealing with Libyan politicians and that these politicians think highly of Billy Carter. These same Libyan NOC-Brega officers said that if anyone could secure a contract to purchase Libyan crude oil that Carter could. Following Carter's return from Libya, I had a few telephone conversations with him. He advised me to contact Ali Houderi, a diplomat representing the Libyan Government assigned to Washington, D. C. I telephonically contacted Houderi and verified the fact that there was a good possibility that Billy Carter could arrange the purchase of Libyan crude oil by Charter.

"Just prior to March 31, 1980, Billy called me and requested that I send a telex to Randy Coleman, who at that time was a registered guest at the Libyan Palace Hotel, Tripoli, Libya. I complied with this request on March 31, 1980, and had K. R. Landymore, a vice president of Charter Oil (Bahamas) Limited, send a telex of even date, a copy of which is attached.

"Then on April 1, 1980, Billy Carter, in the company of another of his associates, Jim Murray, drove to Jacksonville, Florida, to meet with me and other Charter representatives. In a meeting, which included lunch, progress toward obtaining Libyan crude oil was discussed. Billy advised at that time that he was still confident that he would be able to perform his part in such an arrangement. Present at this meeting besides Carter and his friend Murray, was Jack T. Donnell, President of Charter.

"Through the month of April, 1980, occasional telephone calls occurred between myself and Billy Carter, during which we discussed the purchase of Libyan oil; however, no contract was ever formalized and eventually these negotiations simply faded away.

"At no time was any contract entered into between Charter and the Libyan Government as a result of these negotiations with Billy Carter. In addition, no contract was ever signed between Charter and Billy Carter and no monies or anything of value were ever paid by Charter to Carter.

"To my knowledge, Jack McGregor was the only individual who suggested that we utilize Billy Carter regarding additional acquisition of Libyan crude oil.

"Attached to this statement is a copy of the release the Charter Oil Company recently made to the press concerning this matter.

"I have read the above statement consisting of this and four other pages, including the four attachments, and it is true and correct.

"/s/ Lewis Isaac Nasife

"Witnesses:

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"/s/ [REDACTED] SA FBI Jacksonville, Fla.

"/s/ [REDACTED] SA FBI"

During the interview of Mr. Nasife on July 28, 1980, he advised that he is of Lebanese descent and that he speaks fluent Arabic.

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Charter Oil Company
208 Laura Street · Post Office Box 4726
Jacksonville, Florida 32201
Telephone 904-358-4395 · Telex 56-8415

August 21, 1979

Billy Carter
Americus, Georgia

Dear Billy:

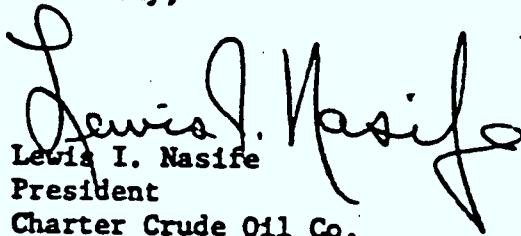
This is a tentative agreement outlining a payment schedule for Libyan crude which we would purchase on contract due to your efforts. This would be a contract separate and apart from our existing contract with Brega Marketing now in effect. Brega Marketing is the marketing arm of National Oil Corporation (NOC) of Libya.

During these times of short crude supply we, Charter Crude Oil Company, would agree to pay \$.55 (fifty-five cents) per barrel on all barrels lifted as a result of your efforts. As the market and supply change then this fee would change with the lower limit being ~~\$.04~~ (four cents), ^{.05} Five per barrel. We would agree to meet periodically to review conditions and price, and either party could at any time request a meeting though one was not scheduled. It is my understanding that the anticipated volume would be approximately 100,000 B/D. It is our intent as I'm sure it is yours, that any agreement we enter into would be fair and equitable for both parties.

It was certainly a pleasure meeting with you, your family and Randy Coleman. I trust this meets with your approval and is in agreement with your understanding in accordance with our meeting of Friday, August 17, 1979.

Looking forward to our next meeting and wish you much success during your trip to Libya.

Sincerely,


Lewis I. Nasife
President
Charter Crude Oil Co.

LIN:jb

Charter Oil Company
208 Laura Street · Post Office Box 4726
Jacksonville, Florida 32201
Telephone 904-358-4395 · Telex 56-8415

August 21, 1979

Billy Carter
Americus, Georgia

Dear Billy:

I am outlining some of the conditions that you should discuss during your forthcoming meeting in Libya.

- That any new contract would not jeopardize Charter Oil (Bahamas), Ltd.'s existing contract.
- Try for 60-day credit terms in lieu of the present 30 days. The old terms were 60 days from Bill of Lading (B/L) date. This may be possible by an additional payment of \$.25 per barrel for the additional 30 days.
- Include in the contract the right to have technical exchanges.

There are many other provisions in their normal contract but these will be discussed at the time of negotiations of the contract.

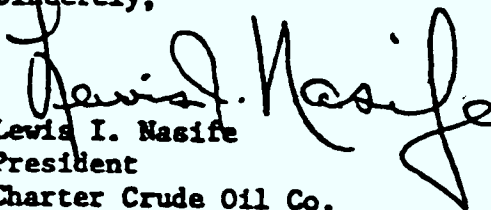
I would recommend that you suggest the following as the crude slate you desire:

- Brega
- Zuetina
- Sirtica
- Es Sider
- Sarir

In addition, I would suggest that it would be our desire to use Libyan flag ships to transport these crudes.

If I can be of further service please let me know.

Sincerely,


Lewis I. Nasife
President
Charter Crude Oil Co.

LIN:jb .

Handwritten notes in top left corner, partially illegible.

*Handwritten: send copy to CCOC-Pax-
Attn: Mr. L. I. NASIFE*

Handwritten signature and notes in top right corner.

20171 PALHOTEL

MARCH 31, 1980 TLX. NO. 380109 ED

TO: HOTEL LIBYAN PALACE
TRIPOLI, LIBYA

ATTN: MR. RANDY COLEMAN
ROOM NUMBER: 118

AT THE REQUEST OF MR. BILLY CARTER, PLEASE BE ADVISED THAT CHARTER OIL (BAHAMAS) LIMITED IS EXTREMELY INTERESTED IN ANY CRUDE THAT YOU MAY HAVE AS A RESULT OF YOUR TRIP. WE WOULD BE INTERESTED IN THE ENTIRE VOLUME AND ON THE SAME TERM BASIS UPON WHICH YOUR CONTRACT WAS PREDICATED. THE CRUDE TYPES SHOULD BE AS FOLLOWS:-

ZUEITINA, BREGA, SIRTICA

THIS WOULD BE OUR FIRST ORDER OF PREFERENCE. HOWEVER, WE WOULD CONSIDER ANY AND ALL TYPES.

WISH YOU MUCH SUCCESS ON YOUR TRIP. MR. L. I. NASIFE LOOKS FORWARD TO SEEING YOU UPON YOUR RETURN.

BEST PERSONAL REGARDS,

K. R. LANDYMORE
VICE PRESIDENT
CHARTER OIL (BAHAMAS) LIMITED

20171 PALHOTEL

COBL FP0077

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MAR 31 1980 1341 TIM. 005.4
THANK YOU FOR USING BATELCO

THE CHARTER COMPANY

21 West Church Street

Jacksonville, Florida 32202

For Further Information Contact:

**Park L. Beeler
The Charter Company
904-358-4403**

The following is a position statement by The Charter Company regarding contacts between Charter and Mr. Billy Carter related to the possible purchase of crude oil from Libya through Mr. Carter.

BACKGROUND ON CRUDE OIL CONTACTS WITH CHARTER

The Charter Company receives approximately 100 contacts a month from various individuals purporting to have access to short or long-term supplies of crude oil. Such contacts are often accompanied by a reference to a specific type of crude oil from a variety of different oil production locations. Generally speaking, individuals bringing such propositions have as part of their proposal a commission fee ranging from 5¢ a barrel to occasionally as high as 5% of the total cost per barrel.

The ^{procedure} procedure of Charter Oil Company is to acknowledge such contacts within the framework of day-to-day business, and to evaluate each such proposal for its viability. In the oil industry it is common practice to handle such propositions in this regard. Individuals brokering crude oil are especially prevalent during periods of extreme short supply of crude oil worldwide. It is common practice in most oil-producing countries to distribute their crude oil production in three ways:

1. Through private oil companies that have production in that particular country.
2. Through nationally owned oil companies within that country.
3. Through allocations of oil to various individuals.

It is this last distribution network that accounts for the vast majority of individual oil broker transactions.

SEQUENCE OF EVENTS: CONTACT FROM BILLY CARTER

Billy Carter and Mr. Jack MacGregor, a former executive vice president of Carey Energy Company and currently a consultant to Charter, at some point in time had conversations regarding potential brokering of Libyan oil by Mr. Carter. Mr. MacGregor contacted The Charter Company and set up a meeting between the president of Charter Crude Oil Company, Mr. Lewis Nasife, and

On August 17, 1980, Mr. Nasife met in Americus, Georgia, with Billy Carter and his business associates. At this meeting, Mr. Carter suggested that he could obtain up to 100,000 barrels per day of Libyan oil and inquired as to whether or not Charter would be interested. Mr. Nasife indicated that we would be interested if the price were such that it were economically attractive. General discussions then occurred as to a commission to be paid to Mr. Carter if he could obtain a long-term supply of Libyan crude oil at attractive prices.

On August 21, Mr. Nasife sent a letter to Billy Carter acknowledging the meeting in Georgia and summarizing the basic terms that were discussed at that meeting. A second letter the next day further described the particular grades of Libyan crude oil that Charter would be most interested in. Several telephone calls occurred over the next several months inquiring of progress. During this period, Mr. Carter suggested that the volumes of crude oil that could be available might be closer to 50,000 to 60,000 barrels per day rather than the 100,000 barrels per day discussed initially.

On April 1, 1980, Billy Carter drove to Jacksonville at his own expense to meet with Mr. Nasife. In a meeting over lunch, progress toward obtaining the oil was discussed, and Billy Carter stated at that time that he was still encouraged that he would be able to obtain the oil. Mr. Carter was accompanied by a Mr. Murray. Jack Donnell, President of Charter Oil Company, also accompanied the others to lunch. Charter paid for the lunch which totaled about \$20.

One day before this April 1 meeting, Mr. Nasife sent a telex to Mr. Randy Coleman, Mr. Carter's business associate, who was at that time in a hotel in Libya. In that telex, Mr. Nasife indicated that Charter would be interested in an additional contract on the same terms which Charter's existing contract with Libya was predicated.

Through the month of April, occasional telephone calls occurred inquiring of progress. Each time progress was reported, and after April Charter's contact with Billy Carter simply faded away.

On June 30, 1980, at 4:40 p.m. Mr. Nasife received an inquiry from Mr. Joel Lisker of the U.S. Justice Department regarding our contacts with Billy Carter.

CHARTER'S OPINIONS ON THE BILLY CARTER CONTACT

The Charter Company has had a relationship with the National Oil Corporation of Libya since acquiring Carey Energy Corporation in March of 1979. Charter's transactions with Libya in the settlement of litigation against Carey Energy and the subsequent contracting of crude oil supplies with NOC has been professional, above-board at all times, and businesslike. Libya has always honored all business agreements with Charter, verbal or written. At no time have any political favors been requested or granted.

After the initial contact from Billy Carter, Charter went through the process of determining the viability of this contact. The Company was aware that Billy Carter had hosted the Libyan Trade Delegation to Georgia and appeared to have a line of communications with at least some Libyan officials. Mr. Nasife contacted Ali Houderi, a member of the Libyan Diplomatic Mission, in order to discover if the Billy Carter contact had any potential. Mr. Houderi indicated that Billy Carter had a good rapport with his Libyan friends and that there may be a potential for him obtaining Libyan oil in order to pursue this proposition. Based on this information, Charter determined that the Billy Carter contact had some merit. At that time, Libya was producing approximately 2.2 million barrels per day and it seemed reasonable that there might be additional oil available.

The contact between Charter and Billy Carter was handled under the same procedures as all other contacts of this type. At no time did Billy Carter

ever represent himself as anything other than a businessman with a potential business venture. The contact was above-board at all times and no money for any reason exchanged hands. There was no attempt or suggestion to hide any payments if the deal were consummated, and as part of Charter's standard operating procedure we informed Mr. Carter that all dealings that we have must conform to the Foreign Corrupt Practices Act, and Mr. Carter fully supported that requirement.

In exploring this proposition, Charter had nothing to lose and potentially could gain additional oil for refining operations which had at that time excess capacity. Only the delivery of oil would have triggered any action on our part. If crude oil had become available, Charter and Billy Carter would have entered into a formal agreement which specifically delineated the terms of the transaction and commissions to be paid. At that time, the commission rate for transactions of this type was as high as \$3 per barrel. In negotiations with Billy Carter, a commission structure was discussed at the rate of 55¢ per barrel, which would decline if the strength of markets changed downward to as low as 5¢ a barrel. Such a transaction, had it become an eventuality, would have been highly attractive to Charter at that time since crude oil in world markets was selling \$10 to \$12 above official government selling prices.

All crude oil transactions or supply contracts are evaluated by Charter for their short-term and long-term economic benefit to the operations of Charter Oil Company. During the course of the discussions with Mr. Carter, a significant deterioration of the profitability elements of high cost Libyan oil occurred, and an evaluation in light of those circumstances would have occurred, had the oil become available, before Charter would have committed to a contract.

SUMMARY

The contact between The Charter Company and Billy Carter on this matter was not initiated by us. Charter did not treat this matter any differently

than dozens of other crude oil propositions that are brought to the Company with great frequency. There was never any discussion on either side of any business dealings of any type other than the purchase of crude oil. Charter followed what it believes are sound business practices in its handling of this matter. The facts and opinions in this statement are the sum total of Charter's position on this matter.

FEDERAL BUREAU OF INVESTIGATION

CONFIDENTIAL

7/23/80

Date of transcription

[REDACTED] *C* *B1*

[REDACTED] *C* *B1*

[REDACTED] *C* *B1*

[REDACTED] *C* *B1*

[REDACTED] *C* *B1*

[REDACTED] *C* *B1*

[REDACTED] *C* *B1*

[REDACTED] *C* *B1*

Investigation on 7/23/80 *etc* at Arlington, Virginia File # WFO 97-2204
 by SAs [REDACTED] and [REDACTED] *2*
MCB:aih Date dictated 7/23/80

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

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[REDACTED] .C

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[REDACTED] .C

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[REDACTED] C

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[REDACTED] .C

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[REDACTED] .C

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He did not appear to have any physical defects that would tend to impair his testimony, but would be a most reluctant witness.

3*

CONFIDENTIAL

CONFIDENTIAL



UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to
File No.

Washington, D.C. 20535
June 10, 1980

WILLIAM A. (BILLY) CARTER, III
LIBYAN-ARAB-GEORGIA FRIENDSHIP SOCIETY
FOREIGN AGENTS REGISTRATION ACT-LIBYA

Attached hereto are the results of interview of
Mr. Philip J. Wise, Jr., Appointment Secretary to the
President of the United States, conducted on June 4, 1980:

This document contains neither recommendations
nor conclusions of the FBI. It is the property
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its contents are not to be distributed outside
your agency.

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HEREIN IS UNCLASSIFIED
DATE 10/16/80 BY SP-5 RG/SM

97-5696-78

ENCLOSURE

FEDERAL BUREAU OF INVESTIGATION

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6/10/80

Date of transcription

Philip J. Wise, Jr., Appointments Secretary to the President of the United States, was interviewed at his office in the White House.

He was advised of the official identity of the interviewing Agent and told that he was being interviewed about a possible violation of the Foreign Agents Registration Act by William A. (Billy) Carter, III. Mr. Wise voluntarily furnished the following information:

He reviewed his telephone log, listing calls he received at the White House, for the period October 1, 1978, through January 11, 1979.

During this time, he received no telephone calls from Billy Carter and has not been asked by him to intervene with anyone at the United States Department of State (USDS) on behalf of Billy Carter or the country of Libya concerning the sale or release of airplanes to Libya.

If he had been asked to become involved in contracts or the sale of airplanes by Billy Carter, he would have referred the matter to the National Security Council (NSC), rather than referring him to anyone at the USDS.

He does not normally deal with the USDS and would not act as a go-between for Billy Carter with that agency.

At this point, he was specifically asked if the log or record of telephone calls were subpoenaed by the court in this investigation if there would be no record of any call logged therein for the period October 1, 1978, through January 11, 1979, from Billy Carter to him.

He stated "I can't say we (his staff) could not have missed" or failed to record one, but none were found in the review of the log for that period.

Investigation on 6/4/80 at Washington, D.C. File # WFO 97-2204
 by SA [REDACTED] ^{B7C} *2** _{lh} Date dictated 6/5/80