

**COCAINE,  
CONTRAS  
& THE  
DRUG  
WAR**

**Powderburns**

Celerino Castillo III  
and Dave Harmon

# POWDERBURNS

Cocaine, Contras & the Drug War

by

Celerino Castillo III and Dave Harmon

*Sundial*

an imprint of



Mosaic Press

Oakville - Buffalo - London

[WWW.POWDERBURNS.ORG](http://WWW.POWDERBURNS.ORG)

## Dedication

*To Crystal Bianca, C4,  
and Danny  
Celerino Castillo III*

*To my parents, Philip and Barbara Harmon,  
for making this book possible,  
and to my brother, Chris,  
for his unknowing inspiration.  
Dave Harmon*

## Canadian Cataloguing in Publication Data

Castillo, Celerino, 1949  
Powderburns

Includes bibliographical references.  
ISBN 0-88962-578-6

1. Castillo, Celerino, 1949- . 2. Drug traffic- Central America. 3. Drug traffic - United States. 4. Cocaine industry - Central America. 5. Political corruption - United States. 6. Iran-Contra Affair, 1985-1990. 7. United States. Drug enforcement Administration. 8. narcotic enforcement agents - United States. I. Harmon, Dave, 1961- .II. Title.

HV5840.C45C37 1994 363.4'5'09728 C94-931968-6

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Published by MOSAIC PRESS, P.O. Box 1032, Oakville, Ontario, L6J 5E9, Canada. Offices and warehouse at 1252 Speers Road, Units #1&2, Oakville, Ontario, L6L 5N9, Canada and Mosaic Press, 85 River Rock Drive, Suite 202, Buffalo, N.Y., 14207, USA.

Mosaic Press acknowledges the assistance of the Canada Council, the Ontario Arts Council, the Ontario Ministry of Culture, Tourism and Recreation and the Dept. of Communications, Government of Canada, for their support of our publishing programme.

*Sandal* an Imprint of Mosaic Press

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Maps courtesy of Eddie Mirza  
Cover and book design by Susan Parker  
Printed and bound in Canada  
ISBN 0-88962-578-6 PB

In Canada:

MOSAIC PRESS, 1252 Speers Road, Units #1&2, Oakville, Ontario, L6L 5N9,  
Canada, P.O. Box 1032, Oakville, Ontario, L6J 5E9

In the United States:

Mosaic Press, 85 River Rock Drive, Suite 202, Buffalo, N.Y., 14207



# Acknowledgments

The authors would like to thank the following people:

Celerino Castillo III:

My parents, Celerino and Angie Castillo, for teaching me what life is all about; my sisters, Diana, Melinda, and San Juanita for being there when I needed them; Brian Casey for pointing me to the right person; Chris Doyle for first discovering my story; Chief Raul Garza for teaching me what it takes to be the best; Juan Perez for guiding me against the Gestapo; Mike Levine for his endless encouragement; Rosa Granados for holding my hand for the past two years (some wounds are not visible); and all the undercover agents now being abused - "Nothing is forever"

Dave Harmon:

The proofreading squad, for their sharp eyes and vigorous encouragement: Laura E. Keeton, Dan and Diana Dworin, Jamie McIlvain, and Lisa DeCuir; the stalwart supporters: Steve Grey, Sonia Sellers, Jerry and Kale Clark, Darryl Pruett, Dave "Big Daddy" McLeod, Oscar and Tami Hinojosa, Avrel Seale, Beth Bryant, Rob Dennett, and Robert and Viola Garza; Dr. Henry Dietz of the University of Texas for pointers on recent Peruvian history; the Rio Grande Book Co. for letting me run amok on their office machines. And, most of all, Richard Derus for bringing it all together.

# FOREWORD

By Michael Levine

Now that you've read this far I advise you to cancel any appointments you may have scheduled during the next several hours. You are not going to be able to put this book down. It will mesmerize you, enrage you and change your attitude toward the people in government whom we have entrusted with our safety and security. Most importantly it will give you information that has been kept from you; information you have a right to, because you have paid for it with your taxes, and, as many like me have done, with the blood and misery of your loved ones and friends. There are several important facts that you must keep in mind as you read. First, that the crimes and atrocities described so vividly in these in these pages, were committed by U.S. government officials using taxpayer dollars, or people under their protection, and that, for the most part, the victims of these crimes are the very people who paid those taxes: the American people. Second, that this first-hand account was written by Celerino "Cele" Castillo, a highly decorated veteran of two wars - Vietnam and the War on Drugs; a man who has often risked his life to fulfill his oath to protect the American people and uphold their laws, and that Celerino Castillo is a consummate professional investigator who documents every one of his claims - - often using electronic recording devices - - so that they serve as evidence in any court in the world. Third, that everything you are about to read was first turned over to the upper management of DEA (The Drug Enforcement Administration), the FBI and the State Department for these agencies to take appropriate action to stop

The Oliver North/Contra operations drug smuggling activities and that no action or investigation was ever undertaken. Fourth, that Cele Castillo persisted in pushing for an investigation spite of a warning from a U. S. Ambassador to back off the investigation because it was a White House Operation, and inspite of being place under a malicious Internal Affairs investigation--DEAs classic method of silencing its outspoken agents - - that would help destroy his marriage and career and almost cost him his life. Finally, that Cele turned over all his evidence to Special Prosecutor Lawrence E. Walsh's office - - then investigation Oliver North and the Contras - - and when it was clear that no investigative action would ever be taken pursuant to that evidence, and, in fact m that the Special Prosecutors final report failed to even mention the drug allegation, did Cele write this book. When I wrote Deep Cover and The Big White Lie detailing my own deep cover experiences in South America, people were astounded by the revelations. They found it impossible to believe that their own government could tax them hundreds of billions of dollars to fight drugs and at the same time support and protect the biggest drug dealers in the world as they poisoned our children. It was the most despicable kind of treason. I, like many millions of Americans, was affected personally; my son Keith Richard Levine, a 27 year old New York City police officer, was murdered by crack addicts when, while off - duty, he tried to stop and armed robbery they were committing to support their addiction; my brother David, a life-long drug addict, ended his misery at 34 years of age by suicide. Our nation, thanks in large part to these criminals now has a

homicide rate exceeding 25,000 per year, much of it drug related, and, according to some economists, our economy is impacted by this drug plague by as much a trillion dollars a year. Is it conceivable that so many members of our legislative, judicial and law enforcement branches of government betrayed us? No it's not conceivable, but all those who read this book will find it undeniable. In my books articles and media appearances I told of deep cover cases from Bangkok to Buenos Aires, that were destroyed by the covert agencies of my own government; cases that would have exposed people; who had been given a license to sell massive amounts of drugs to Americans in return for their support of Oliver North's contras. I could easily prove that these investigations were

intentionally destroyed and that our cover was blown by our own government, but I only had circumstantial evidence linking the events to the Contras. Celerino Castillo, as you will see in these pages, had the smoking gun. At that time, had Cele come forward with his story, I believe the public's reaction to our joint testimony would have forced our elected officials into taking the action against North and others, that they were so desperately afraid of taking. But at that time, Cele was just fighting for his family, his career and his life. Wherever I went, people asked, "If this is true, why aren't any other government agents saying what you are?" I was a lone voice. From the moment my first book was published i began receiving - - and still receive - - letters from both federal and local law enforcement officers, government informants and contract pilots for both DEA and CIA, with their own horror stories to tell indicating that our covert agencies and state Department were sabotaging the drug war, and that when honest officers tried to do something about it, their lives and jobs were threatened, yet none would go public with their stories. They were afraid. I pointed out to all who would listen that even our highest government officials are afraid to confront the criminals in government. During the years J Edgar Hoover ran the FBI, eight Presidents were aware that he was running a political police force, in violation of every law of the land, yet they kept their silence and did nothing to stop him. They were terrified of his secret files and the revelations they might contain. It took almost twenty years after his death before the truth finally surfaced. If one man could intimidate eight Presidents, can you imagine the kind of club the CIA has over the heads of our current crop of political leaders? How else can you explain the difference between their rhetoric and their actions, or lack thereof? Senator John Kerry, a Democrat, spent tens of millions of taxpayer dollars investigating the drug running activities of Oliver North's Nicaraguan Contra effort and came to the same conclusions that Cele and I did as DEA agents in the field. He said, "Our covert agencies have converted themselves to channels for drugs ... they have perverted our system of justice". An outraged Senator Alphonse Damato, a Republican, found it mind boggling, that while we taxed Americans more than \$ 100 billion

to fight drugs, we were in bed with the biggest drug dealers in the world. All the outrage and oratory notwithstanding, none of the evidence that the led to those statements was ever presented to a grand jury of American citizens, and not one single indictment of a U.S. laws relating to narcotics trafficking was ever forthcoming. Nor was there ever any house - cleaning of the agencies involved. Many of these criminals in government are still, in fact, criminals in government, and as this book goes to press there is evidence that their crimes

continue. It is also important for the reader to keep in mind, that to prove a government official guilty of violations of the Federal Drug Conspiracy laws, is a relatively easy task for a professional narcotics investigator. One would only have to prove that he or she knew of drug trafficking activity and failed to take appropriate action. In one case I was involved in, for example, A new York City police detective was convicted of violation of the Federal Conspiracy statutes and sentenced to 8 years in prison, for not taking appropriate action against dope-dealing friend of his. We could not even prove that he had profited from his crime. The DEA's files are full of similar cases. The law is exactly as President Bush once said: All those who look the other way are as guilty as the drug dealer. The Kerry commission amassed impressive evidence that Oliver North and others had violated our drug trafficking laws; they reviewed North's 543 pages of personal notes relating to drug trafficking activity, which - - even after North blacked out many incriminating statements - - included notations like, \$14 million to finance came from drugs; they learned that North had attempted to get leniency for General Bueso-Rosa (convicted of an assassination paid for with 700 pounds of cocaine distributed in the U.S.); they found evidence, such as North's cash purchase of a car from a \$15,000 cash slush fund he kept in a closet, and his interest in a multi-million dollar Swiss bank account, indicating that North, with no other source of income than his military pay check, may have profited financially from drug trafficking activities, yet none of this evidence was ever fully investigated by professional narcotics investigators, nor presented to a grand jury of American citizens as it should have been, or as it would have been had North not been given the phony Teflon shield of National Security and the protection of a President.

The evidence - - and the above is only a small sampling of what is available - - is enough to enrage career narcotic enforcement officers who have sent so many to jail for so much less. And when you add the evidence so powerfully presented in this book, what is already known about North and his Contra operation, you will understand why Cele Castillo put his career and life at risk to try and break through that shield, and why he continues to risk himself to his day. In Senator Kerry's final report he stated, Those U.S. officials who turned a blind eye to General Noriega, who intervened on behalf of General Bueso-Rosa and who adamantly opposed the investigations of foreign narcotics figures by honest, hardworking law enforcement officials, must also hear the responsibility for what is happening in the streets of the U.S. today. By the time you finish this book you will know that his accusation is aimed squarely at Oliver North, Presidents Reagan and Bush, and other high government officials, yet, and it bears repeating, none of the evidence provoking that statement was ever presented to a grand jury of American citizens. What else but fear can account for this failure on the part of our leaders to take appropriate action. A failure that local cops or DEA agents would have gotten them arrested and prosecuted, along with the people they were protecting. Jack Blum, special counsel for the Kerry commission, resigned his post, stating, I am sick to death of the truths I cannot tell. But Cele Castillo, as you will soon know, is not afraid and never has been. In these pages he will reveal to you some of the most devastating of those truths. I now welcome Cele Castillo, a true American hero, to the front lines of his third and perhaps most important war - a war against the criminals within his own government.

# INTRODUCTION

Dear General Noriega:

... Your long-standing support of the Drug Enforcement Administration is greatly appreciated... Thank you very much for the autographed photograph. I have had it framed and it is proudly displayed in my office....

That letter was written in March, 1984 by DEA Administrator Francis M. Mullen, Jr. to Panamanian strongman General Manuel Noriega, who, four years later, was indicted on drug trafficking charges in the United States. In December, 1989, 15 American soldiers, part of an invading force of 10,000, were killed trying to hunt down Noriega and haul him back to the U.S. The man whose autographed portrait once hung on the DEA Administrators wall was now, in the words of the U.S. military, a cocaine snorting, voodoo worshipping alcoholic despot who entertained prostitutes and wore red underwear.

Such are the ironies of the drug war.

These pages contain one DEA agent's account of America's longest, most frustrating war. Celerino "Cele" Castillo III spent a dozen years battling the drug cartels, a menace that General Paul C. Gorman, former head of the U.S. Southern Command in Panama, called more successful at subversion in the United States than any that are centered in Moscow.

This book reveals why, after more than 20 years and billions of dollars, the drug war has failed miserably. Why DEA cannot rid the streets of pushers, why it cannot dent the burgeoning coca economy in South America, why its much - ballyhooed interdiction efforts are swatted aside like gnats by the cartels.

Put simply, when U.S. foreign policy and U.S. drug policy collide, drug policy yields every time. People like Manuel Noriega are treasured for their strategic importance, their long-standing support, and their democratic ideals, however superficial, while their back -door deals with drug traffickers are conveniently ignored. And while Communist regimes around the world have withered and collapsed under their own weight, the cartels grow stronger.

No one knows this better than Cele Castillo. For every small victory during his DEA Career, a crushing defeat followed. As a Vietnam veteran, he knew all too well the disillusionment that accompanies messy wars led by vacillating politicians. He shrugged off the frustrations and stubbornly fought on. Then, in Central America, he stumbled upon the Contra resupply operation, a covert network guided by Lt. Col. Oliver North. Castillo's investigation of the Contra operation revealed the deepest secret of the Iran-Contra Affair: the Contras; drugs-for-guns connection.

Castillo's investigation unearthed enough evidence to merit a full-scale investigation, yet none occurred. His superiors told Castillo point-blank to leave the Contra-drug connection alone. A committee, headed by Sen. John Kerry of



Massachusetts, concluded: ... "it is clear that individuals who provided support for the Contras were involved in drug trafficking, the supply network of the Contras was used by drug trafficking organizations, and elements of the Contras themselves knowingly received financial and material assistance from drug traffickers." Yet the Kerry committee's findings were ignored by the White House, and neither the Congressional Iran- Contra committees nor the Iran- Contra special prosecutor was fit to delve into the third secret of the Iran- Contra Affair.

Throughout his DEA career, Castillo kept detailed journals which provide the basis for the dates, names, places, and DEA file numbers cited in this book. Conversations quoted in these pages were reconstructed to the best of Castillo's recollection.

DEA rejected repeated efforts to obtain Castillo's reports and cables from Central America. The material, according to the U.S. Department of Justice Office of Information and Privacy: "is not appropriate for discretionary release". Likewise, large portions of North's diaries were censored before they were turned over to the government, including many sections adjacent to drug references. For example, North's June 26, 1984 entry by DEA- followed by two blocks of deleted text. Important questions remain: Who in the government knew about the Contras drug ties? Why were Castillo's reports ignored? And what did North, now a candidate for the United States Senate, know about the drug activities within the network he steered from Washington? The truth lies somewhere beneath a quashed investigation, a belligerent bureaucracy and a censor's pen.

--DKH

McAllen, June 15, 1994

## Update

-The person identified as "Willie Brasher" in this book was later identified as Walter Lee Grasheim. Grasheim's true identity was unknown to Castillo until Grasheim filed a lawsuit against the government in 1998. Grasheim was known to carry the credentials of CIA, DEA and FBI in addition to Salvadoran military.

<http://ca10.washburnlaw.edu/cases/2000/12/99-6259.htm>

-The CIA officer identified in the book as Randy Kapasar was a misspelling. The correct spelling is "Capister". When 60 minutes and West 57<sup>th</sup> television show reporters sought to interview him so that the story could be presented on television, he could not be located.

"After denial of a US visa (drug trafficking) to Guatemalan Military Lt. Col. Hugo Moran Carranza, head of Interpol, retaliated by ordering Castillo's assassination. The elaborate plot involved ambushing Castillo in El Salvador to divert suspicion from the Guatemalan Colonel. Luckily for Castillo, the plan was taped recorded by an informant and placed into evidence in a Houston DEA file M3-90-0053. Col. Moran was attempting to attend a War College in the US invited by the CIA. Despite the danger, the DEA continued to order Castillo to travel to El Salvador. Because Col. Moran was an asset of the CIA, he was never prosecuted in the US on the attempted capital murder of a US drug agent."

In 1990, Castillo was finally transferred out of Central America to San Francisco DEA office because of the assassination plot

"In 1992 Castillo received an early retirement from the DEA due to stress and damaged nerves to his arms and hands. Since his retirement he has had numerous TV, radio and newspaper interviews in order to expose what he knows about the CIA and DEA collaboration with drug traffickers and murderers in Central America. His TV appearance include "Current Affair" (1994); a one hour documentary aired in 1994 by the Australian Broadcasting Company exposing Oliver North's drug trafficking activities; ABC's "**Prime Time Live**" on December 27, 1995 (on the US protection of criminal military officers in Guatemala) and **Date-Line** (NBC) June 13, 1997.

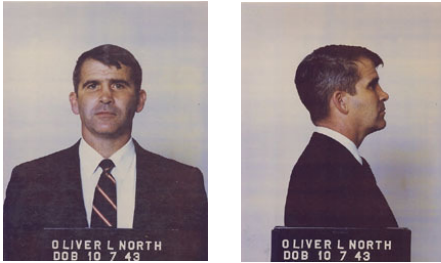
Foreign news stories aired on both Univision and the CBS-owned Telemundo in 1996 on Guatemala and El Salvador. In April 1997, Cele was interviewed for a special series on The Discovery Channel "**Secret Warriors of the CIA**". Castillo has also begun to lecture at universities all over the country and held a press conference at the National Press Club in Washington DC In July, 1996 an Associated Press wire story quoted his comments about a recent US government report on Guatemala and the CIA (The Intelligence Oversight Board) an investigation ordered by President Clinton to ascertain if US agents were involved in atrocities in Central America."

- The DEA official in Panama who had originally tipped Castillo to the Contra drug operation was a man named Robert J. Nieves. Nieves at first provided valuable intelligence to Castillo, but at some point became corrupted and helped North cover up his smuggling operation. On October 19, 1995, Journalist Gary Webb went to the San Diego DEA offices seeking information about Freeway Ricky Ross' case for his newspaper series "Dark Alliance". Craig Chretien was the contact / cover up person selected by the USG to meet with Webb. Chretien denied all aspects of government involvement in the trafficking or knowledge of it, when in fact, DEA agent Nieves was the person who reported it to Castillo in the first place! Webb successfully verified aspects of the story through other sources and found that Nieves was the handler for drug kingpin Norwin Meneses, also a CIA asset. Webb spoke with Castillo and found that Chretien was one of the agents sent to El Salvador to squash Castillo's reports years earlier. Castillo told Gary Webb that Chretien spent his time "checking the spelling errors on his reports" and telling him to use the word "alleged" more often when discussing the Contra Drug operation. A few weeks later, Webb returned to San Diego DEA headquarters to find Chretien gone --transferred to Washington DC, and Nieves retired --within days of his visit. Nieves along with Joe Fernandez later turned up in the employ of Oliver North's firm, Guardian Technologies.

-In 2000, PBS Frontline did a series on the Contra drug allegations:

<http://www.pbs.org/wgbh/pages/frontline/shows/drugs/special/nieves.html>

Rather than interview Castillo, the producer of the show chose to interview Nieves, who obviously lies through the entire interview.



In 1994, Castillo went on the road in the state of Virginia to halt Oliver North's senate bid, appearing at rallies of cheering fans of Oliver North. North later lost the race in part due to Castillo's allegations.

<http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB113/>

"In 1995, after the lessons he learned in Central America, Castillo made a pilgrimage to the Vietnam Wall where he renounced his Bronze Star pinned to his last combat boots that he wore in Vietnam, Peru, Guatemala and El Salvador. Attached to the Bronze Star was a letter to President Clinton requesting that he take actions on the atrocities. He did this in protest of the atrocities his government had committed and the massive cover ups."

In 1995 and 1996 Mr. Castillo was interviewed by reporter Gary Webb for his August, 1996 Dark Alliance series in the San Jose Mercury News. Webb and Castillo found that the pilots from Ilopango in El Salvador had been supplying the main "characters" (Norwin Meneses and Danilo Blandon) in the Dark Alliance series with drugs. Ironically, When Castillo was transferred by the DEA from Central America to California in 1990, he had begun investigating the sales end of Norwin Meneses' network in San Francisco!

In 1996, Mr. Castillo met with U.S. Congresswoman Maxine Waters to provide information to her ongoing investigation sparked by outrage over the Dark Alliance series.

<http://www.consortiumnews.com/2000/060800a.html>

<http://www.scribd.com/doc/117070568/Waters-1998-Review-of-Reports>

In March 1998, The US House of Representatives Permanent Select Committee On Intelligence held a one hour hearing in regards to CIA/Contras involvement in drug trafficking.

During the hearing CIA Special Agent Hitz (sp), of the CIA Inspector General Office, advised the committee that Mr. Celerino Castillo III refused to be interviewed by his office. What Mr. Hitz failed to advise the committee was the reason Castillo rejected the offer. Hitz strongly refused for Castillo to record the interview citing National Security. This would had been the only evidence Castillo would have to prove what statement he did or did not make. Castillo offered to testify before any committee as long that it was an open door hearing.

On March 12, 1998, Castillo received a certified letter from the Permanent Select Committee on Intelligence. This time it was from Norm Dicks, Ranking Democratic Member and CIA Porter J. Goss, Chairman of said committee. Again they requested for Castillo to be interviewed for the upcoming hearings in late June. Castillo contacted Mr. Calvin R. Humphrey at 202-225-7690 and advised him that he would be available for the interview. He advised Castillo that he would get back to him at the end of May. On September 11, 1998, another letter arrived from the committee advising him that the time had come for him to be interviewed and that someone would contact him for the interview. **On January 15, 1999, Castillo was finally interviewed by members of the committee.**

[https://en.wikisource.org/wiki/CIA\\_Inspector\\_General\\_Frederick\\_P.\\_Hitz](https://en.wikisource.org/wiki/CIA_Inspector_General_Frederick_P._Hitz)

In 1998, Fredrick Hitz, CIA Inspector General (IG) and Michael Bromwich DOJ Inspector General released reports admitting to the existence of an agreement which exempted the intelligence agencies of the USA from reporting drug crimes. The legislative body chosen to hear the allegations was the House Permanent Select Committee on Intelligence (HPSCI) chaired by Porter Goss, a former CIA officer (1960-71) who would later serve as Director of Central Intelligence (DCI) (2004 to 2006) under George W. Bush. The committee hearings were held behind closed doors from 1998 to 2000 and a final classified report was released in June, 2000. The report, which cleared the government of wrongdoing, has never been released to the public.

<https://www.cia.gov/library/reports/general-reports-1/cocaine/contra-story/findings.html#top>

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**"There is no question in my mind that people affiliated with, on the payroll of, and carrying the credentials of, the CIA were involved in drug trafficking while involved in support of the contras."**

**— Senator John Kerry, The Washington Post, 1996**

**"Several informed sources have told me that an appendix to this Report (CIA Report Volume II) was removed at the instruction of the Department of Justice at the last minute. This appendix is reported to have information about a CIA officer, not agent or asset, but officer, based in the Los Angeles Station, who was in charge of Contra related activities. ... this individual was associated with running drugs to South Central Los Angeles, around 1988"**

**--U.S. Congresswoman Maxine Waters – October 13, 1998, speaking on the floor of the U.S. House of Representatives.**

**"I sat gape-mouthed as I heard the CIA Inspector General, testify that there has existed a secret agreement between CIA and the Justice Department, wherein "during the years 1982 to 1995, CIA did not have to report the drug trafficking its assets did to the Justice Department. To a trained DEA agent this literally means that the CIA had been granted a license to obstruct justice in our so-called war on drugs; a license that lasted - so CIA claims -from 1982 to 1995, a time during which Americans paid almost \$150 billion in taxes to "fight" drugs. God, with friends like these, who needs enemies?"**

**- Former DEA Agent Michael Levine, March 23, 1998. CIA ADMITS TO DEAL WITH JUSTICE DEPARTMENT TO OBSTRUCT JUSTICE.**

**"After five witnesses testified before the U.S. Senate, confirming that John Hull—a C.I.A. operative and the lynch-pin of North's contra resupply operation—had been actively running drugs from Costa Rica to the U.S."under the direction of the C.I.A.," Costa Rican authorities arrested him. Hull then quickly jumped bail and fled to the U.S.—according to my sources—with the help of DEA, putting the drug fighting agency in the schizoid business of both kidnapping accused drug dealers and helping them escape....The then-President of Costa Rica, Oscar Arias was stunned when he received letters from nineteen U.S. Congressman—including Lee Hamilton of Indiana, the Democrat who headed the Iran-contra committee—warning him "to avoid situations . . .that could adversely affect our relations."**

**-Former DEA Agent Michael Levine, September, 1998**

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# One

## Plausible Deniability

Washington D. C. - July 7, 1987

Twenty-six Congressmen sat silently as the witness was sworn in. Shutters clicked. Papers rustled. The lawyers, government officials, spectators, reporters, and staffers packed into the Senate Caucus Room, filling the chamber with a rumble of murmured anticipation. Satellite feeds carried the scene to television screens across the country. The climax of the Iran-Contra Affair was approaching. America was watching by the millions.

The din subsided; the uniformed witness stood, staring defiantly at the members of the joint Congressional Iran -Contra committee. He was the scapegoat, there to take the fall for the Reagan Administration, which allowed its most sensitive duties to fall to a small cabal which created a government within the Government. The rows of multi-colored ribbons on his olive drab Marine uniform; the furrowed brow; the ramrod posture; all blended into an image that would burn its way onto TV screens, front pages, and magazine covers. Clean -cut and slim, he looked the part of the loyal soldier, someone who would salute, about face, and carry out his orders in the name of patriotism. When Lt. Col. Oliver L. North raised his right hand and promised to tell the truth, people wanted to believe him.

I watched North's testimony on CNN from my living room in Guatemala City. Like millions of Americans, I sat glued to the television during the week -long political soap opera. Americans wanted to learn the truth about North's role in the nation's arms sales to Iran, and the diversion of millions of dollars from those sales to the Contras - - the Nicaraguan rebels fighting to oust the leftist Sandinista regime.

I wanted the nation to learn the truth about a third secret.

North and I had a lot in common. We were both native Texans and decorated Vietnam veterans. We both spent our post-war careers serving our country: North continued in the Marines as an instructor, and later was an NSC staffer; I, however, left the Army to follow in my father's footsteps as a cop, before joining the Drug Enforcement Administration as a special agent in 1979. We were both workaholics whose jobs took us away from our families. We both believed deeply in duty and country. But when our paths collided in Central America, North and I were on very different missions.

From early 1984 to the fall of 1986, North directed a clandestine resupply operation he dubbed "Project Democracy," which used a military airbase in El Salvador to fly weapons and supplies to the Contras.

For the better part of a year, I investigated it.

By the summer of 1987, the nation already knew most of the details of North's twin covert operations: U.S. -made missiles were sold to Iran, the world's most rabidly anti-American regime, through a gaggle of shady middlemen who promised the arms would ransom American hostages held by terrorists in Lebanon; the Iranians were overcharged, with the excess funneled to the Nicaraguan Contras; and, despite a 1985 law prohibiting U.S. intelligence agencies from "supporting, directly or indirectly, military or paramilitary operations in Nicaragua, " North helped raise money, plan strategy, and run guns for the rebels.

When the details spilled onto the front pages in the fall of 1986, the scandal shook Ronald Reagan's Presidency to its core. Reagan, who once boasted "America will never make concessions to terrorists, " stammered before the cameras that he just was not aware of the bold foreign policy maneuvers of his underlings. His subordinates dutifully supported his claim of ignorance.

Now, before America's waiting eyes and ears, North was ready to tell his version of the story.

John W. Nields, Jr., chief counsel for the House committee, wasted no time cutting to the heart of the matter: "Colonel North, were you involved in the use of the proceeds of sales of

Weapons to Iran for the purpose of assisting the Contras in Nicaragua?"

North, who faced indictment for lying to Congress and shredding documents during the Administration's frantic cover-up quickly pleaded the Fifth, agreeing to answer questions only after the respective Congressional chairmen assured North his testimony could not be used against him in any criminal proceedings. The show continued.

I watched, transfixed, as North parried Nields' questions with a combination of chest -pounding eloquence and impudence. "I came here to tell you the truth - - the good, the bad, and the ugly. I am here to tell it all, pleasant and unpleasant, and I am here to accept responsibility for that which I did. I will not accept responsibility for that which I did not do. "

Nields shrugged off North's eloquent soliloquies and stuck to his game plan, prodding North to explain his role in the missile shipments, the shredding of documents, the Contra money trail.

North hedged, dodged, and lectured: "I think it is very important for the American people to understand that this is a dangerous world ... There is great deceit, deception practiced in the conduct of covert operations. " North and his superior, Vice Admiral John Poindexter, compartmentalized the operations. As Reagan's National Security Advisor, Poindexter wanted to give the President

"plausible deniability. " If Reagan could honestly say he was in the dark, his famous teflon would stand a better chance of deflecting the political consequences. North, Poindexter, and their cohorts broke laws to shield their boss. When the fallout inevitably began, North sorted through his files and dropped anything relating to the funds diverted to the Contras into the shredder. As the hearings continued, I wondered what other documents North had dropped into oblivion.

Nields: And, can you think of any document, the disclosure of which would have caused [President Reagan] more domestic political damage than a document reflecting his approval of the diversion?

North: The answer to your question is yes. I can think of a lot of documents that cause domestic political damage.

I could think of a few politically damaging documents as well. I had written them. I wondered if any of the reports I so painstakingly prepared lay sandwiched in the reams of paper accumulated by the Iran-Contra committees. As the session dragged into the afternoon, I reluctantly abandoned my cool room and fought my way through traffic to DEA's Guatemala City office, where I tried halfheartedly to attend to on my paperwork. I could not concentrate. After an hour or two, I stopped pretending and rushed home for a three-hour lunch in front of the flickering screen. I could work late. This drama was more important.

I clicked on the television. Nields' face filled the screen. He was on the right track, asking North about foreign contributions for the Contras and North's own overtures to rich widows and other wealthy American citizens. The Contras were hurting for cash after Congress cut off their funding. North badly needed more money to hold the rebels together "body and soul. "

I leaned forward in my chair. Now. Ask the damn question now, Nields, I thought anxiously. Nields rambled on, leaving the question unasked. The Tuesday session ended with the third secret intact. I watched again Wednesday, grimacing every time the lawyers edged near the topic. On Thursday, North was quietly explaining his role in the Achille Lauro sea-jacking when a cry from the audience broke the decorous atmosphere: "What about the cocaine dealing the U. S. is paying for? Ask about the cocaine project ... Why don't you ask about drug deliveries?" The protesters raised a banner reading: ASK ABOUT COCAINE, ASK ABOUT THE KILLING OF NON -COMBATANTS.

I shot out of my chair. Sen. Daniel Inouye of Hawaii, the chairman of the Senate committee, was equally shocked. "We will stand in recess for ten minutes," he rumbled.

The commercial break seemed to last a year. I paced the floor, my mind racing. It was as if the protesters had read my mind and shouted my questions at the Congressmen. Will that break the silence? Will anyone listen?

Inouye's deep, resonant voice snapped me back in front of the screen. " The hearing will please come to order, " Inouye said. "I wish to advise the audience that this panel will not tolerate demonstrations." With that, North resumed his Achille Lauro narrative. I slumped in my chair.

The third secret surfaced again on Monday, North's fifth day of testimony. Three lawyers had already asked North hundreds of questions, some a dozen times. But not until the member began their questioning did Sen. Orrin Hatch, the Utah Republican, finally ask the question.

Hatch: Okay. What about drug smuggling? There've been a lot of allegations thrown around that the [Contra] resupply operation was involved in cocaine trafficking. A news program over the weekend suggested that Rob Owen, who testified earlier, was involved in drug smuggling. Now is there any truth to that? Can you shed any light for us on that?

I jumped toward the TV and turned the sound up. This was it.

North: Absolutely false. Mr. Owen is the last person perhaps right beside me - - that would ever be engaged in those kinds of activities. And when Mr. Owen found any information pertaining to the possibility of involvement in drugs, he told me and I would tell the appropriate federal authorities. And there were several of such instances. Absolutely false, Senator.

Hatch: I believe that.

"Wait! " I shouted at the screen, instantly feeling stupid for the outburst. North's brief statement sparked a cascade of questions: Who was involved in drugs? Which federal authorities did you report to? How many times did that happen?

Hatch immediately moved on to another topic. I stood slowly, walked to the set, and clicked it off.

For seven years, I fought on the front lines of Reagan's "Drug War", trying to stamp out what I considered America's greatest foreign threat. North fought Communism. I fought cocaine. I could not shake the feeling I was trapped in a protracted Vietnam. The enemy was everywhere I turned, on the street corners of Manhattan, in the Amazon jungle of Peru, in the airy cafes of San Salvador. They were street pushers, mobsters, coca farmers, cocaine traffickers. They blended in with the civilians, who all too often supported and protected them. No matter how many of them I threw behind bars, others appeared to take their place. And the drugs kept coming, seeping over our borders in a deadly flood.

When I was posted to Guatemala in October, 1985, I knew we were playing the Drug War Follies. While our government shouted "Just Say No, " entire nations fell to traffickers' dollars. The momentum was against us. The Colombian cartels ground their home government into submission with a rain of bribes and

bullets, then sucked their American customers dry to purchase other governments: A cartel-backed coup toppled the Bolivian government in 1980; the scattered islands of the Bahamas became landing pads for drug flights between Colombia and Florida shortly after; and when Manuel Noriega turned Panama into a haven for trafficking and money laundering, it took a December 1989 invasion - - the largest U.S. military operation since Vietnam - - to drag the dictator into a U. S. court to face drug charges.

The cartels had too many men, too many guns, and too many dollars. DEA had too few. President Richard Nixon declared a war on drugs in 1971; when he died, 23 years and \$ 100 billion in drug war expenditures later, addicts in Little Rock would be plunking down five bucks for rocks of crack cocaine. From the front lines, I could see the tide turning against us as the narcotics ate their way through the country. By the end of the 1980s, a third of all robberies and burglaries in the United States would be committed for money to buy drugs. The drug crime wave would have a devastating ripple effect. By 1994, drug offenders would make up 30 percent of new inmates pouring into the nation's bursting jails, up from 7 percent in 1980.

None of this came as any surprise to me. In seven years in the trenches, I had arrested dozens of traffickers; trained anti-narcotics squads in two countries; flown aerial eradication missions; spearheaded huge cocaine busts. The drug barons barely flinched: In Peru, I watched cartel pilots playing soccer with soldiers; in El Salvador, military officers took weapons seized from the guerrillas and sold them to traffickers; in Guatemala, I discovered members of our host government running a smuggling ring for the cartels. Then I discovered the Contras' secret.

By the end of his Congressional testimony, North was crowned an American Hero. Telegrams streamed in from admirers across the country, who reached out to their new icon. I knew better.

Many of the diplomats I worked with on a daily basis in the U.S. Embassy in El Salvador regarded the hard-nosed NSC staffer running the Contra operation as "pushy and arrogant. I thought of him as the leader, whether he knew it or not, of Latin America's most protected drug smuggling operation.

The connections piled up quickly. Contra planes flew north to the U.S., loaded with cocaine, then returned laden with cash, all under the protective umbrella of the United States Government. My informants were perfectly placed: one worked with the Contra pilots at their base, while another moved easily among the Salvadoran military officials who protected the resupply operation. They fed me the names of Contra pilots. Again and again, those names showed up in the DEA database as documented drug traffickers. When I pursued the case, my superiors quietly and firmly advised me to move on to other investigations.

In Central America, the Contras' drug connection was no secret. The Salvadoran military knew. The U.S. Embassy knew. DEA knew. The CIA knew: "With



respect to (drug trafficking by) the Resistance Forces ... it is not a couple of people. It is a lot of people," the CIA's Central American Task Force chief would tell the Congressmen a month after North's testimony.

And there were indications North knew.

A Congressional subcommittee chaired by Sen. John Kerry searched North's personal notebooks and found 543 pages containing "references to drugs and drug trafficking." On many of the pages, the material adjacent to the drug references was blacked out before the pages reached the subcommittee. A few cryptic references remained, scrawled in North's shorthand:

July 9, 1984. Call from Clarridge - - Call Michel re Narco Issue - - RIG at 1000 tomorrow (Q0384) - - DEA Miami - - Pilot went talked to Vaughn - - wanted A/C to go to Bolivia to p/u paste -- want A/C to p/u 1500 kilos --Bud to meet w/Group(Q0385) [italics added]

It was potentially explosive. It was provocative. It was enough to make a DEA agent drool.

It was also enough to scare the hell out of some of our elected leaders, who knew a political mine field when they saw one. Six months before North's Congressional appearance, the Senate Iran -Contra committee pondered investigating the Contras' drugs - for - guns network. A New York Times article on January 13, 1987 summed up their trepidation: "Some senators say that any official inquiry on this topic, and how much if anything American officials knew about it, at this time would create such an uproar that it could derail the main thrusts of the Senate inquiry: to sort out the Reagan Administration's secret arms sales to Iran and diversion of profits to the contras."

They chose to ignore the issue, and when it threatened to burst into the limelight, they buried it.

A few news reports tied the Contras to narcotics smuggling, but the accusations came from the lips of convicted traffickers whose credibility was instantly attacked, or from members of Congress whose investigations into the issue were dismissed by the Administration as partisan politics. Kerry's ill - fated investigation saw its star witnesses discredited, its biggest revelations overshadowed by the Iran-Contra circus, and its final report greeted with a collective yawn by the media.

The subcommittee report sparked no public outcry, no high profile indictments. The senators, split by internal bickering, essentially peeked under the rug, wrinkled their noses, then moved on.

The American public would quickly lose interest in the Iran Contra scandal, with its complicated plot twists and vague policy questions. Had they discovered our government hired and protected a squad of drug traffickers, then gave them free passes into the U.S., the story might have ended very differently.

## Two

### Into the jungle

### Pharr, Texas – 1970

We lived on West State Street in Pharr, next to a packing shed and an icehouse. It was like a lot of struggling small towns along the Texas-Mexico border - - nobody was really rich, but nobody was homeless either. Our neighborhood, a collection of small houses crammed together with small shops, was what passed for lower middle-class, home to a good number of migrant farm workers, a few businessmen, and a variety of blue-collar types who worked the big farms and small factories dominating the area. The railroad tracks ran past our front door, cutting between economic classes as they did in about every small Texas town. The rumble of the 6 a.m. and 10 p.m. Southern Pacific freight cars framed each day.

Our life was idyllic, a series of scenes that Rockwell would have painted had he lived on the border. My sisters Diana, Melinda, and San Juanita (who was born with Down's Syndrome, busy mopping the wooden floors as I helped my father manicure the yard. Sunday services at St. Margaret's, where I was an altarboy. Sneaking into the packing shed with my friends on weekends to ride the wooden pallets, which seemed to glide over the wooden floors on metal rollers. Dad cooking burgers on the grill every Friday night, bringing back a grinning cow's head from the slaughterhouse for Sunday barbacoa.

On the border, barbacoa was a ritual. My father would wander into the yard and start dropping hunks of hard mesquite wood into the round pit he dug in the clay soil. When the mesquite burned down to glowing embers, he arranged bricks on top of the coals. Then came the cow's head, encased in foil and burlap. He

covered it with a scrap piece of aluminum siding and layers of coals and dirt. The preparations began every Saturday night at 10. By 7 o'clock Sunday morning the head was cooked. My mother would make coffee while Dad sliced the tender meat off the head and piled it up on a plate. We circled him with hot homemade tortillas in our hands.

My mother, Angelita-- everyone called her Angie, presided over a group of children as different as could be imagined. Diana, a year older than me, was high strung and energetic, a bubbly counterpoint to my moodiness. Melinda, who came along a year after me, was the sophisticated one, the little girl we called Miss Goody Two Shoes. She was always the best dressed, the most likely to succeed and fulfill her dream of attending college - - a difficult ring to reach in our neighborhood. San Juanita was the happiest. Down's Syndrome would tie her to my parents for the rest of her life, but she was blessed with an intense sense of caring flowing from a big heart. When she was happy, her whole being glowed.

Our prime entertainment was the movies: English titles for a quarter at the Texas Theater, and Spanish at El Capitan. The language was irrelevant. My family, like a lot of our neighbors on the border, switched back and forth between Spanish and English at home.

We also frequented the irrigation canals that crisscrossed the area, toting our fishing poles, hoping to snag a catfish for dinner. When it rained, we hunted big Texas frogs with flashlights and homemade spears fashioned from stolen broomsticks. We laid big nails on the railroad tracks in the evening, then picked them up the next morning, filing the flattened metal into daggers and mounting them on the sticks. My mother scolded us, but always agreed to deep fry the legs for dinner when we marched into the kitchen with our green trophies.

Somehow, I knew I would get drafted. I was so sure of it, I was ready to enlist in the Marines in the spring of 1970 to wash away the constant foreboding. Uncle Sam beat me to it. The draft notice came in a somberly official envelope, announcing I was to report to Fort Lewis in Washington State for basic training.

I stared at the card, reading the short message over and over. For a teenager living in a little border town, Vietnam was just a strange, jagged crescent on the school library's mounted globe. A senior in high school, I was just starting to think about my possibilities. Others had gone before me and died fighting the Communists, who, many learned adults assured us, were all around, waiting for an opportune moment to storm city hall and use South Texas as their beachhead to conquer America.

The fear came slowly, rocking me with waves of apprehension. Yet a part of me thrilled at the chance to prove myself, to make my family proud. My father taught me about duty and patriotism, words just beginning to erode into cynicism as the 1960s gave way to the '70s, and icons like John F. Kennedy and Martin Luther King were cut down. There was no doubt I would go.

From what we saw on the news, we all thought the war was supposed to be winding down. Nixon was pulling out troops in waves as he "Vietnamized" the war. Casualties were down by half. The number of U. S. troops in the war zone would soon drop to 413,900, the fewest since 1967. Nobody told this to the man who pulled my name out of the lottery drum.

My mother cried when the envelope arrived. The next day, she called Kika de la Garza, our local congressman, and begged him to spare me. I could hear her sobbing into the phone. "This is my only son. Who will carry the family name if something happens to him?"

My father was irate when he found out what she had done. He immediately called de la Garza and told him not to intervene.

Dad was a decorated World War II veteran, a survivor of the Philippines campaign. He lied about his age and joined the American Division - - the same division that had become infamous the previous November when news of the My Lai massacre reached the public. He still had copper in his leg where the Army doctors had wired the bone back together. The Japanese killed his brother as they tried to take Alaska. My uncle's bones remain on an icy island somewhere in the Aleutians. I would serve proudly as they had done.

We were a family of long tradition, tracing our heritage back to the Mexican revolutionary Emilio Zapata. I was baptized Celerino Castillo III after my father, who carried the name for my grandfather. My grandfather brought it from his home in San Luis Potosi, Mexico, when he immigrated in a horse-drawn cart loaded with his carpentry tools. I fully expected to bestow it on my first son.

He began and ended the discussion with his usual directness: "We come from a family that has served our country."

My father drove me to the post office in nearby McAllen, where a bus would take me to San Antonio for my military physical. He had never been one for emotional moments. He clapped my shoulder and offered his best advice. "Everything you do, do it right. "

The bus was crowded with fresh - faced recruits and draftees from the Rio Grande Valley. Some were obviously eager for the chance to expand their experience beyond the isolated south tip of Texas. Others stared ahead, looking frightened and ready to get very drunk.

I passed my physical easily. I was lean and wiry from running on the high school track team, 5 feet 10 inches and 130 pounds. From San Antonio, we were immediately flown to the Northwest. As the plane dropped below the clouds, my breath caught in my throat. Mount Ranier jutted up from the earth, shrouded in snow. I had never seen snow except on television. When the first snows covered the base that winter, the other south Texas recruits in my company were as amazed as I was. We dove into the cold white stuff, handling it, tasting it, then instinctively balling it up and hurling it at each other's heads.

We did not have much time to play. The drill sergeants kicked our butts there. Basic training became a whirl of push-ups, bad food, early morning runs and knotted muscles. In the little free time we were given, we haunted Seattle's seamy Pike Street red-light district, explored the local bars, and ducked into the theater to catch M\*A\*S\*H, which was still playing in Seattle when I returned to Fort Lewis on my way back to Texas.

The city dazzled me, although I made sure my friends didn't catch me gawking. I was bombarded with new wonders: the overwhelming greenness, the sharp perfume of the Pines, the bite of the cold, dry winds.

After basic, the sergeants hounded us through AIT advanced infantry

training. These were graduate courses for future killing machines: escape and evasion techniques in case we

were captured by the enemy; nighttime tactics with live ammunition; advanced hand - to - hand training; delicate lessons on how to plant Claymore mines and booby traps. The 15 -hour days and the intense routine left us exhausted, but built our confidence left AIT in the spring of 1971 a ball of musclebound endurance, lean and mean. I thought I was ready.

Fort Lewis, the Army sent me to non - commissioned officer school at Fort Benning, Georgia, where they rushed recruits through the system to get more sergeants to the jungle. They called it "leadership school. 1, We called it "shake and bake. " I turned down an offer to go on to Ranger school. I wanted to go to Vietnam. Most of us did - - it was the honorable thing to do. Despite the ugly turn in public opinion after the Tet Offensive in early 1968, my class still believed in patriotism and duty. The public was still deeply divided: that May, thousands of demonstrators, including veterans and construction workers, marched in Washington D.C. in support of the war, less than a month after a group of anti-war veterans buried their helmets and combat ribbons on the Capitol steps.

I was given a month back home before beginning my tour of duty. My father was visibly proud; Mom was worried sick. Her eyes carried an anguished, hollow expression that followed me throughout Vietnam. The daily body counts and the grisly war footage on the news did not calm her.

On August 29, 1971, We landed at Cam Ranh Bay, South Vietnam, after 16 hours in the air. The plane's hatch opened. Hot, damp air engulfed us. We looked around at each other, exchanging one last uncertain look before we took our first steps on Vietnamese soil and began the countdown every GI keeps to mark his time in country.

The place was intimidating, with military jets and helicopters swooping in and out like birds of prey. Everything about Cam Ranh spoke of tension and anticipation. The first things I noticed were gun towers and bunkers studding the white beach, laced with rolling coils of man - shredding concertina wire. Military Police and sentries were everywhere. This was the first stop for thousands of U.S. troops, and a favorite target for the Viet Cong. They had attacked the base during Tet and again in August, 1969, raiding the convalescent hospital with a small commando force.

The troops at Cam Ranh were still shaking their heads about the 1969 raid. The VC killed two Americans and wounded 99, before slipping back into the landscape without a single casualty. A few weeks later, they called again, lobbing mortar shells over the perimeter. The base was on alert again as I arrived: The Communists were attacking civilian targets and U.S. bases in the northern part of South Vietnam, trying to disrupt the scheduled August 29 elections. Everyone



seemed to walk a little closer to the buildings and sandbags, ready to dive at the first thump of artillery.

We were all cherries, plopped down among a collection of combat- frazzled soldiers anxiously waiting to be processed out of the country. An old bus, its mottled paint scarred and faded, carried us to the replacement center, a cavernous compound where new recruits were processed into different companies. A captain marched through the ranks with a clipboard, calling out assignments. I was selected to become a sergeant of the guard, one of the three sergeants in charge of base security forces.

I was in charge of dozens of sentries sent to man the bunkers and lookout towers. The captain obviously considered fear the best motivation. He nonchalantly told me some of the guards had been asleep when the Viet Cong sent its commandos through the lines the previous year. "You know what a sapper is, Sergeant Castillo?" he snapped. I didn't. "They're the sneakiest, most fearless enemy you will ever face, sergeant. They'll run straight at you with a bag full of explosives and take bullets until you hit something vital. The ones we've captured and use as guides can pass through razor wire in five seconds without making a sound. Those guards were found slumped at their posts with their throats slit. Now, you have a nice day. Get to work."

I saluted and returned to my bunk to try to catch some sleep before the graveyard shift began at 7 p.m. The gloomy pep talk worked. I was determined to keep everyone on their toes during my shift.

I patrolled 12 hours each night, making the rounds of the towers and bunkers to make sure the guards challenged me when

I approached. I quickly separated them into two categories. The good ones developed their instincts. They could hear me coming no matter how quietly I crept toward them. I would give them the day's code word and move on. The others saw guard duty as a pain in the ass and passed the time by sleeping or getting stoned.

I constantly caught men smoking dope on duty. .OJ'S - marijuana joints soaked in opium - - were popular among the soldiers for their mellow high. They also liked heroin, which came packed in gelatin capsules for easy concealment and use. I found soldiers shooting up heroin in the latrine, taut faces smoothing into oblivion as the drug infested their brains.

I had no tolerance for drugs. Actually, I had scarcely any experience with drugs. A few of my friends smoked pot in high school, but I never had anything stronger than a shot of whiskey or a beer.

I used the "three -strikes -you're -out system. After two warnings violators were sent to the captain, who gave them the slit throats speech, then court-marshaled them. This did not give me popularity points among the slackers. The threats began. A friend came to my tent one night, warning me about a conversation he overheard in the barracks. "They said they were going to zap

you between towers four and five and blame it on the VC. I held my M16 tighter every night after that, watching the shadows, but they never moved.

Part of the tension filling Cam Ranh came from the growing rift between the black and white soldiers. The blacks were coming into their own in America and in the military, building a new consciousness and nursing a simmering hatred for whites. The sides mingled only when they had to. As a Mexican-American, I moved in the uneasy space between the two poles.

One night, the tension blew. I was walking the grounds when shouting erupted outside the mess hall. About a hundred black soldiers were on the verge of pouncing on an equal force of white soldiers, who glared and shouted back. Some of them were waving their weapons, angry fingers on triggers.

The stark display of hatred stunned me. Prejudice was always an undercurrent in South Texas, but open confrontation was unheard of. Blacks were practically unknown in the Rio Grande Valley, leaving whites and Hispanics to achieve some kind of balance. Custom buried our tensions deep, and young Mexican Americans learned the subtle dance almost unconsciously. Only the rest room signs I saw as a child separating "White" from "Mexican" at the Enco station spelled out the racial facts of life.

Now, standing in the midst of a boiling black-and-white feud, I felt no loyalty to either side. I locked and loaded a 20 round magazine into my M-16 and rattled it into the air. An almost reverent silence followed. I put on my most menacing face. A sea of eyes behind the dust and smoke bored into me. I wanted to lash at every one of them for eating away at morale while the enemy grew stronger. I wanted to reach into the experiences of my 20 years and produce some profound truth to defuse the tension. Instead, I came off like an anxious teenager with a gun. I screamed: "You guys are all going to LBJ if you don't cut this shit out. "

That probably worked better anyway. LBJ was Long Binh Jail, where court-marshaled soldiers were sent to finish their military careers caged and humiliated. After some final posturing and parting epithets, the factions melted back into the bustle of the base. The near riot, I later discovered, started when the black soldiers claimed the white guys were getting more rations in the mess. I wondered if they would turn on each other when the enemy confronted them.

After two months at the base, I was about to find out. I had been assigned to Bravo Company, 1st Battalion, 12th Cavalry in Bien Hoa.

A chopper dropped me into the monstrous Bien Hoa air base, home to the Air Force's Third Tactical Fighter Wing and the Army's III Corps. This was Saigon's shield from the Viet Cong and the North Vietnamese Army, the closest base to the South Vietnamese capital. As I searched for the commanding officer, weary grunts milled around, eyeing me with nonchalant amusement. A few sat cleaning their rifles, others snored loudly where they dropped. With my fresh uniform and smooth chin, I looked like a kid in his Sunday best in a gang of vagabonds.

I saw no hint of animosity between these soldiers. In fact, I had trouble telling them apart. The jungle, the dank air and the grind of warfare had an equalizing effect. They were all filthy, with no insignia or rank visible on their worn green fatigues. I looked from one face to the next, wondering how long it would take before I would see the dark circles etched around my eyes.

The platoon sergeant had little time to give me the grand tour. Bravo Company had seen a lot of action against the Viet Cong, he said, fishing around his fatigues for his lighter. Lost a lot of men. He put me in charge of a squad, then rattled off the rotating schedule we would follow until we were wounded, killed, or sent home: 30 days in the bush, back to base for a few days, then out again for another round of search - and - destroy.

My squad usually had five infantry men, all privates and E4s, plus a machine gunner and a grenadier. But the most valuable member was a black Labrador retriever trained to sniff out booby traps. The lab had earned the men's respect, warning them away from a hundred trip wires and mines. The dog had its own handler, its own doggie C-rations, and an unlimited supply of water, which the troops lugged through the bush to slake its insatiable thirst. The dog was as frazzled as the soldiers, its big square head plopped between its paws as it dozed in the shade of a tent.

There was no time to make myself at home. My squad flew into the jungle the next day, part of a four-platoon rescue effort for an ARVN ranger company losing a skirmish with the Viet Cong. The rest of the squad was grumbling as we boarded the helicopter. Nobody wanted to risk their skin for the Army of the Republic of Vietnam, the "comrades" we were supposedly reinforcing. The men traded ARVN jokes and stories of bumping into retreating South Vietnamese soldiers during fire fights.

As the chopper dropped lower, I could see the tiny hole cut in the foliage. The landing zone. The pilot dropped straight down, hovering nervously for five seconds as we hurled ourselves through the hatch and sprinted for cover.

Suddenly, I was in a war. All the training, the sit -ups, the firing range practice, and hand -to - hand drills suddenly seemed to fly away, leaving me naked and numb. I broke into a running crouch, scanning the tree line for the enemy. Every branch was an AK-47, every knot in a trunk was a human face.

I heard a scream and whirled around, half expecting to feel a bullet slam into me. One of the men had landed on the stub of a small tree. The thin trunk, sharpened into a punji stick, jutted red through his uniform. One of the men scrambled to him, turned to the lieutenant and shook his head. I took a deep breath. I had seen my first combat death.

We regrouped and followed the lieutenant into the brush. We found the ARVN clustered two kilometers away at the edge of a clearing. They looked like prizefighters who knew the knockout punch was coming in the next round. A number of them lay dead or dying as medics buzzed from one wounded man to the next, slapping white field dressings on crimson wounds.

We heard the familiar whump - whump - whump coming for the casualties. The dead and wounded were quickly loaded on the ARVN helicopter. As the skids rose off the ground, a number of the ARVN soldiers suddenly bolted for the hovering chopper. I was bewildered. "What in the hell are they doing?" I asked the nearest GI. The disgusted look on his face mirrored the expression of the helicopter's door gunners, who leveled their M - 60s at their charging comrades to drive them back. The ARVN did not need reinforcements, I decided. They needed replacements.

During my first patrol, I learned to hate the OJs and needles as much as I hated the enemy. My anger flashed at the sight of heavy lidded eyes staring blankly under helmets. Soldiers were doped up all the time - - some of them got high from the minute they woke up. The officers didn't say anything. They were afraid of getting fragged. I held my tongue, but vowed to shoot the first bastard who put me or my men in jeopardy by getting stoned on patrol.

Nothing could have prepared me for the jungle. The heat was suffocating, a damp, rotting blanket covering everything with an oily sheen. Not even the pounding heat of South Texas could compare to the misery of South Vietnam. The rain came like clockwork, soaking the already damp ground until the clouds parted and the sun baked it back into the air.

My rucksack was packed with C - rations, extra fatigues, soap, toothpaste, and letters from home. I draped a towel over the back of my neck to cushion the load. I carried two bandoleers of M-60 ammunition for the machine-gunner, two bandoleers of M- 16 ammo, and six full M- 16 magazines in two pouches. We each carried sixteen canteens of water for the dog, who stopped every few minutes to slop water from a helmet. The whole load weighed 80 pounds. It was like hiking up a mountain with a 10 year -old on my back.

We began each day at 5 a.m., marching in columns with a man every five yards. I usually volunteered to take the point, leapfrogging with the dog as we picked our way through the jungle, the dog sniffing out a safe path. Nobody had trained the dog to bark when the VC were in the vicinity. Without warning, the trees would erupt with gunfire. We answered back, called in artillery, and watched as the whistling h 11 fire through the area. g s e s erupted, spreading

When I allowed my mind to wander on level ground, I thought about my father and his dimpled scars. The military declared him 100 percent disabled, but Dad brushed off his wounds and went back to high school. He even played tight end on the football team, copper wire and all. He didn't like to talk about the day he was caught in the ambush, but I remembered every detail he told me. It helped me in Vietnam.

The jungle will warn you, he told me. The birds knew the Japanese were there. He got caught in the open, yelling a warning to the battalion as the first bullets zinged past him. The gunner finally found him knocking him bleeding to the ground.

The medics counted six bullet holes in his arms and legs.

He took pride in those wounds. There was never regret in his voice when he talked about the war, even though his bronze star took 50 years to arrive. But he never could shake that ambush. Even decades later, he would become furious for no apparent reason, then act as though nothing had happened. We learned to ride through these emotional storm clouds hoping they would pass quickly.

This tradition was passed on as well. When I got home from the Vietnam, I could not sleep in a bed for weeks. My family would find me curled up in the corner of the room, my eyes flashing at them as they peeked through the door.

For the most part, the U.S. Army were inept invaders, fighting nature, fighting our enemies, fighting one another. We marched through countless thatched villages, searching and interrogating. Teenaged girls from the villages would meet us as we approached with rolled bamboo mats slung across their backs. "Beaucoup boom boom" meant for five bucks, they would take you into the bushes and let you have your way on the mat. For them, it was better than being raped when the soldiers got to the village. They became the entrepreneurs of their families, making a living off the GIs. We all got the clap so many times, the medic refused to let us rotate back to the base without a penicillin shot.

If we found weapons or tunnels, the place burned. Watching platoon sergeants kill civilians suspected of helping the VC became almost a daily event. If they found a cache of weapons, everyone near it died. The lieutenant was nonchalant about the possibility we were shooting innocents. "I don't want to know about it," he told the sergeants. "You do what you gotta do. " If the village was clean, we moved on.

The terrain didn't help, especially for somebody like me from a flat, dry place. The marches would have been exhausting enough without also worrying about getting shot. I fought through a maze of branches, muck, and leaves. I needed new boots every six weeks to replace the tattered leather eaten away by miles of mud, water, and clutching branches. I was constantly dehydrated as I marched against the dense air and tangled vegetation. Every day was a grind of salt tablets and mosquitoes, razor grass and soggy boots, biting ants and leeches.

I hated the leeches. I was convinced they were creatures sent straight from hell or Ho Chi Minh. They waited in the streams and rivers we crossed, attaching themselves to our legs and groins. Like most of the men, I stopped wearing underwear - - it chafed the skin, leaving a sweat- stung rash. We tied bandannas below our knees to keep leeches out of our crotches, but they always found a gap. They were like the Viet Cong, sneaking up quietly, hunting for exposed flesh. You didn't feel them until they drew blood.

Yet I came to love the jungle for its mysterious beauty. It was so different from the flat, dust-whipped earth back home. The jungle swallowed sounds, leaving an ethereal silence broken only by the birds and monkeys, and the lizards that seemed to call out "Fuck you. " When I awoke each morning on patrol, I could

hear the church bell in some nearby village. In time, I was at home there, attuned to its noises and dangers.

The VC snipers shadowed us, terrorizing us with exhausting regularity. My knees automatically buckled every time I heard a rifle crack, but the bullet was faster than a man's reflexes.

My first fire-fight began with a sniper's bullet snapping the back of a GI marching behind me. Everyone dropped to the turf and fired blindly, holding their shuddering rifles over clumps of grass and fallen trees. No wonder we suffered so many friendly fire casualties, I thought as I peeked over a mound of dirt. I saw a flash of skin as the VC ran into the trees. Then the jungle was silent again.

My friends died, to be replaced by new friends. Officers rotated through, some killed by enemy fire, some by their own men. A fresh lieutenant came in about two months after I joined the company, a short, skinny West Pointer with short-cropped blond hair and a self-assured attitude picked up in the classroom. He had no feel for the jungle. He led us in circles the first time out, completely lost. We slogged through the same stream four times, picking up leeches with each pass. When the more experienced men pleaded with him to turn over the map and admit he was lost, he sternly refused.

That night, after everyone bedded down, one of the men who complained bitterly about the lieutenant's stubborn ignorance crept up to his foxhole and pulled the pin on a grenade. I was in my foxhole doing guard duty on the perimeter when the grenade went off. Somebody yelled "Incoming!" but I had not heard the whistle of a shell.

Of course, nobody had seen anything.

By then, nothing shocked me. I was one of the hollow-eyed mongrels I had seen my first day at the base. Men were dropping around me, as many from heroin as from enemy fire. The mama sans in the little villages sold it to the American soldiers who passed through hunting for Charlie. They were little contraband convenience stores. Joints came in Lucky Strikes packages. Heroin was packed into Contact capsules and sold in little bags.

At first, I wondered about the thousands of colorful capsules littering the space between the barracks and the sandbagged perimeter at Bien Hoa. It did not take long to solve the puzzle. Men were shooting up in the open. Soldiers would pop open the capsule, tap the powder into a spoon, and add a splash of water or liquor. With a candle or a can of sterno from their C-rations, they would heat up the spoon until the heroin dissolved and bubbled, then let it cool for a moment and draw it into a syringe. Pumping a fist to coax an artery, they would plunge the needle through the skin and surrender.

They wandered the grounds like zombies, suddenly oblivious to the stress and commotion and fear. They were the weak ones, I thought, the boys who could not cope with the insanity and the killing. They were 19 and going mad.

There was an unwritten rule for the dopers: Don't get high on patrol. Nobody cared what anybody did to their brain on the base, but one heroin-addled mind could cost lives in the jungle. The Viet Cong did not kill the first man I watched die in Vietnam. Heroin did.

He was a well -built private, about my age, with a young wife back home somewhere in the Midwest. He had received a Dear John letter that day, just before we went on patrol. "It don't mean nothin'", "he muttered, folding the paper and stuffing it into his pack. Nobody believed him.

Some of the other guys had introduced him to heroin to take the edge off combat. After a few weeks, he was a borderline addict, shooting up whenever the stress overwhelmed him. That night, he hunkered down in his foxhole and cooked his powder into a clear, pure syrup. As he drew the liquid into the syringe, his buddy tried to talk some sense into him. The distraught private looked away and pulled the plunger back further.

The hit was too big, too pure. He started foaming at the mouth, his body stiffening in a morphine seizure. His buddy called for a medic, but he was dead before they could pull him from the hole. He wanted to die, I thought as I watched the zipper close over his face. If he didn't do it now, he would have done it later. It was natural selection, and one of the weak had been eliminated. A chopper came in the next morning and took him home.

He was the first of many I watched fall to the other enemy in Vietnam. Marijuana was a distraction. Heroin was seduction, Some soldiers simply wandered into the jungle and disappeared, We usually found them somewhere beyond the perimeter, their eyes wide and their mouths caked with dried spittle. If the medic who discovered the body decided he had been a good soldier, someone would pump a bullet in the body. The family would be told he died a hero's death, Killed In Action. If the consensus was the dead soldier had been an asshole, he would be sent home with nothing more than the needle pricks in his arm.

Every week, we sent another overdose victim home wrapped in a green bag.

I hated the powder more each day. I tried to brush off my anger, to understand why these men preferred numbness to reality. Sometimes as I marched, the face of that private from the Midwest hovered before my eyes, his expression frozen between ecstasy and anguish. His death scene gave me a purpose. If I ever left Vietnam, I would pour my energy into fighting America's drug habit. Law enforcement had always appealed to me, but now I had a cause.

To the Viet Cong, heroin was a fighting tool.

The sappers used it for suicide missions, pumping themselves full of the stuff and charging into our camps with satchel charges. They would come dashing out of nowhere, tourniquets cutting into their arms and legs to staunch the bleeding when we shot them. Like the Japanese kamikazes of World War II, they were

running to a heroic death. If they managed to penetrate our lines, they would zero in on the nearest pack of GIs and explode.

I was on patrol when the front of the column radioed a warning. VC heading our way.

The sapper came straight at my squad like a sprinter off the blocks. He was more boy than man, skinny legs churning, two bandoleers of AK-47 ammunition slapping against his chest. Several figures in black pajamas materialized behind him, racing and ducking through the foliage. They did not see us.

I raised my M - 16 and squeezed off a three - round burst at the sapper. His arms cartwheeled as he dropped. The squad opened up on the black figures, taking down two or three more before they disappeared into the undergrowth. My heart was pounding. I wanted to look, to see if I had killed him, but my rooted feet ignored my morbid curiosity. I heard a low moan. Another soldier walked to the fallen boy, nudged him with the toe of his boot, then sprayed him with his M - 16.

Standing over him, I felt a sort of sickening satisfaction. This kid and his buddies had been killing my buddies. I thought about the sniper who picked off one of my squad a few weeks before. The thought chilled me. He was in the rear and took a slug in the back. The sniper was patient, waiting for each of us to pass through his sights before squeezing the trigger. My head had probably hovered in his crosshairs for a moment. I could almost see his finger tensing, then relaxing as he waited for the next man. Now I looked into this boy's dead eyes and felt my muscles relax. My anger finally had its sacrifice.

After 30 days in the bush, we would return to base, shower, eat a slab of water buffalo steak, drink a warm beer and collapse. After my first month - long patrol, I slept for several days, drifting in and out of consciousness. And the nightmares came.

The sapper joined the macabre cast acting out their roles night after night. His face was frozen in surprise: high cheekbones, smooth skin, dark eyes. Each kick from the rifle opened a red hole in his chest. Some nights, I would watch myself die in a firefight. I would wake suddenly, shaking and damp. I was not the only victim of his subconscious. Some men could not sleep without screaming.

If I was lucky, I dreamed of home.

I would snap awake as a mortar landed in the jungle nearby with a muffled thump. " Shit, I'm still in Vietnam," I mumbled to no one. I cried for the first time since I was a child.

In my letters to my father, I told him to prepare my mother for the worst. He had survived his ambush. With each day, I became more convinced I was going to die in the jungle.

I should have died when the helicopter went down.



The Rangers were getting thumped in a firefight. We were rushing to reinforce them, with too many bodies loaded into SIA choppers. I was in one of the middle choppers, mingled in with men from two platoons. One was a big black sergeant of about 35 who was flashing a grin, almost relishing the action. He was due to process home in three days, but had decided to fly one last mission with his squad.

The pilots flew at treetop level in a tight formation, hugging the curves of a river. The men shifted with each turn watching the green canopy slide past the hatch, hoping our altitude and speed would catch the VC gunners before they could get a shot.

"Grenade!"

The explosion ripped through the men crouched in the center of the compartment, killing several instantly. A rifle muzzle had caught the pin on a grenade and tugged it off the soldier's chest. A shard caught the pilot in the back of the neck. He slumped forward, sending the chopper into a tight downward spin.

The river surged up to meet us. Several men bailed out as the chopper plunged into the water. They were shredded by the splintering rotors. I scrambled over several dead soldiers and hurled myself through the hatch a few seconds before the C4 and grenades erupted and swallowed the helicopter, incinerating the wounded.

The other Hueys circled back to rescue the survivors. There were only two of us. I sloshed from one body to the next, praying for a scream, a twitch. Then I came to the black sergeant, lying on his back at the edge of the river. He looked unhurt. Maybe he's just gone into shock, I thought as I grabbed the front of his fatigues and heaved him out of the coppery water. Suddenly, the nausea came. His face was just a mask - - the back of his head was missing.

The company assembled in loose formation, wondering why the captain had summoned us from our dens. It was January, 1972, the middle of the monsoon season. We had just concluded another grueling, month-long tour in the bush. Nobody wanted to spend another second in the downpour without a damn good reason. The captain considered us for a moment, then asked for volunteers for special operations in Cambodia. Before anyone could react, he spat out a disclaimer: "If you get caught out there, as far as the Army is concerned, you were never there. "

A half dozen of us volunteered. After the helicopter crash, I had prepared myself to accept death, so I charged it head-on.

The VC and NVA used Cambodia as a hideout, knowing we could not pursue them over the border. The Army did it anyway. We were a trained six-man sniper team, picked from different companies. We were sent to kill village organizers

and enemy leaders. It was bi-national cat-and - mouse, with both sides ignoring political boundaries to slash at the other.

My team moved at night. A chopper would drop us across the Cambodian border a few kilometers from the target. Army Intelligence gave us the coordinates of villages helping the VC. We traveled light, humping through the jungle with our M - 14 sniper rifles. The target villages were usually surrounded by a thick wall of foliage, providing us the perfect observation nest. I remember watching the villages stir to life with the first rays of day, church bells chiming, livestock yapping and grunting in disagreement.

Now it was my eye framing bodies in the crosshairs. My vigil lasted all day, as I became familiar with the community's rhythms. We were close enough to hear their voices, trilling in a strange tongue. By late afternoon, we knew who issued the orders. Those were the ones who died.

The rifle would kick, the spotter would call out the result, and we would retreat into the jungle's webbed arms as the first shouts echoed through the village. Sometimes we chose two targets, shooting simultaneously when the spotter dropped his arm. We never missed.

The escapes were pure adrenaline. Once we almost barreled into a company of NVA as they passed down a jungle trail. I did my best to become one with a thick bush, ignoring the ants crawling inside my fatigues for a free meal. The NVA soldiers swaggered by, talking and whistling just 15 yards from us. I could almost make out the color of their eyes. For once, I was glad to be in Cambodia. The NVA were completely at ease here. This was their territory.

Usually we saw no one. After a kilometer or so, we could relax and wait for the night to sweep into the trees. They would return to the designated coordinates to steal us back over the border before daybreak.

Officially, it never happened.

I worked in covert special operations for the remainder of my tour, bobbing in and out of Cambodia at least ten times between January and April, 1972, for the First Cavalry. I learned to obey my instincts. They had to be coaxed to the surface, but they never misled me. A twinge would warn me away from danger.

Strangely, I cannot remember the names of my friends in Vietnam. I recognize the men whose pictures are on my walls and in my photo albums - - one was Panamanian, another was from North Carolina, another a Puerto Rican from the Bronx. We exchanged addresses, but nobody called or wrote. Somewhere between Bien Hoa, Cambodia, and home, my mind erased some of the details and left me with only lingering images. I left it all behind, even the bayonet I had taken off the sapper I killed.

Nixon was bringing home more and more GIs, dropping troop strength in Vietnam below 100,000 for the first time in more than six years. My tour was cut short by four months. As I left the firebase, I took the traditional "freedom flight," perched on the skid of a chopper with a smoke grenade hissing from my boot as the pilot circled the perimeter. My buddies were clapping and cheering. Others looked at me dejectedly. It was April, 1972, eleven years after President Kennedy began sending troops to Vietnam. President Gerald Ford would not declare the conflict finished until three years later.

I was going home. Alive.

# Three

## Homecoming

### Pharr, Texas - 1972

My transition back to civilian life was rooted in silences. The first was on the plane leaving Vietnam, a taut, ominous quiet as soldiers sat shoulder-to-shoulder in the jet, sharing an unspoken fear. Fingers dug into armrests. The flight crew was somber. There were no jokes, no happy chatter from the uniformed passengers as the engines whined to life and pushed the liner down the tarmac. Everyone on board knew the Viet Cong liked to salute departing GIs by blasting their planes out of the sky. The silence tightened around us as the plane accelerated and lurched into the air.

When we reached 33,000 feet and leveled off, the compartment erupted with cheers and applause. We were safe. "Next stop, the Philippines," the flight attendant chimed. After stops in Hawaii, Washington, and San Antonio, my last flight swooped over the flat, familiar patchwork of home.

Then another, more familiar silence. My father was at the gate in McAllen's tiny airport. As I approached, he searched my eyes, saying nothing for a few moments as we studied one another. Some of the soldiers around us were locked in bear hugs with tearful parents and wives. Not my father and me.

He was always a quiet, simple role model: President of the PTA, a 10-year school board member. He worked hard, as if his next paycheck would have to sustain the family indefinitely. My first memories are of my father in a Pharr Police Department uniform and a badge, patrolling the narrow, pitted streets lined with small frame houses and flat-faced storefronts. He later traded the uniform for a suit and a bigger paycheck, working

behind a desk in the county tax assessor's office before finishing his career as an immigration law consultant for a local law firm.

My father greeted me with his usual composure, an old officer afraid to reveal his feelings to his favorite recruit. In my freshly pressed dress uniform, I felt like the little boy he used to dress in a military uniform and play soldier with. If anything, Vietnam had hardened me into a younger version of him: Disciplined, driven toward perfection, frugal with my thoughts and emotions.

Finally, he broke the silence: "Did you see a lot of action?"

"Some. "

We walked to the car.

When we pulled into the driveway, the front door opened as I cut through dad's manicured lawn to the house. My mother stood in the doorway with my grinning sisters in a cluster behind her. She looked at me for a warm moment with tear-rimmed eyes, then wrapped her arms around my neck and kissed me. Her perfume enveloped me. I was home.

Diana and Melinda peppered me with questions about Vietnam, most of which I evaded. But San Juanita was the most excited to see me. She bounced and hugged me, squeezing the breath out of me. She had not understood what was happening until I left for Vietnam.

My mother insisted my father drive us straight to "San Judita" - the St. Jude Thaddeus Shrine in Pharr, where she had maintained a vigil since I left for Vietnam. "She was at San Judita every day you were gone to pray and light candles," Diana whispered to me as we drove. "Sometimes she woke me up in the middle of the night and made me drive her there to pray. She would forget whether she had gone earlier in the day. "

We walked silently over the winding brick paths toward the massive open-air altar. I drank in the scent of the magnolias, listened to the whispering palm fronds towering above St. Jude's sculptured gardens. After months in the jungle, the feeling of order and safety enveloping the shrine was almost overwhelming. As we knelt on the worn pews, I saw my picture on the altar, lit by flickering candlelight. There were other photos pasted and taped around it. The serious faces of young men in uniform stared back at me. I said a silent prayer for them.

Our family was always very religious. We were fixtures at St. Margaret's Catholic Church in Pharr, where I attended Catholic school under the sharp eyes of German nuns who seemed to glide over the ground in floor-length habits.

I smiled to myself at the memory. Catholic school. The nuns. The endless prayers. The musty closet where I was once locked up for misbehaving. Catholic school and I never agreed. I made it to the third grade.

I was expelled along with 16 other boys who finally tripped the nuns' trigger tempers for the last time. The nuns declared me a borderline incorrigible years before, branding my misdeeds into my palms with their rulers.

Naturally, the final incident began with a dare. My co-conspirators and I had puzzled over the same mystery Catholic students everywhere were dying to solve: what do they wear under there? Being the borderline incorrigible in the group, I snuck up behind a tall, black figure - - a stern-faced, blue-eyed nun we called Sister Sana - - grabbed the bottom of her habit with both fists and

heaved. For a fleeting glimpse of Sister Sana's cotton bloomers, we were banished to public school forever.

Despite this smudge on my record, I was considered a decent kid by most adults. I was a Boy Scout in Lorenzo Garcia's troop 262, an altarboy at St. Margaret's, and a bit actor in school plays. Public school suited me better, anyway. I felt I was actually learning something useful, rather than wasting the day reciting prayers in a squeaky counterpoint to the nuns' devout voices. Now I was home safe, ready to give thanks. I learned the value of prayer again in the foxholes, longing to join the villagers when their church bells sang each morning. I was ready to pray now. St. Jude stared down at me placidly, wrapped in his gold trimmed robes and clutching his staff. The cavernous shrine, a gray stucco arch where thousands of pilgrims had silently rubbed rosary beads, glowed with the muted light of a hundred white candles. We stopped at the pew and kneeled as a family again, bowing our heads. My mother cleared her throat, breaking the spell as she led us in prayer: "Gracias a Dios, por entregar me lo todo completo. " Thank you, God, for bringing him back to me in one piece.

By the time the waitress slid a huge steak in front of me at the restaurant an hour later, I was convinced I was dreaming. Real

beef. Real ice cream. My mother, my father, my sisters talking happily around me. Cloth napkins. At any moment, I expected the whump of a shell to wake me up back in Vietnam, shaking and alone.

I lived in my old room at home for a year. The family routine had not changed. It was as if I had walked out the front door one day, then come through the back door the next. My mother still cooked flour tortillas every morning, my sisters still wore the dresses she fashioned from the floral - print flour sacks, my father still trooped to the slaughterhouse every Saturday for his grinning cow's head. And that first night home, the 10 o'clock Southern Pacific rattled down the tracks as I pulled the blanket from my bed and tried to find a comfortable spot on the floor.

The bronze star came a few weeks later. It expressed my country's gratitude for some unnamed gallantry performed in the line of duty in March, 1972. I knew it was for something I had done with the sniper team Cambodia. My father refused to believe me when he pressed for details and I responded with a blank look, then replied, "I'm not sure."

Slowly, my life began to find the well-worn groove I left behind. It never fit perfectly again. That summer, I enrolled in criminology courses at Pan American University in Edinburgh, a short drive from home. I looked up a few old friends, but found we no longer had anything in common. I drove around town, looking at the same buildings and streets and faces with new eyes. I dated a few girls, but never got serious. I was 22 years old and had my life before me. I was taking nothing for granted.

I became a loner, seeking out other Vietnam survivors. I joined the Army Reserve, then the National Guard, where fellow vets congregated, sprinkled among young men finishing the six-year stints they started when the shadow of Vietnam loomed over them. For some reason, I had to remain a soldier. It would be four years before I could let go and quit the Guard.

Before long, all my friends were veterans. They were the only people who understood. At home, I brushed off my family's lingering questions about the war with vague answers until they surrendered in frustration. With fellow vets, I could remove the veil and talk about what I had seen through the crosshairs.

I did not consider myself scarred by Vietnam. I was proud to have served my country. I paraded around campus in my fatigues, strutting like a gang member in his colors, my dappled green fatigues blending into a growing throng of student/ veterans.

There were hundreds of Vietnam vets on campus, like me, taking advantage of the GI bill. Without it, most of us could never have dreamed of a college degree. With boots and backpacks, we roamed the place like a veterans' mafia.

I joined the veteran's organization at Pan American and became part of its student government ticket. My interest in politics was minimal, but with an eye on a law enforcement career, I ran for the attorney general seat. I won easily. The job was a natural for me. I was the campus election officer, enforcing election codes, making sure the candidates followed the proper procedures, and sitting in on the occasional campus meeting to see that parliamentary procedures were honored. I also threw my limited clout behind student body president Eddie de la Garza, who would later become a state representative, to fight for more student loans and scholarship money.

The anti-war movement never really took hold in the Rio Grande Valley. We read about the protests in Washington and other distant cities with astonishment. The Valley has always sent more than its share of young men to fight for America. When American troops fired shots anywhere in the world, the Valley wore its patriotism on its sleeve.

The most overt anti-war demonstrations came from the brown berets, members of La Raza Unida who gained most of their Chicano power from the farm workers. They despised virtually anything Uncle Sam did, staging marches to take their case to a largely indifferent public.

I spent that summer rebuilding my life, carving an island of serene sanity for myself as I pushed Vietnam memories to the furthest reaches of my mind. In time, they came only at night. I

attended class by day, and at night I worked the 11 -to-7 shift as a dispatcher for Edinburgh Police Department -- my summer internship.

I worked like a demon and landed a permanent dispatcher job the following summer. I was on a mission. When I was forced to choose between work and school, or sleep, or women, work always won. It was expected.

As a teenager, I became a workaholic in my father's image. If I wanted school clothes or a car, they came out of my pocket. With work scarce for Valley teens, I looked north. Each summer starting in junior high school I boarded a bus to Chicago, where I worked in a restaurant called The Coffee Shop my aunt Bea Cerrato managed in O'Hare Airport. We were up at 4:30 every morning, trudging into the restaurant to the smell of the day's first pot of coffee. I bussed tables, washed dishes, and helped out in the kitchen. During the school year, I worked stocking shelves for minimum wage at the Winn's department store ten miles away in Hidalgo, a little town hugging the Rio Grande.

As 1974 melted into 1975, everything was coming together. I drank in every detail of my criminology lectures, figuring how to apply my lessons to the streets when the time came. I paid particular attention to any mention of drug laws. When I became a federal agent, they would be my weapons.

In January, 1975, after six months as a dispatcher, I jumped to a patrol car. I was 25 years old. Becoming a cop seemed natural after being a soldier. I loved the discipline, the order. My father supported my decision, watching my progress like a man gazing into a time warped mirror. My mother, as I expected, could not understand why I sought out such a dangerous job after surviving the war. She could also see my father's blood pushing me along his footsteps, and it frightened her.

After training with a veteran officer for a few days, I was alone on the streets, taking the next step toward what I hoped would be a career cracking down on the drug trade.

I bought into the image of a Texas cop: Spit -shined boots, a nickel -plated .357 magnum pistol tucked into a holster on my hip, and a lead foot. I was determined to be the most aggressive cop the department had. I considered it a personal failure if another officer beat me to a crime scene, no matter what part of town. More often than not, the first badge the victim saw was number 122.

There was a reason the older cops took their time. The job quickly became mundane. We worked small town crime: burglaries, mostly, with a steady flow of auto accidents, speeding tickets, and drunk husbands beating their wives and kids. My Vietnam instincts helped. On burglary in progress calls, I parked a block away from the address and crept toward the house, just as I had done with the guards at Cam Ranh Bay. Running over level ground with nobody shooting at me, it was almost easy. It got to the point where I could catch them in the house, still picking through the valuables.

Still, I enjoyed my work. The Valley was a quiet, conservative farm belt, studded with endless rows of citrus trees, onions, cotton, cabbage and other cash crops thriving on the rich alluvial deposits from the Rio Grande. Gangs, murders and drug abuse were almost unheard of. The sparkling sands of South Padre



island were a short drive to the east, where salty winds swept over the Gulf of Mexico to beat back the relentless heat. My father and I spent many mornings hip-deep in the shallow bay between the island and the mainland, casting for speckled trout and redfish. In the autumn, I pulled on my fatigues and picked through the cactus and mesquite, hunting dove. In the winter, I stalked white-tailed deer. Valley life was nothing exciting, but it was the kind of place where you could raise a family.

The weeks and months blurred into one another. Watergate, the Paris agreement ending the war, and the fall of Saigon in 1975 all slid by like summer clouds, casting a brief shadow before blowing away.

Then I met Noe on a warm night in Reynosa, the sprawling Mexican city across the river from McAllen. When she walked up to me and introduced herself, I recognized her immediately. Noelia Rodriguez worked at the Sonic on University Drive in Edinburg, a drive-up burger stand popular with cops for its cheap burgers and chili dogs. I stopped there occasionally for dinner as my shift started, calling my order into the little speaker, and then watching Noe hop from car to car filling orders. She had a delicate face and beautiful auburn-tinged hair, short and straight, with the creamy brown skin we called "perlada." When we bumped into one another at the Reynosa nightclub, I immediately asked for her phone number. The next day, I called and invited her to the movies.

She was 17 when we started dating. Her parents hated the idea of their daughter dating a cop, but Noe refused to listen. She was a head-strong, take-charge girl. We saw each other every chance we could, catching movies at the PanAm Drive-In across from campus, lazing on the beach or dancing at The Rose Monaco, a local disco. Before I realized it, I had stopped seeing other women. I was in love for the first time in my life. We were nearly inseparable for the next two years.

Shortly before I met Noe, the department promoted me to CID - the criminal investigations division. I became a detective sergeant, with a dramatic increase in my workload to go along with the jump in rank \* Patrolmen can go home at the end of a shift; investigators work around the clock. I would arrest someone at midnight, then drag myself into court early the next morning for the arraignment. The criminal would get a few hours of sleep in jail. I didn't. Although I missed the instant gratification of patrol, I appreciated the meticulous work of picking apart a crime scene. We were jacks of all trades, experts in fingerprinting, interrogations, photography, and interviewing witnesses.

Even better, the promotion gave me a chance to go after dopers.

Marijuana, cocaine, and heroin - - the big three at the time roared through Edinburg every day on their trek north. The city straddled U.S. Highway 281, one of only three routes out of the Valley. It was also the most direct route from the Reynosa, Mexico, area to San Antonio, Dallas, and the rest of

America. From time to time, the dispatcher's phone would ring with a tip about another shipment headed from Mexico. We would jot down the license number and the time the load departed and lie in ambush.

If it sounded like a major load, we called in the drug cavalry. The Texas Department of Public Safety and the local Sheriff's office both had effective drug units, but I leaned toward the Drug Enforcement Administration, a relatively new federal agency created specifically to stop the kind of senseless death I had witnessed day after day in Vietnam, and was beginning to see in my hometown as the traffickers fed and expanded their small clique of users.

Whenever I got a tip on a big load, I called Chema Cavazos and Jesse Torrez at the DEA office in McAllen. In exchange, they let me work the case with them. Both were senior agents: Cavazos, a former Customs officer who was now a DEA group supervisor, was light skinned and heavy- set with thick glasses. Torrez was dark complexion and slim, with short, wavy hair. Both wore guayaberas, the open - necked shirts favored by many men in the hot climate, which gave them the look of a border Laurel and Hardy team. They seemed eager to work with a young local police officer who showed an interest in their work. I had more than a passing interest. I wanted to jump to the DEA as soon as possible.

Working drug cases in Edinburg did not require much creative detective work. There was one major hotel, the Echo, where most of the out-of-town traffickers conducted their business. We spent many nights in the parking lot, watching them come and go as we waited to get enough evidence to pounce. We knew who most of them were, anyway. The drug network in the Rio Grande Valley was small, as were the amounts transported. Two hundred pounds of marijuana or two kilos of cocaine was considered a big seizure. Ten years later, seizures that size would become routine.

By then, I had a good network of informants throughout the community. I spent a lot of time on the street where people could see and talk to me. It was a simple arrangement. They were typically ordinary citizens with knowledge of drug activity, and a strong desire to rid their community of it. When they learned of a shipment, they called me and I arrested the dopers. No money changed hands. I kept my part of the bargain by simply keeping their identities secret.

Working on the border meant dealing with the Mexican police. Cavazos and Torrez were experts. When my informants fed me information about a load coming over the river, they immediately called the Mexican federal police and set up an appointment.

Crossing the bridge into Reynosa left no doubt you were leaving the United States and entering Mexico. The narrow

streets of old Reynosa zigged past rows of low slung stucco and concrete block houses.

On the weekends, tourists and teenagers streamed across the river to fill the gift shops, liquor stores, and bars crowding the Zona Rosa a few blocks from the bridge. Wherever they went, they attracted a scraggly train of hawkers and children selling gum. They also attracted the police, a largely corrupt network of squads who saw tourists as an easy target for bogus traffic stops and extra cash.

The Mexican federales were a bunch of cowboys, no discipline whatsoever.

The first time I trailed the DEA agents into the Mexican feds' office, they invited us along on a raid. It was my initiation into their version of border drug enforcement.

The raid was a controlled delivery. The federales waited until the load of hashish reached the target house, owned by a customs broker across the bridge in Hidalgo. We burst into the house, - the Mexicans forced the seven men inside to the floor. They cracked the top off a wooden crate containing the hash, smiling to each other.

The federales suddenly turned ugly, kicking and punching their captives mercilessly. I looked at Cavazos with an incredulous expression. He held up a silent hand. We were their guests.

One of the federales called to a little boy in the street-' handed him a rumpled handful of pesos and said "Bring me a six pack of Topo Chico. " The boy looked at him for a moment. I looked at Torrez, wondering why the Mexicans were ordering mineral water in the middle of a bust. He offered no clues.

"Hot or cold?" the boy asked with a quizzical look.

"It doesn't matter. Go! "

By the time the boy returned with the bottles, the suspects' hands and feet were tightly bound. The federales led them hopping into the courtyard behind the house, then separated one from the group and positioned him below the ceiling beams jutting from the side of the house. One of the officers heaved a rope over the stout beam, quickly threading the other end through the man's bound feet.

Two of the Mexican officers grabbed the dangling end of the rope and grunted, yanking the squirming prisoner upside down until his head swayed three feet off the ground like a pendulum. I glanced around the group. The captives were wide-eyed and silent. The Mexican police smiled coldly. Nobody in the street could see what was about to happen behind the high walls of the tiny courtyard. The officer who had ordered the water swung the dangling figure toward him, squeezing the man's head between his knees so he could not move. He popped the top off one of the bottles, shook it vigorously with his thumb over the

opening, then shot the foaming soda down the suspect's nose, where it burned its way into his sinuses.

The federales looked at one another with sardonic smiles as the man choked, writhing in pain. The water ran from his nose and mouth. He moaned, "Please don't kill me."

The questioning began. "Who does the hashish belong to? Who imported it for you? What was its destination?" The hanging captive cooperated fully, as did most of his comrades. The two who decided to keep their mouths shut received the same treatment. They talked too. They were all locals, traffickers who ran hash and marijuana across the border by bribing customs officials at the bridge.

After a few trips to Mexico, I realized torture was standard police procedure with dopers. The unlucky and the uncooperative were hung from a beam, doused with water and jolted with a battery powered cattle prod, which buzzed menacingly before biting into their damp skin. The police called it "chicharra. " The cicada.

I applied for a job with DEA in 1977, almost immediately after receiving my criminology degree from Pan American. The agency had not hired anyone from South Texas in years, I was told, and to make matters worse, the government was in the midst of a hiring freeze.

I had almost forgotten about the application when the call came, nearly three years later. I was told to report to San Antonio to appear before their board for an oral exam. Several hundred applicants were vying for a couple of spots with the agency, I discovered as I sat nervously outside the conference room. About 30 of us had been chosen to take the oral boards, including several other Mexican - Americans. Rumor had it DEA was under pressure to hire more Hispanics. That did not make me feel any better.

I never liked quotas. I just wanted the chance to compete equally with everyone else. Some of the other hopefuls compared notes

I was flying by the seat of my pants, hoping my military and police background would give me an edge.

Chema called a few weeks later, on New Year's Eve, 1979 with the good news. I rushed to his Edinburgh office, where he swore me in at his desk. There were no trumpets blaring, in the ceremony, but in my mind, my real drug war had begun.

In the weeks before I was to enter DEA school in Washington DC - I threw myself into my new job, once again trying to be the first cop at the scene. I was quickly given the opportunity to prove my dedication.

One of the agents approached me in the office with a manila folder.

We've got a case you can help us with. We've been watching a guy from Edinburgh for a while. Looks like a trucker turned trafficker, and he's getting big. He's been picking up heroin and cocaine in Las Milpas, then taking it to Chicago in his trucks. I was eager to get to work.

"What's his name?" I asked.

"Martinez. He's your girlfriend's stepfather. "

My stomach lurched. Noe never said a word to me about her stepfather being involved with narcotics.

I confronted Noe the next day. She spilled the entire story almost relieved to shed her burden. She said her stepfather was' freebasing cocaine, becoming more paranoid and abusive. He thought he was being watched, so he pulled Noe, her mother, and her sister into his web, insisting they drive to Victoria, 240 miles away, to pick up bundles of cash. On another trip, he told Noe and her sister to drive to Illinois with a load of contraband. Her sister concealed the package in her clothing until they reached the buyer's house in Peoria.

"Why didn't you come to me?" I asked.

"He said if he was busted he would invent some story and have us thrown in jail too. "

I was livid. Noe never even took aspirin for headaches, much less used drugs. Her stepfather had been running heroin and coke for years, she said. His illicit sideline became the family's darkest secret. They were trapped by fear and shame.

I wanted to take him down myself. I could not fathom a father involving his own wife and stepdaughter in trafficking. I called the office to explain the situation.

Although I built the case against Noe's stepfather, my fellow agents insisted on keeping my name out of the reports, explaining DEA rules prohibited agents from working cases involving their loved ones. I was nervous about the whole investigation: I had no intention of getting fired after my first month. My boss reassured me and asked me to keep feeding information to Bobby Clark, the agent in charge of the investigation. Clark continued writing his reports as if he were receiving the information directly. My eagerness would come back to haunt me.

In the end, Elias Martinez was betrayed by the family he betrayed. He was arrested, jumped bail, and became a fugitive, never suspecting Noe and her mother had brought the DEA to his door. In fact, he called them from his hiding place. A few days later, he was arrested in Victoria and delivered to prison.

I was ready to pack my bags for DEA school immediately. The longer I worked in McAllen, the less I liked what I saw.

The McAllen office had fractured into two cliques whose members tolerated each other in good times and refused to speak in bad times. One formed loosely

around Chema Cavazos, the other around an agent named Terry Bowen. I was amazed at the depth of the resentment in the office, something I never sensed as an outsider working with the agents.

I was also shocked at some agents' disregard for some of the basic street rules I learned behind a police badge. They frequently burned their informants. I watched in disbelief as agents busted traffickers just minutes after the informant had made the buy, rather than waiting so the dooper could not put two and two together and figure out who had snitched on him. Patience was a vital tool in drug busts: Informants were too valuable to bum, and there was always a next time.

Sometimes the operations degenerated into pure comedy.

I was with Cavazos and his group one night as we set up a perimeter around a K-Mart parking lot. Ten of us sat quietly in our vehicles, waiting for the undercover agent to make the buy Cavazos had orchestrated. Everyone was in position, waiting for the dooper to arrive when Cavazos jumped out of his car and jogged across the parking lot.

I squinted through the darkness and saw a familiar face. Then two. Three. They were agents from our office, sitting in their vehicles and squinting back at us. I looked around at the other agents in my group, who returned my puzzled expression.

Everyone met in the middle of the parking lot as Cavazos hunted down the other group's supervisor.

"What the hell are you doing here?" the supervisor asked Cavazos.

"Buying. What are you doing?"

"Selling. "

We had set each other up for a bust, two groups of DEA agents, ready to arrest one another as dopers.

DEA school in Washington D.C. was boot camp all over again. Fifteen weeks of running every other day, climbing stairs ' shooting at silhouettes on the firing range, boxing, and whacking each other with padded sticks. In the classroom, we crammed like college seniors on federal drug laws, surveillance techniques, report writing, undercover work, and all the minutiae of being a soldier in the escalating drug war.

Some of the instructors wanted me to quit. They never said so directly, but they did not have to. Their eyes and voices revealed their true feelings: I had seen the same lightly masked disdain in the eyes of some of my teachers in the Valley, and again in the Army. I could sometimes overhear the instructors talking among themselves, punctuating their gripes with "goddamn Mexicans. " There were several other Hispanics in the class, all receiving the same unspoken messages.

Extra laps for no apparent reason. Sudden orders to drop and do push - ups. A surly undertone when we were addressed. A couple of them dropped out in disgust.

It didn't bother me. I was in still in good shape, and the Army accustomed me to racist drill sergeants with volatile personalities. A few extra push - ups were a small price to pay for a DEA job. I finished, standing proudly with the class at the graduation ceremony as Kika de la Garza, my hometown Congressman, watched from the audience. I was ready to prove myself.

Just before graduation, my DEA counselor called me into his office. The agency was sending me to New York City for my first assignment. "Are you sure you have the right Castillo?" I asked, thinking he had confused me with the other Castillo in our class. He showed me the papers.

He launched into a speech about what a wonderful opportunity I was receiving from the agency. I was skeptical. There were a dozen places I thought I would be assigned, but New York was nowhere on the list. My counselor smiled, his eyes searching my face for a reaction. I had my marching orders. I shook his hand and swallowed my doubts.

Back in McAllen, I spent every spare moment with Noe, promising her I would come back. I had no intention of letting her go. Just before I left town, one of my informants called with information about a two kilo cocaine deal about to take place at the Hilton. I reached for the phone to call my office, then set it back in the cradle. I did not trust them. I found the number of a DPS narcotics agent I knew would protect my informant.

I hoped things would be better in New York.

# Four

## The Planet Manhattan

### New York City - 1980

I hated New York immediately. After landing at La Guardia Airport, I took a taxi through choking traffic to a hotel in Queens, where I would live until I found my own nook in the concrete canyons. The next morning, my first crowded subway ride took me to 555 West 57th Street, where the DEA office was located in the Ford Building. In less than a day in the big city, I was overwhelmed. Not even in Vietnam had I felt so lost and alone. Nobody seemed to give a damn about anyone else as they elbowed their way through the throng. Every blaring car horn and sour glance reinforced my aversion to the city I did not want to work. I wanted to go home.

I had asked to be assigned somewhere with a large Mexican American community, where I could put my language and cultural knowledge to work. Instead, I was going to be the first Mexican American in the DEA's New York City Division Office. I was like a lost child, gawking at the towering landscape as I approached the office on the west side of Manhattan, a block from the Hudson River.

The people crammed into the elevator gave me a peculiar look as I pushed my way inside. The men wore shirts and ties, the women skirts and conservative blouses. It was the dawning of the Reagan era: The federal government was Republican territory again. I looked like a Carter holdover in my best boots, a straw cowboy hat, and jeans. I locked my eyes on the doors until they parted.

The receptionist directed me to the office of Jeffrey Hall, the supervisor for Enforcement Group 6. My new family, I thought sarcastically. He invited me into his office with a college boy's smile and a firm grip. Hall was a Harvard graduate, a short, baby-faced former collegiate wrestler who looked like he got lost on the way to the dorms. He wore jeans, tennis shoes with no socks, and a maroon Harvard T-shirt with a hole in the side.

I looked around the spartan office for a moment. There were no plaques or photos on the walls. The office contained little more than a desk and window looking out on the city.

Jeff got straight to the point. "The first thing you have to do is get rid of that hat," he said. "The only people who wear cowboy hats here are queers." Something inside snapped like a brittle twig. I tossed my badge and my gun on his desk. "I'm quitting. I'm going back home. "



He cocked his head and studied me for a moment, then rolled his eyes toward the window. "Why?"

"This is New York City. What the hell am I going to do here? I've got no relatives, I've got no friends..."

Jeff squinted at the skyline again. "I'll tell you what. Take off. Go find a place to live, and come back when you're ready to work. "

I suddenly felt ridiculous. I sheepishly collected my belongings from his desk. "Shit, you're right. I've come this far. I guess I'll give it a try. "

For days, I walked through Queens, trying to find a studio apartment I could afford on my small salary. I finally found a matchbox apartment on the top floor of a brownstone near Shea Stadium. I took it without even inspecting it. It was not a wise decision. I could have fit the entire \$600 - a - month apartment into a garage and still had room for my car. The kitchen was barely large enough for one person. My legs almost stuck out the bathroom door when I sat on the toilet. I moved in my few belongings: a small twin bed, a small TV, a dining table with four wooden folding chairs, a few dishes, and my clothes.

I immediately called home, longing for a familiar voice. I told my father of my urge to flee the city. He sided with Jeff, using his stern officer's tone. "You worked so hard to become a federal agent, and now you're a federal agent and you're going to quit? You go out there and try, and if you don't like it, then you come home. There was no discussion.

As I hung up, the building shook. I threw open the back window and watched the tail of a Long Island Railroad train disappear down the tracks. I groaned. The trains rocked the room every hour for the rest of the night as I stared at the ceiling, trying to fight my anxiety, trying to sleep.

A week after our first meeting, I knocked on Jeff's door. He studied me with an approving nod. I had swapped my boots for; tennis shoes and stuffed my hat in the closet.

"Are you ready to go to work?" he asked with a boyish grin.

"Yeah. I guess I am. "

DEA's New York office was the largest in the country, with nine enforcement groups, an intelligence section to keep us patched in with other parts of the country, and a task force made up of DEA agents, New York Police Department narcotics agents, and state police. I was impressed. We had a seemingly unlimited supply of money for surveillance, undercover work, and busts. We had a huge network of talented informants. Our bosses wanted to prove America was winning the drug war. I wanted to help prove them right.

The 15 or so agents in our group were known as "Jeff's Raiders," a nickname that reflected Hall's reckless abandon. The other group members considered

him an agent's agent," the highest compliment DEA grunts can give a supervisor. They also considered him certifiably nuts, swapping stories of Jeff storming into buildings, taunting drug dealers, and otherwise ignoring good sense. I found him odd at the very least, breaking off a thought in mid-sentence, then glancing around the room as if I had suddenly become invisible. But he was one of the most intelligent people I had ever met. He had a prejudiced streak: Jeff did not like female or minority agents. I think my work ethic impressed him. We were both workaholics. So we became friends.

It took me six months to get over the culture shock of New York. I spent my first few weekends alone in my apartment, running up the phone bill with lonely calls to my family and to Noe, whose voice magnified my urge to go home. During one late-night conversation, a light clicked on. I realized then I wanted to marry her, as soon as I could. Meanwhile, I was trapped in a tiny box inside a steel maze. In time, I surrendered to the city. I took my new DEA car exploring. On Sundays, I ate breakfast at some small diner, or treated myself at the Tavern on the Green in Central Park, then basked on the grass with The New York Times. After a movie in Manhattan, I would drive home to Queens. As I became more adventurous, I caught Broadway plays, sampled Radio City Music Hall, and watched movie stars flash into theaters for world premieres.

I slowly made friends and developed the love-hate relationship with New York so common among long-time residents. I learned to drive like a predator. I went to cop bars and cop parties with Puerto Rican and Cuban friends from DEA and NYPD. I fell in love with the food: Cuban dishes at Victor's Cafe in Manhattan, Puerto Rican feasts at a hundred little neighborhood cafes, real Chinese food in Chinatown. I went to the same little deli every morning for a fresh ham, egg and cheese bagel sandwich. I even learned to like coffee.

My first partner, Louis Diaz, was famous in New York law enforcement circles for his role in busting Nicky Barnes, Jr., "The black Al Capone." Barnes was the biggest doper in Harlem before Diaz helped send him away for life. Diaz was a jumble of contrasts: He was a gentleman, raised by Spanish parents in a tough Brooklyn neighborhood, who went on to roam the streets armed with a psychology degree and an impressive amateur boxing record. He taught me how to think, talk, and dress like a New York agent. I settled into a rhythm, driving to his house every morning for bagels and eggs with his family before we set out for my next on-the-job lesson.

After a few weeks, when I learned enough to survive on the streets, Jeff's Raiders welcomed me into their fold. I wanted to see if the group fit its swash buckling nickname. For weeks, the other agents tried to make me squirm, shaking their heads sullenly when they learned I had become a member of Group 6. "I hope You've got good insurance" one agent said with sarcastic drama. "Wear your vest."

Group 6 was the embodiment of the Reagan-style drug war. The new president wanted action, he wanted results, and he wanted them quickly. Drug treatment programs were gutted in

favor of more interdiction .Our budget increased. Our DEA chiefs welcomed the largess, but on the Street, we were pressured to repay the favor with numbers. I soon discovered why the Raiders were the most productive unit in the New York office. Quality had become a slave to quantity.

Everything I learned in DEA school went out the window. This was the real thing; lock and load your weapons and hunting for dopers. We were every drug dealer's nightmare, angry pack of federal agents wrapped in flak jackets, carrying Smith & Wesson .357 revolvers. Jeff always led the charge kicking doors open and screaming "Hit the floor!" as a river navy DEA windbreakers poured into the room. We once scared dooper's pet Chow so badly it jumped through a window and dropped six stories to its death.

We operated like a Vietnam platoon, conducting search and destroy operations on the streets. More dopers always followed, instantly filling in the gaps. For important cases, we did things by the book. For the minor Junkies, traffickers, and dealers, most of them illegal aliens who would not complain about their civil rights, we made their lives hell to shut them down for the night. There were just too many of them and too few of us.

I remember Jeff telling me, "The system doesn't work. You'll arrest those bastards and they'll be out the next day, back on the streets. " We made up new rules as we barreled through the dark streets, crashing into dopers' houses and apartments. We did away with reading their rights. We conducted illegal searches and seizures. We didn't care about prosecutions. We simply tossed them in jail for a night and took another ounce or kilo off the streets.

The internal affairs office was always watching, but we were protected by the cluster of New Yorkers in DEA's Washington headquarters. They were known in the agency as the "New York Mafia," and they made sure no messy internal investigations got in the way of the numbers. We were connected.

Cocaine was king in New York, bursting back from relative obscurity to become yet another lucrative underworld business. It came by land, by sea, by air, spreading ecstasy and anguish and money, so much money. Colombians were bringing it into America any way they could, feeding their new cash cow and milking it for dollars. The powder washed away class distinctions.

We were busting weak, watery-eyed junkies along with the silver spoon set who came to crave coke.

The poorest neighborhoods of New York soon became a sort of coke-crazed Dodge City. Dominican gangs perfected a new technique to deliver more bang for fewer bucks. They mixed powdered cocaine with baking soda or "comeback," a chemical similar to the prescription anesthetic lidocaine, then cooked the mixture until it formed solid, rock-like cocaine crystals. Crack was born. With cocaine now affordable to the masses, the Dominicans, supplied by the Cali cartel in Colombia, conquered block after block with the city's hottest new high. Everyone wanted a piece of the action, and the neighborhoods where turfs

collided became war zones. NYPD drug busts jumped by nearly half my first year in the city. Between 1980 and 1985, the number would triple. It was Prohibition all over again, machine guns blazing from screeching cars and rival gang members bleeding in the streets. The rum runners of the 1920s would live again in the crack lords of the '80s. The Jamaicans turned the savage cottage industry into a nationwide conquest, sending street-wise entrepreneurs across America to establish crack houses. Thousands of lives would be shredded in the process.

Cocaine was like an old starlet, making a comeback in trendy clothes. But smack remained New York's darling.

Shortly after I arrived, the agency placed a new emphasis on heroin. In the late '70s, the drug had made a leap out of the ghettos into the trendy disco circuit. Suddenly, DEA wanted heroin numbers. Naturally, Jeff's Raiders became the best damn heroin-busters in town. I thought back to the soldier I watched die, squirming, in a foxhole in Vietnam. I wanted to be the point man again.

We descended on Harlem's heroin network, lining up informants and greasing palms for names and addresses. The heroin dens were easy to spot. Shuffling addicts came in shifts for their fix, sharing needles in back rooms before shuffling back into the street, their hands swollen like balloons from collapsed veins. I saw young runaways with big -city dreams turned into toys for Harlem heroin dealers.

One undercover bust still bothers me. I was about to buy from one of Harlem's typically flashy dealers, a huge black man decked out in gold and silk, when I asked the standard question "Is this good stuff?" He grinned and tilted his head back, calling to the back room. Two emaciated girls emerged. Neither look older than 14. "These are the girls who test my stuff," he said handing them syringes. The girls stripped from the waist down smiling in anticipation. My jaw went slack as they plunked down in chairs and spread their legs, expertly guiding needles to the large vein in their groins. Their heads lolled dramatically as they testified to the heroin's quality with thick tongues. After I made the buy, I told the other agents what had happened. They took the pusher down hard, taking special pains to leave their mark on him as the girls were carted off to a shelter.

The scene was repeated a dozen times as we rampage through Harlem. My conscience screamed at me every time cracked the hinges off another door. I had always done everything by the book. Here they ripped out the pages and stomped on them. I remember Jeff taking me aside one night and saying: "Look, Cele, this is the way we do things. We're a real close-knit group we keep to ourselves." This is not right, I thought. But I didn't question his methods. I had a duty to uphold. I was a rookie, getting the best experience DEA had to offer, absorbing more in a few months than an agent in McAllen would learn in a career. And I was finally wreaking havoc on the narcotics, good on the vow I made in Vietnam. I loved it.

My first big solo case went down on May 1, 1981, when I broke Elvia Garcia's heart. Elvia (not her real name) had become something of a legend among the agents in the task force, who tried to bust her for more than two years. She quietly became the neighborhood pusher, selling cocaine out of her small house in Flushing. Elvia stayed in business with old-fashioned street smarts: She refused to sell to Anglos, blacks, or Puerto Ricans. She knew they could be cops. That left her a healthy pool of customers from other Latin American countries. In a city where Puerto Ricans, Salvadorans, and just about every other variety of Latin American could be found by the block-full. Mexicans were rare. I asked if I could try to wiggle past her defenses. A South American informant took me to her small row house and introduced me to the grand dame of the neighborhood. She came to the door in a conservative dress, a thin, old woman with pinned gray hair and delicate hands. I felt like I was about to bust my grandmother. She invited me in, leading me to the kitchen as she ran me through a polite cross-examination. In a thick Mexican accent, I told her I was a Mexican businessman traveling through the area. Strictly pleasure, I added with a smile. She relaxed.

Elvia reached into her purse, retrieving a small plastic bag packed with cocaine. The powder had just come in from Colombia, she said. Very high quality. I bought four ounces for \$7,500, thanked her, and left. She welcomed me like a lost son when I returned a few weeks later for the big score: two kilos. The coke was waiting for me, neatly wrapped on the kitchen counter like a gift. I almost hated to bust her. I shook off the thought, telling her I needed to run out to my car to get the money. I gave the signal as soon as I reached the yard, disappearing before the task force agents stormed in. I did not want to see her led away in handcuffs. The agents also arrested another elderly woman who handled the books for their cocaine business. My stock rose immediately in the office.

I had less pity for Romero and Maria Moreno (not their real names), a Puerto Rican couple who ran an international cocaine smuggling operation out of the Bronx. They were the targets of a new DEA technique. Our bosses had explained the "reverse," and we were eager to try it. The reverse turned agents into dealers: Instead of posing as buyers, we began selling drugs to the bad guys, using seized cocaine to lure them into jail. The technique moved us higher up the drug food chain, busting the people who sold larger quantities. I was one of the first DEA agents to pull it off.

A Puerto Rican informant introduced me to the Morenos in the Holiday Inn on West 57th Street, a few blocks from our Offices. We found a booth in the bar and got down to business.

They were an attractive couple, a pair who would blend well in Manhattan's art galleries and charity balls. Moreno was the tall - dark and- handsome type, a friendly man who was written up in the local press for spending \$20,000 at a public television auction. The writers called Rosado and his first wife "enthusiastic, streetwise entrepreneurs. " They did not know how accurate

they were. Now he had a new wife, Maria, who was their maid before he dumped his wife, and a growing cocaine operation.

He started the conversation with a warning. "If you're a cop, " he said with a slight grin, "then I'm talking to a dead cop. " I smiled. It was a common technique dopers used to measure prospective partners. Maria, an attractive, dark -skinned woman, immediately cut in: "If I don't like you, we don't do business. " Now I had two egos to contend with. I turned on the charm, showering her with compliments about her clothes and jewelry. She purred.

Moreno said his organization was strapped for cocaine. His supplier had dried up. He needed a couple of kilos to keep his customers happy. They wanted to buy one kilo at a time, but I insisted on delivering both kilos together. Making two deliveries increased my risks, I argued. I knew two kilos would keep them in business for at least three months. They could cut it with enough sugar to make six kilos, each yielding a thousand one-gram packets they could sell on the street for \$100 each.

"If you trust me, you trust me, " I said, standing to leave. "If you don't, we don't do business." After a couple more meetings, they agreed to buy two kilos for \$100,000.

On June 6, 1981, I drove to their apartment in a low-rent Puerto Rican neighborhood in the Bronx. They obviously wanted to cloak their wealth in the drab high-rise. Inside, the place looked like a Park Avenue penthouse, full of new electronic toys and expensive furniture.

Moreno took me to the bedroom and picked up a stack of documents from the bed. "This is how I stay ahead of the cops, " he said, leafing through the papers. They were intelligence reports from the FBI, CIA, and New York Police Department. I clenched my teeth, wondering if he had a mole in DEA and was preparing to kill me. Instead, he asked me to meet him at the Holiday Inn at a quarter to one that afternoon. I stifled a sigh of relief.

They arrived at exactly 12:45 in their blue Datsun. Maria clutched a blue bag containing a scale and a bottle of bleach, which drug runners used to test the purity of cocaine. I was waiting at the bar with our informant, who met the pair outside, took a peek at the money, then returned to his stool. "They only have \$50,000, " he said. They wanted to sample the coke before they produced the other half of the money.

The rest of Jeff's Raiders were scattered throughout the hotel and on the street, waiting. Half will have to be good enough this time, I thought as I gave the signal. After the agents arrested the pair, we searched the car and found

A \$48,000 in a bag in the trunk, along with a safe deposit box key. Search warrant in hand, we opened the box and found another \$49,000. By the time we wrapped up the case, we had seized \$131,000 in cash, \$21,000 in jewelry, the Datsun, and

a loaded revolver Maria was carrying. Romero and Maria went to prison. After this success, the reverse became standard procedure throughout New York.

Everything changed when Jeff got married. He found some sanity and lost his erratic aggressiveness. There were new house rules: He wanted us home with our families if we were not on the street. He also started what we came to call "Federal Fridays." The office was almost deserted on Fridays. Cases were put off until Monday, and everyone was gone by 3 p.m. to beat the traffic. I stayed late anyway. I had nothing to go home to.

As the Moreno investigation wound down, I began working with Gerald Franciosa, a veteran New York agent who specialized in organized crime. Where Luis epitomized the urbane Latino gentleman, my new partner fit my image of a Mafioso perfectly: a tall, solid Italian with a mustache and dark hair, combed straight back toward the collar of his expensive suit.

We became a team. In our street dramas. Gerry was the Italian mobster from out of town looking to buy or sell cocaine. I was his "South American connection." We began working undercover, busting minor Mafia types. Although every don in the city threatened their soldiers with death if they were caught dealing narcotics, neither the dons nor their men obeyed the

decree. We had plenty of work. I was the quiet half of the pair, letting Gerry negotiate, stammering in broken English when I was forced to speak. We thought we had our act down perfectly. It would have to be perfect. We were about to perform for a much more discriminating audience.

After a long stretch in prison Louis Boyce did not want to go back. Boyce emerged from his cell a grizzled old wolf, drooping at the chin and graying at the temples. He had just started dabbling in heroin when we nailed him.

DEA received court permission to tap Boyce's phone, so our agents knew when he planned to pick up his next delivery. They were waiting at the drop spot in Brooklyn when he picked up a brown paper bag with about a half pound of heroin. Faced with what could be his final trip to the penitentiary, the aging gangster decided to talk. He was actually quite pleasant about the whole thing. I expected bitterness and deception. Boyce gave us cheery cooperation.

In law enforcement jargon, Boyce had "flipped." In the tightlipped underworld, Boyce turned snitch. He helped Gerry infiltrate a major heroin operation run out of East Harlem by two major crime families, the Luccheses and Bonannos. With Boyce paving the way with handshakes, Gerry met two of the operation's main men: Oreste "Ernie Boy" Abbamonte and Joseph "Joe the Crow" Delvecchio.

Boyce also betrayed his source, a Puerto Rican named William "Crazy Willie" Irizarry. He was the main distributor, the man who received the shipments and broke the heroin into kilos, which Ernie Boy and Joe the Crow then sold. DEA rushed to the judge and tapped Crazy Willie's phones immediately, only to hit a brick wall: Nobody could

understand a word Crazy Willie said. I was called in to break his code. His messages to his wife, who set up his deals, were an unintelligible jumble, like Spanish poured into a blender. I had never heard anything like it.

Gerry and Boyce did all the undercover work. I was selected to play their driver, steering the big rented Cadillacs while they rode like royalty in the leather back seat. Gerry was going through his courtship, earning the gangsters' trust with each meal and

glass of wine, chipping away at their inbred suspicion to cement the deal. Luckily, the gangsters trusted Boyce. They called him several times to make sure Gerry was okay. As we listened through the tapped lines, he reassured them his new connection could deliver.

I kept my mouth shut and drove, waiting in the car most of the time. While Gerry talked, waving his hands, I waited, watching for other mobsters. I studied our prey. I thought Gerry looked more gangster-like, but I knew they were the real item. Delvecchio was 38 and slim, a shade under six feet tall, with brown hair framing the beaked nose which inspired his nickname. His DEA sheet was impressive: 33 files documenting his heroin activities. Abbamonte was five years younger and the smaller of the two, with curly hair and a pronounced Adam's apple. He was more prolific, with 38 DEA files bearing his name for the same heroin racket.

Ernie Boy and Joe the Crow preferred to do business in the city's best restaurants, high-dollar clubs, or over cards in Atlantic City. I shelled out a good portion of my paycheck to look the part. DEA was willing to pick up the tab for meals, drinks, and small gambling excursions, but we had to buy our own costumes. My mother would have fainted at the sight of me: raccoon fur coat, a thick gold bracelet with "Anthony," my alias, written in diamonds, two cashmere suits, \$500 shoes, and hundred-dollar ties.

The investigation began eating more and more of my time. When I was not driving Gerry and Boyce around, I was in the van helping with surveillance or listening to tapes of Crazy Willie's gibberish. I was working around the clock, wobbling in after long nights of surveillance to write my reports, a job Gerry detested. Thomas Cash, the assistant agent in charge, finally grabbed Gerry and literally locked him in his office for two days. He deputized an unsuspecting agent to stand guard, refusing to let Gerry out until he finished his backlogged reports.

The wiretaps brought new leads and more work. Every Phone call was analyzed until we had the names and addresses of a heroin network stretching across the metropolitan area. We filled in another vital link in the heroin chain: Lorenzo "Enzo" Di Chiara, who was in frequent contact with Joe the Crow and Ernie Boy. Di Chiara was the trans-Atlantic middleman, who made sure the heroin leaving Sicily reached New York safely.



After weeks of frustration, a Puerto Rican informant helped me break Crazy Willie's maddening code. His suggestion sounded too simple, but after I listened to the tapes again suddenly, the gibberish untangled itself into clear messages Crazy Willie was speaking Spanish Pig Latin, cutting off the beginning of each word and slapping it on the end, creating bizarre but simple code. I translated the tapes and pieced together his role in the operation. Crazy Willie was taking delivery of the heroin at his home, turning it into a warehouse for Joe the Crow and Ernie Boy and their gang of peddlers. Our list of names grew.

The investigation took 18 months. As the information from Gerry's meetings and our wiretaps mounted, we realized we were untangling the biggest heroin ring our eight-year-old agency had seen. By the fall of 1982, it seemed everyone in the office was working on some aspect of this case.

Jeff Hall was transferred to Washington D.C. as the case reached critical mass. He was replaced by John Land, an Arizona supervisor on the eve of retirement. Land had been investigated by DEA's Office of Professional Responsibility, then exiled to New York to serve his last year. OPR, our internal Gestapo, wanted to put him out to pasture. Instead, he was about to leave DEA in a burst of glory.

On October 20, 1982, Gerry got his first nibble. As I watched from a DEA taxi, posing as a cabby, Ernie Boy delivered three kilos of heroin in front of a diner, taking \$150,000 as a down payment. Gerry promised to deliver the remaining \$390,000 soon. Eight days later, they met again in Queens. Gerry asked for more time to pay the balance. Ernie Boy became a little annoyed and refused, claiming he had a man from Buffalo flying in to pick up the money. Gerry pushed, telling him he would get his \$390,000 on November 3. Ernie Boy's eyes narrowed. Gerry quickly poured some sugar on the deal. If Ernie Boy could hold out until the third, Gerry would also bring \$1.5 million in cash.

It was time to close the big deal they had negotiated for months.

Gerry let the image of stacked dollars dangle in front of the gangster, then yanked. Ernie Boy was hooked. He could wait a few more days for payment. On the third, he promised to bring 17 kilos to the Market Diner at 11th Avenue and 43rd Street. He would take the \$1.5 million as a partial payment. The heroin would cost \$3.06 million.

I could not imagine that much heroin and money in one place. Seventeen kilos. Almost 35 pounds of pure heroin, enough to kill every junkie in New York if you let them at it.

The deal went down November 3 as planned. It started out as planned, anyway. I was in a rental car with another agent, following Gerry's burgundy Cadillac to the diner. Gerry seemed almost at ease. I could feel myself sweating lightly, knowing half of \$1.9 million from the U.S. Treasury was locked in a suitcase in the trunk. I looked around to find my bearings and locate the car with the other half of the money. Every move was choreographed earlier, in the DEA

conference room. Dozens of agents surrounded us, ' monitoring every move. I saw familiar faces trying to look nonchalant in rental cars, taxis, and on the sidewalk.

Taking down Ernie Boy and Joe the Crow was the main event. The plan was simple: Gerry would tell them the money was in another car, ready to be called in as soon as he saw the heroin. When they showed him the smack, we would move in and arrest them. Then the money would be rushed back to the office for safekeeping as teams of agents fanned through the New York area to bust the other members of the ring. Everything had to happen quickly, before someone sounded the alarm. If the other members were tipped off to the raid, we would chase shadows the rest of the night. Abbamonte and Delvecchio shook Gerry's hand as they scooted into a booth. I rolled down the car window. A light breeze stirred the air, carrying the scent of rain. Cold front moving in, I thought absently. I felt the pistol press against the small of my back, then made eye contact with the agents behind me in the rearview window. Everyone was ready, tense.

Suddenly, Ernie Boy and Joe the Crow were jumping back into their Cadillac. Something was wrong. They were moving the deal. Gerry looked at me for a nervous instant and tipped his head. Follow now. The gangsters left in a hurry, with Gerry revving his engine behind them. I yelled to one of the agents in a taxi, who tossed me the keys to the cab and jumped into the rental. I floored the accelerator, looking for Gerry's taillights.

In the next 30 seconds, everything broke down. As maneuvered through traffic and locked a space behind Gerry's Cadillac, the other agents simply vanished. My head whipped around as I tried to keep an eye on Gerry, read the street sig blurring by, and search for the other agents. I could hear the chattering excitedly on the radio, saying they had his Cadillac sight. So where the hell are you, I thought desperately.

The realization hit me hard. They were following the wrong car. Somehow, they had latched onto another burgundy Cadillac

A horn blared at me as another cab veered into my lane trying to squeeze past a double-parked car. Gerry was pushing the Caddie faster to keep up with Ernie Boy. Gerry probably loves this, I thought as we ran red lights and careened around come toward the east side. I screamed into my radio, reading off cross streets. By the time I convinced the other agents they had the wrong car, I was halfway across town.

Ernie Boy turned a comer and parked in the middle of block between two high - rises. I stopped at the comer and read off the intersection, stifling the urge to scream into the radio again. We were in a Puerto Rican neighborhood, a low- rent block I had worked before.

The street was lit up like a stage, yellow streetlights shining off windshields and pouring onto the pavement. Three car doors slammed. Gerry walked slowly toward the gangsters as they popped the Cadillac's trunk. Gerry reached into

the space and straightened, hefting two tightly- wrapped packages in his hands. That was the signal.

I searched the street for the tenth time and saw no one. I fumbled for the radio. "He's giving the goddamn signal. Do you want me to take them down?"

A voice crackled over the speaker. "Stay where you are. We're on our way. " I waited, the seconds stretching out into infinity.

Joe the Crow walked slowly toward me. The taxi's motor was still idling. He was suspicious. He stopped in the middle of the street, scanning the dark neighborhood like a snake tasting the air for danger. Ernie Boy and Gerry kept talking. Joe the Crow took a few more steps, studying the cab. I leaned backward a few inches, searching for safe darkness. If he recognized me, Gerry would die quickly.

I jerked open the door and found a dark patch of sidewalk between two streetlights, cupping my hands to my mouth. ."Carmen, get your ass down here. I'm not going to wait all night," I yelled at the nearest brownstone. I repeated it in Spanish, making a show of exasperation.

A few people on the street looked up for a moment, then dismissed me. Joe the Crow scowled. I paced below the brownstone, trying to keep my back to him.

"What do you want with Carmen?"

I whirled around to face an older woman leaning halfway through a third - floor window. Just my luck, I thought, there's actually a Carmen in the building.

"I'm waiting for her, " I called back. The head disappeared into the dark room.

Joe the Crow looked at the window a moment, then started back toward Gerry and Ernie Boy. I relaxed.

He got halfway there when the commotion began. The cavalry was here.

A human wave swept down the block, surrounding Gerry and Ernie Boy. Joe the Crow's face froze as he whirled to face the onslaught. I pulled my pistol from the small of my back and hurdled the taxi's front fender, catching him from behind. "We're federal agents," I said, pushing the barrel into his face. "You're under arrest. Don't fucking move or I'll kill you."

The shock lasted only a moment, followed by a stony stare of recognition. "I'm going to fucking kill you, you fucking

spic, " he growled. I almost laughed. I was in a damn gangster film, and Joe the Crow hit his line perfectly.

I led him toward the cars, where Gerry was frisking Ernie Boy inside a circle of cocked pistols. "I'm looking at a dead man, " he said as Gerry spun him

around and cuffed him. It was a threat he would later deny making when it showed up in the papers. Gerry looked almost amused. We searched their car. Inside was \$23,000 cash and a loaded .38 revolver.

It was after midnight, but the operation was just beginning. We broke into teams and scattered through the city, rounding up the other targets on our list. Gerry and I arrested five more low level gangsters in Little Italy, Brooklyn, and Staten Island. By daybreak, 13 members of one of the city's biggest heroin rings were in jail.

The bust hit every major paper in the country. DEA estimated the network was responsible for smuggling as much as 50 pounds of heroin into the city each week, much of it funneled through Sicily. The next day, FBI Director William Webster held a press conference at DEA headquarters in Washington to heap on the praise, calling our bust "a major blow" to narcotics trafficking by organized crime. It was a great public relations image: the mob, heroin, high-speed chases, multiple arrests. And numbers. Wonderful numbers. We took 20 pounds of heroin estimated \$20 million. The DEA avoided comparing the operation to the French Connection in the early '70s, but placed it among the largest busts in recent history.

The 13 were charged with conspiracy to distribute heroin. The agents present at the arraignment silently celebrated as the judge set bail: Crazy Willie, \$3 million. Ernie Boy, \$1.5 million. Lorenzo Di Chiara, \$1 million. Joe the Crow, \$1 million. During the arraignment, Ernie Boy swiveled in his chair to search out Gerry. When he found our seats in the back, he cocked his finger, pointed it at Gerry and pulled the trigger. He was later sentenced to 25 years and fined \$75,000. Joe the Crow got 20 years and an \$80,000 fine. We got our victory. I had a lot to celebrate. Two months after the bust, when Noe flew to New York for a brief visit, I proposed. We immediately set a date for the wedding and began making plans. I was flying.

Crazy Willie was sent to the federal penitentiary in Terre Haute, Indiana, where he continued running his street operation through the pay phones. We would have never known, but Di Chiara flipped as soon as he reached his jail cell. Lorenzo, as I soon started calling him, was an overweight, amusing Sicilian in his early 40s. As with many of the aging gangsters I saw, his hair made its retreat over his scalp as his belly charged forward. He left Sicily 15 years earlier after robbing a bank, finding his niche in New York's crime families. His ties to the old country made him the perfect middleman for Crazy Willie's heroin ring. And the perfect informant for us. He was the first Sicilian DEA had ever flipped, which made him something of a treasure. I was assigned to guard Di Chiara and his family at their spacious Brooklyn home while he fed

us information about the Bonanno family and the inner workings of the heroin trade. In return, his bail was lowered by a quarter of a million dollars. Later, the judge gave Di Chiara a 15 -year suspended sentence and three years probation. The sentence set off alarm bells throughout the underworld.

After a few weeks of round - the - clock duty, I came to like the man. He had a gorgeous wife and two little girls, whom he treasured. I felt bad for them. It seemed almost unreal this tightly- knit family could walk under such ominous clouds. Still, I had trouble listening to him jovially describe his heroin business while my mind played tortured images of people destroyed by his product. "It's what I do for a living," he told me. "We export it like we export olive oil." He was a businessman. Nothing personal.

Di Chiara knew his former partners wanted him dead, but he showed no signs of stress, cracking jokes and showering me with hospitality. We offered to put them in the witness protection program, but Di Chiara's wife stubbornly refused to leave their home. He was not about to argue with her.

We protected him as best we could. When we were forced to pull out a few weeks later, he took his family to the relative safety of their upstate cottage. Gerry and I visited them a few times a week to make sure they were okay. I looked forward to having dinner with his family, sampling bottles from his wine cellar while Di Chiara cooked for us. His daughters began calling us "Uncle Cele" and "Uncle Gerry."

I saw them for the last time in the spring of 1983. The agency was sending me to Terre Haute, Indiana, with about 15 other agents. Armed with reliable information from Di Chiara, we were going to bust Crazy Willie. Again.

With a local judge's blessing, the prison's public phones were all tapped by the time we arrived, waiting for us to settle into our new home in the Terre Haute post office and slip on our headphones. We monitored the phones 24 hours a day, taking shifts and listening for Crazy Willie's coded messages. Di Chiara was right. Willie was running his heroin operations over the

phone, calling East Harlem to make the deals and direct his remaining forces. For the next four months, we listened.

I took a room in the Ramada Inn a couple of miles from the post office. I was always on alert. Nobody else could understand Crazy Willie's Spanish Pig Latin, so the other agents roused me at all hours when his voice came on the line. I felt like a volunteer firefighter in a town full of arsonists. Curious postal workers followed me with their eyes as I shuffled in and out of the second floor storage room. They knew the feds were up to something, but they didn't know exactly what.

Every day, Willie was on the phone with his wife, who slipped through our first net and continued coordinating his deals. He wasted no time building a miniature syndicate in the penitentiary. We frequently heard the voice of his new lieutenant, a prisoner called Fat Gigi. Other prisoners were recruited to work the phones when he was occupied. We jotted notes in our post office cubby, identifying each suspect by voice. Our intelligence went straight to New York, where other agents tracked down Crazy Willie's East Harlem cronies.

As we closed up shop in Terre Haute that summer, another wave of New York agents arrested more than a dozen of Crazy Willie's heroin runners, this time including his wife. In Indiana, Crazy Willie, Fat Gigi, and their budding prison syndicate were arraigned in jail, where a judge tacked a healthy stretch onto each of their sentences. I wondered if we had finally fulfilled the FBI director's boast and "immobilized" the mob's heroin ring. I began to doubt. The sense of triumph I felt after we arrested Ernie Boy and Joe the Crow had slowly dripped away as I listened to Crazy Willie chatter his twisted orders from prison. Watching him arraigned for a second time, I felt like we were fighting a Medusa, chopping off one head while another slithered around to bite us on the ass.

Noe and I were married that July in McAllen. We put the wedding together ourselves, watching every dime. The simple ceremony was performed by a justice of the peace in the lobby of the Hilton where Noe worked. None of it mattered when we exchanged our vows. Noe looked beautiful, our families were there to share the moment with us, and Gerry was at my side as the best man. Noe and I had put away as much money as we could for the honeymoon. We spent a week in Cancun, the booming resort town on the tip of Mexico's Yucatan peninsula. For the first time in three years, we had an entire week to ourselves, no worries, no responsibilities. We swam in the Caribbean, toured the ancient ruins nearby, ate, shopped, made love. On the seventh day, we returned to New York.

The agency did not give its blessing. As soon as headquarters heard of our nuptials, they launched an internal investigation on me. OPR decided my relationship with Noe during the investigation of her stepfather constituted "poor judgment" on my part. When I explained my difficult position at the time - a rookie agent eager to please his bosses, who wanted to bend the rules to nab a dooper - they listened patiently, then stuck a warning letter in my personal file. It was a slap on the wrist, but it stung. The reproach did not bother me for long. I had a new life to build. Noe moved into my studio in the autumn of 1983, filling the place with her energy. We walked for hours through the city as I played tour guide, showing her my favorite haunts. A month later, she came into the room smiling. She was pregnant. I was going to be a father.

I was having trouble just being a husband. I was working too many hours and too many weekends, jumping out of bed at odd hours at the ring of the phone. After a few precious months together as husband and wife, Noe and I agreed she would go home until the baby came. She needed to be with family through her pregnancy. Meanwhile, I put in for a transfer to Peru, where a spot would soon open. I did not want to raise a child in New York.

With Noe gone, the days seemed to crawl. Winter arrived with howling winds and snowdrifts, making me long for Texas again. The luster had faded from the job. Group 6 disintegrated. Gerry transferred to a new post in Italy, departing New York a legend. He was presented the Attorney General's Award for his role in the Lucchese/Bonanno heroin bust. I asked to be assigned to JFK International Airport, searching for a new challenge and a change of scenery. On February 1, 1984, Lorenzo Di Chiara's hogtied body was found in the trunk of his black Mercedes near the Canarsie Pier. He had been strangled.

Discrimination, subtle and otherwise, came with the job, but I gave it little thought until another Hispanic agent approached me one day with a proposition. Jesus Muniz was leading a legal attack on DEA for barricading us from the better jobs. If I wrote a check, I could join the class action suit.

Every Hispanic agent I knew fell into the same trap. The agency assigned us to surveillance, wiretap monitoring, and translation duty while other agents got the plum assignments required to climb the DEA ladder. We worked long hours helping our Spanish -challenged counterparts build cases against Puerto Ricans and Dominicans, then stood in the shadows while they received the credit and the promotions.

That did not bother me as much as the problems Hispanic agents found when a non-Spanish speaker tried to back us up during an undercover bust. We could go over the plans and the "bust word" a hundred times, but busts never went down as planned, and the language confused Anglo agents trying to pick out a single word from our rolling chatter. Several times I found myself improvising to suspicious dopers after my backup failed to catch the bust word.

I filled out a check and joined the class action suit with about 200 other Hispanic agents. We all agreed it was time to fight the favoritism that gave the paper- pushers the rewards while we put our tails on the line every day. I could hear other agents muttering under their breath, raking me with suddenly hostile glances. Jeff, who put in for a Special Achievement Award for me after the big heroin bust, then resubmitted the form after DEA ignored the first request, was pragmatic: "you guys do what you have to do. " He understood.

I spent the spring of 1984 with the DEA enforcement group at JFK, helping U.S. Customs and immigration officials separate the dopers from the throngs of passengers. We watched the international flights closely, scrutinizing Colombian passengers who fit our profiles of traffickers. Every week we caught someone trying to carry cocaine into the country in their baggage or strapped around their waist. I became an expert in spotting false bottomed suitcases, studying the lining for signs of tampering. The traffickers, mostly poor people recruited as mules for the growing cartels, preferred tough Samsonite luggage. We kept a small power drill in the office, which we used to poke holes through the hide of the suitcase. More often than not, the bit came out with a stream of white powder. The mules were easy to flip. We staged controlled deliveries, following them to their drop points and arresting anyone who showed up to claim the cocaine.

Some airport employees ran their own ring. The traffickers would put a suitcase full of coke on an Avianca flight, sending it to New York without an owner. After the baggage handlers locked it up in the unclaimed luggage cage, a supervisor would sneak in at night and carry it away for delivery.

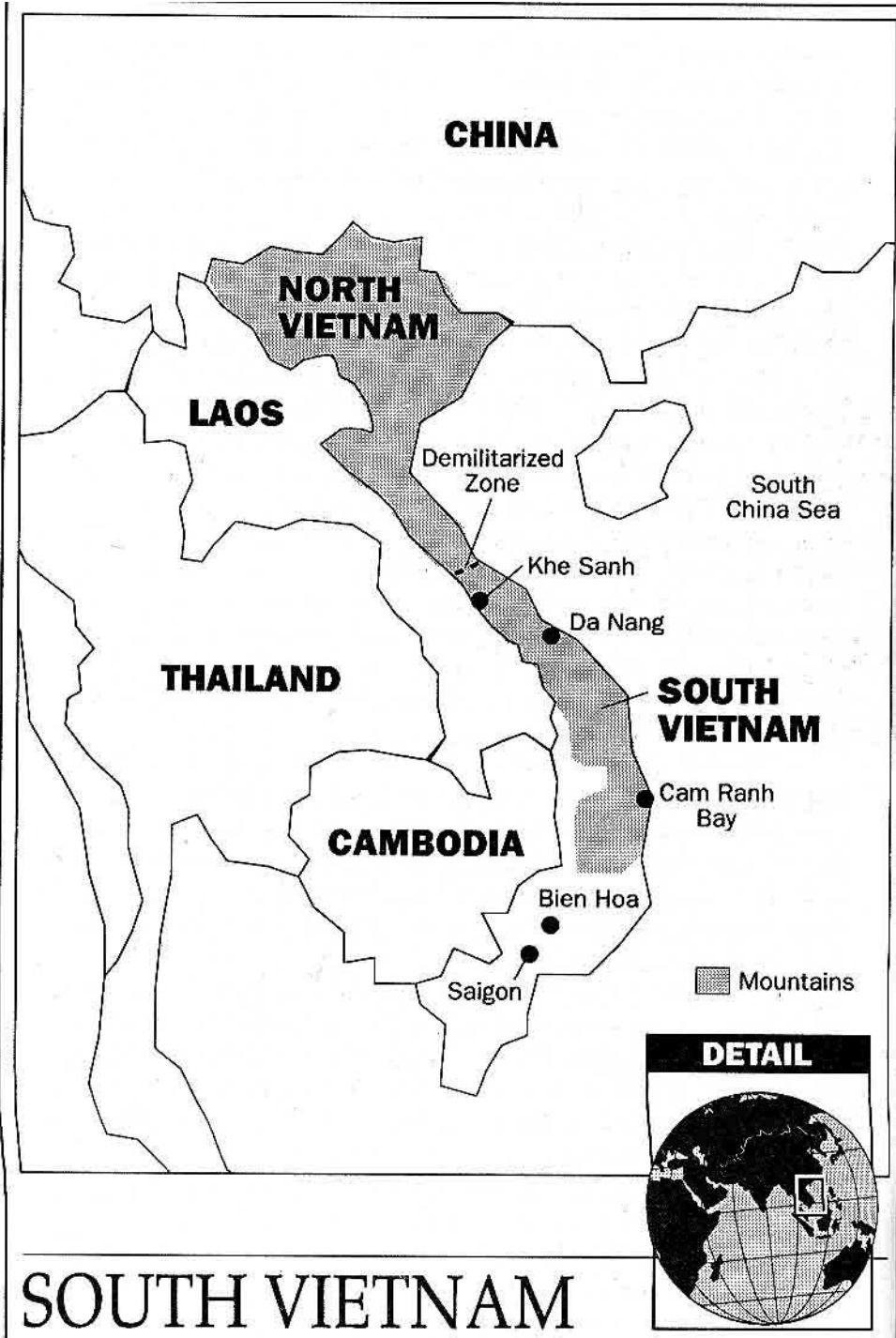
They were not the only officials to tap into the river of drug money. For the first time, I witnessed corruption within DEA ranks. The mules were easy targets. Some agents could not resist shaking them down, pocketing jewelry

and cash, then warning the frightened captives to keep their mouths shut if they wanted to avoid jail. I gritted my teeth and kept quiet. A few more months and I was out of there.

The job quickly became routine: Coke from Colombia, Nigerians carrying heroin, Jamaicans with marijuana. Once I picked up the smuggler's tricks, I could almost unconsciously spot the mules as they streamed through the gates. I waited for word from headquarters on my transfer, calling Noe constantly to assure her we would be together soon, listening to her describe the tiny life growing inside her.

Crystal Bianca was born April 7, 1984 in a McAllen hospital as I paced nervously in the waiting room. Noe picked Crystal, her favorite character from the TV show Dynasty. I chose Bianca, a South American name, as a tribute to our new life together. My transfer to Peru was approved. I was ready to go back to the jungle, where I would be at home. And after four years of wrenching narcotics from the streets of New York, I wanted to attack the source.





The Monitor  
McAllen, Texas  
Thur., Oct. 14, '71 Pg. 15A



**IN VIETNAM** — Sgt. Celerino Castillo, III, son of Mr. and Mrs. Celerino Castillo Jr. of Pharr, has recently been assigned to the 544th Replacement Co., Guard Force at Cam Ranh Bay, Vietnam. He received his basic training at Fort Lewis, Wash., and graduated from non-commissioned officers school at Fort Benning, Ga. Sgt. Castillo is a 1970 graduate of Pharr-San Juan-Alamo High School.



*Above:* Celerino Castillo in Viet Nam

*Left:* Celerino Castillo

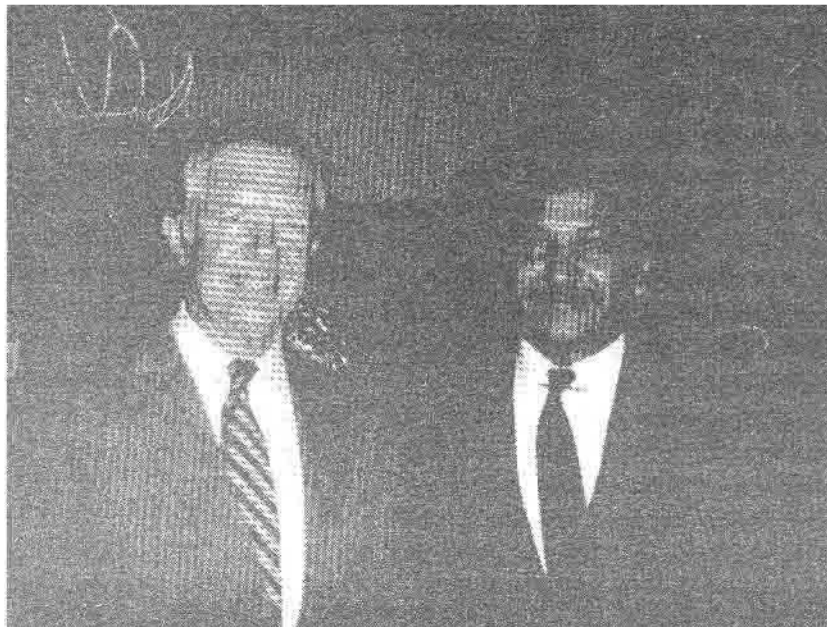
*Below:* Cele in brown vest, with Guardia de Hacienda in the Sierra Mountains between Mexico and Guatemala. We lost 6 Guardias in said operation.





*Above:* Celerino Castillo and George Bush. Jan. 14, 1986

*Below:* Jimmy Carter and Celerino Castillo



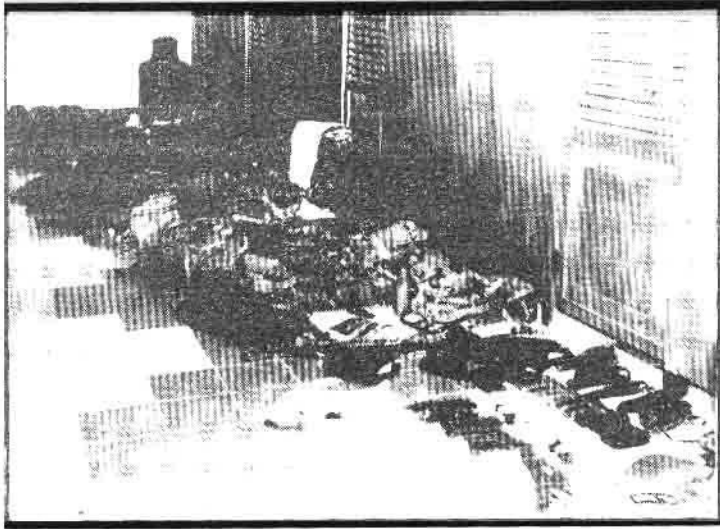


*Left:* Dan Quail in  
El Salvador 1989

*Below:* Celerino  
Castillo in Guate-  
mala



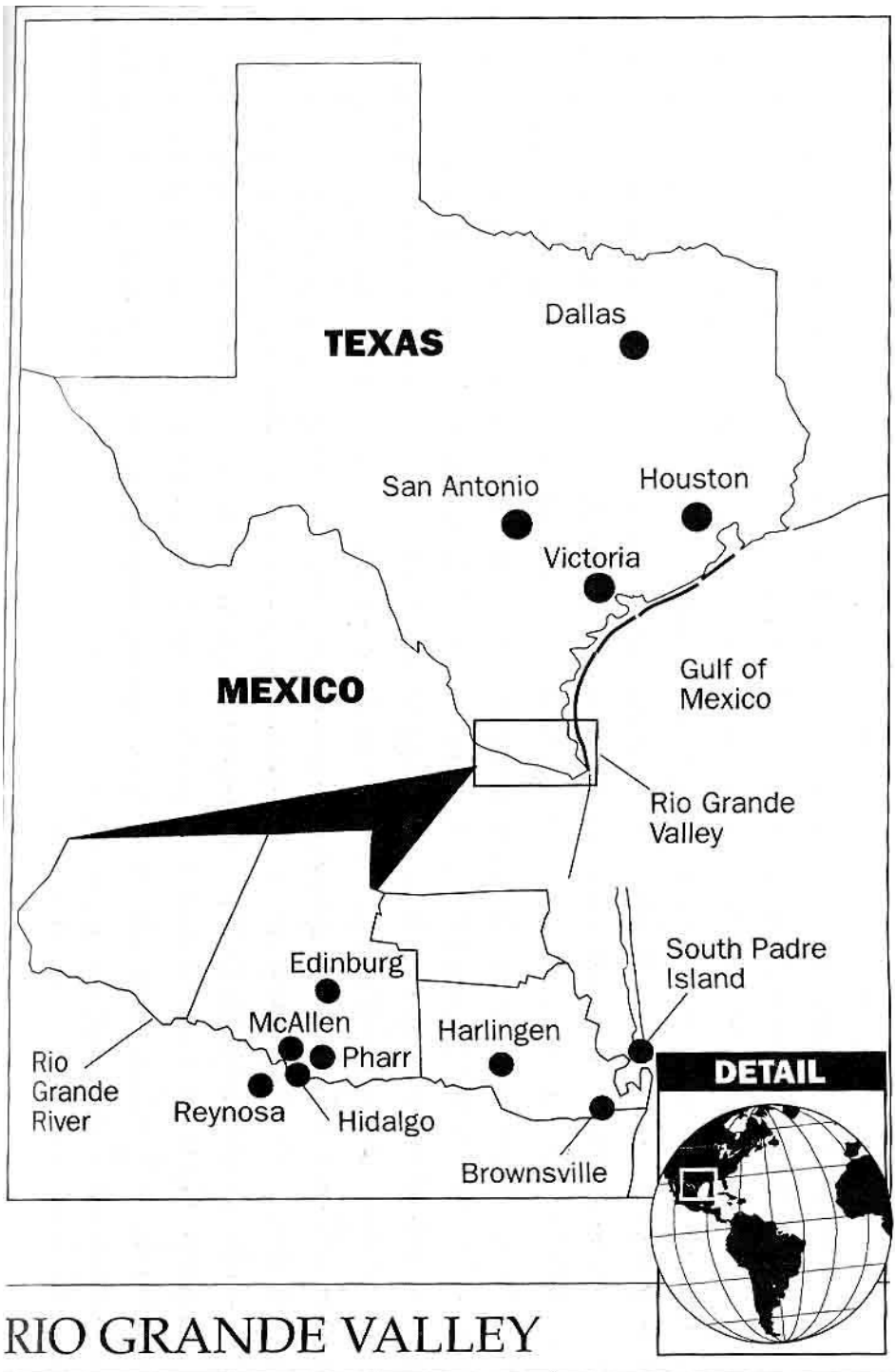




*Above:* Military Gear sized from Wally's Residence.

*Below:* Celerino Castillo's DEA I.D. with gun and cuffs





## RIO GRANDE VALLEY

# Five

## Riding the Condor

### Lima, Peru - August, 1984

My first weeks in Peru were a honeymoon. Noe, Crystal, and I finally became a family. We found a house in El Molino, an upper crust subdivision clinging to the foothills of the towering Andes mountains. Here, South American suburbanites could live in the undulating hills, blissfully ignorant of the social upheaval in their country. Lima's teeming millions were on the other side of the hills, on a thin strip of coastline sandwiched between the ice-capped 18,000foot peaks and the Pacific Ocean.

Noe and I unpacked boxes, smiling to each other as Crystal scurried around the house like a cat, inspecting every corner. Our one-story white stucco house was a true hacienda: Red-tiled roof, fireplace, garden, and a backyard swimming pool, all surrounded by a high wall. A maid and a gardener reported for duty as we settled in. The U.S. government paid for everything. I paced the back yard in my bare feet, breathing deeply, feeling the tension from my last months in Manhattan drain away. It was a peaceful island in an uncertain country. For the next two years, this would be home.

I preferred the view of the craggy peaks to the Lima skyline. The sun warmed this side of the mountains, while Lima seemed wrapped in a perpetual blanket of ocean fog, called garua by the city's roughly 5 million inhabitants. The mist rolled off the Humboldt Current, a 200- mile wide river of cold Antarctic water that acted as a massive air conditioner, moderating Lima's climate as it sliced past the Peruvian coast on its way north. It almost never rained in Lima, but the Humboldt provided ample moisture, pumping its clammy mist into the city's pores.

The fog could not shroud Lima's suffering. The City of Kings, founded by the Spanish conquistador Francisco Pizarro after he vanquished the Incas in 1534, was now the City of Beggars. As Noe and I carried Crystal through the former seat of Spain's New World empire, I could not shake my feeling of melancholy. The proud cathedrals and broad plazas seemed lost in the tide of humanity washing into the capital by the thousands. The city poured over its old boundaries and rotted at the edges, ringed by endless, reeking barrios. Like every former Spanish colony in the Americas, Peru's pecking order flowed along bloodlines: The light - skinned descendants of the Spaniards jealously guarded their power, money, and land, while the descendants of the natives worked the earth and filled the slums. The mixed blood mestizos held the middle ground, edging into the ranks of those above and below.

The country teetered between democracy, dictatorship, and chaos: Peru has had all three in the 20th century, as the military and civilians oust one another in

a seesaw battle of elections and coups. In 1980, the poor found a fist in Sendero Luminoso, or Shining Path, a Maoist guerrilla movement led by Abimael Guzman, a former philosophy professor. A student of Mao Tse Tung's Chinese cultural revolution, Guzman launched his attacks on the government from the mountains of the Ayacucho district, calling himself the "fourth sword of Marxism," after Marx, Lenin, and Mao.

President Fernando Belaunde Terry beefed up the military's rural outposts to fight the rebels, but generations of animosity between the rich and poor helped Sendero Luminoso tighten their ideological grip on the remote villages. From their mountain strongholds, the guerrillas periodically crept into Lima to detonate reminders of their discontent. Every week, another Puff of smoke floated above the skyline, followed by the echoes of the blast.

Suddenly, Manhattan seemed like a good neighborhood.

I knew the dangers when I put in for the transfer. DEA assured me living overseas would bring my family under the government's security blanket. In New York, agents and their families faced the same urban hazards everyone else did. Here, we joined the small, privileged diplomatic class, ostensibly protected

from Peru's dark side. Our house was surrounded by an eight-foot concrete wall topped with broken bottles embedded in the cement-like spikes. Serious-looking security guards, provided by the U.S. Embassy, roamed our small compound 24 hours a day.

I watched Crystal with a mixture of wonder and awe, marveling at how she grew in the months I was away. I felt like a father for the first time. As Noe put the finishing touches on the house, I took Crystal into the backyard pool, supporting her tiny body as she splashed and kicked. She giggled, then coughed out a mouthful of water. It was sink-or-swim time. When I pulled my hands from under her, she sank for a moment, then reflexively closed her mouth and fought her way to the surface.

The Incas discovered cocaine long before Pizarro discovered the Incas. The coca leaf held a treasured position in Peruvian civilizations for centuries. Peasants chewed it to ward off the symptoms of poverty: fatigue, hunger, depression. The leaves gave them endurance working at high altitudes. The jungle tribes used it to dress wounds. Inca priests and nobles believed chewing the leaves brought them closer to the Sun God. The priests fed it to their human sacrifices, numbing them to the icy winds as they slowly froze to death on some lonely Andean peak.

But when the Spaniards discovered the intoxicating leaves the savages were munching, coca went commercial. When Europeans mixed it with wine, "Vin Mariani" became literally a sensation. Bavarian soldiers used it in the 1880s to fight off fatigue. Sigmund Freud took it as he worked. It was the active ingredient in Coca-Cola when the soft drink debuted in 1886; cocaine gave the



drink its stimulating effect until the government cracked down on it and convinced the company to switch formulas in 1906.

In Peru, the government conceded the leaf's ancient place in society. Everywhere I looked, peasants sold and munched legally grown coca leaves. It seemed the entire adult population walked through life with a wad of green in their mouths, which produced a milder high than snorting powdered coke. For centuries, the Peruvians grew enough coca to satisfy their needs. Then Americans came to crave the powder. Peru would never be the same.

Peru was the world's top producer of coca leaves. A thousand mile long coca belt stretched along the Andean lowlands through the center of the country, where the Peruvian government estimated peasants illegally grew and harvested about 125,000 acres of the tall, innocent-looking coca plants. The U.S. government's estimate was almost three times higher. In reality, counting Peru's illegal coca fields was as difficult as estimating how many Americans grew marijuana in their closets. No one doubted Peru's position as the king of South America's cocaine crescent, which arced across Colombia, Bolivia, and Peru. From these remote, hostile jungles, some of the world's poorest people grew the world's richest crop. They were mining white gold.

We were sent to stop them.

DEA's Peru office consisted of a cluster of offices in the bowels of the heavily-armored U. S. embassy building in down town Lima. Guards appeared everywhere you turned, patrolling the tall, iron-barred fence jutting between the American diplomats and the encircling Peruvians. Cement-filled drums squatted at the gate to prevent car bombs from hurtling into the compound. The embassy bore numerous political scars. A mob attacked it in 1925 when Calvin Coolidge tried to arbitrate a border dispute between Peru and its arch rival, Chile. Now the United States wanted to make war on cocaine, which pumped more than half a billion dollars into Peru's ailing economy, tainting all but the most resolute officials. We were prepared for more violence.

When I joined DEA's Peru office, it was staffed with five agents and an intelligence specialist. Our boss, country attache Peter Rieff, did not pretend to speak the native tongue. Gene Castillo, a short, fortyish agent from New Mexico, spoke a patchy, Americanized Spanish. I wondered how he worked undercover in Lima with such an accent. Another agent, who apparently landed the job through connections in the DEA brass, spoke just enough to order a decent meal. Speaking fluent Spanish obviously was not a prerequisite for the job.

The atmosphere within the department reminded me of McAllen's internal rift. An unspoken tension drifted through the office, carried in the agents' tone of voice and occasionally surfacing in hostile innuendo. Some agents refused to work with others because of personal spats or philosophical differences. The

two Spanish -speaking agents already there carried much of the workload, in addition to serving as perpetual translators for the other agents.

To make matters worse, one of the veteran agents refused to work undercover. Fred Villarreal, a cigar-smoking Mexican-American, told me he was finished putting his life on the line for the DEA. His attitude shook me. Villarreal started out like me, a young, aggressive Hispanic ready to shake up the narcotics underworld. Over the years, a combination of age, family responsibilities, and a steady diet of slights and abuse from DEA convinced him to leave the dangerous stuff to the younger guys. The more we talked, the more I felt like Ebenezer Scrooge, receiving a visit from the ghost of Christmas future and wondering if I could change my fate.

After a week in Lima, I kissed Noe goodbye, packed a duffel bag, and flew Air Peru 250 miles northeast to the center of the coca crescent, eager to start my hunt for the clandestine labs and airstrips hidden throughout the forbidding Amazon Basin. Rieff sent me off with instructions to make contact with the Guardia Civil, Peru's national guard. DEA could not spare another agent to work the jungle with me. The Guardia would be my backup.

I chose Tingo Maria as my base. The jungle town, hugging a wide spot in the Huallaga River, had charmed generations of tourists with its frontier allure and lush scenery. This was the Huallaga Valley, cupped between low mountain ranges in the eastern lowlands, where the Amazon jungle pawed at the feet of the Andes. Fifteen years before, the valley supported sustenance farming and small villages. Now, in 1984, it was the heart of coca country. The valley alone was believed to produce enough raw coca leaves to feed half of America's cocaine habit. Tingo Maria was its capital, the place known as the "White City. "

I found the Guardia's headquarters just outside of town, a tall green building ringed by guards. Their commander welcomed me warmly before whisking me to the offices of their U.S. trained anti-narcotics unit, the Unidad Movil de Patrullaje Rural (Mobile Rural Patrol Unit), who patrolled the jungle searching for small cocaine labs. In theory, UMOPAR was to wipe out the valley's processing network, while a government program dubbed "Eradication and Control of Coca Leaf Planting in the Huallaga Valley" attacked the fields, whose workers yanking the coca plants out by the roots. I discovered a very different reality.

The cocaine lab was close. Our informant assured us we would find it soon. The camouflaged figures behind me traded sarcastic comments, their irritation growing with every mile. The sun pulled the sweat through our skin, stinging our exposed, sunburned necks. I glanced at my watch. Four hours of hiking and no lab in sight. The informant sensed my doubt. He checked over his shoulder every few yards, as if expecting us suddenly to turn back. He picked his way through the branches reaching across the faint jungle trails, ducking and weaving like a boxer. Very soon, he said. The lab was just ahead. After only a couple months in Peru, I realized I could spend my entire career pushing through the vines in search of small huts scattered throughout the valley.

I had traded my sneakers and New York street clothes for jungle gear, tucking my jeans into an old pair of boots I kept from Vietnam. It felt good to haul an M-16 through the trees again, covered in camouflage, listening to the jungle speak. MYUMOPAR companions carried nasty-looking FAR rifles, unconsciously sweeping the barrels across the path. They swore to themselves quietly, waving away the mosquitoes zeroing in on their exposed necks. For the next kilometer, the only sounds cutting through the damp air were the wet smacks of hands against skin and the warning cries of monkeys and birds announcing our arrival.

Our target, a small coca lab, lay tucked in the far reaches of this green hell the Peruvians called "la montana". The labs we discovered up to this point followed the same blueprint: Wooden shacks or open-air labs reeking of kerosene, stuffed with cut coca leaves ready for conversion into paste. The peasants who built these crude structures formed the second broad level in the cocaine pyramid. They were the poseros, or processors, who purchased piles of coca leaves from the hundreds of cocaleros, the peasant growers who converted their small plots into coca farms.

The poseros needed more than a hundred pounds of the thumb-sized green leaves to make one kilo of paste, which they sold to Colombian runners in light planes. The system allowed the

valley's poor to earn a decent living for the first time in their lives. The rural farmers must have shook their heads in amazement when they discovered the new cash crop. By converting their fields to coca, they could easily double, triple, even quadruple their annual income. The plants matured in a few years, yielded as many as six crops a year, repelled pests naturally, and grew in poor soil. They did not even have to take their crop to market: The Colombians and poseros went door-to-door, leaving stacks of dollars in their wake.

The Colombians cartels finished the refining process in scattered clandestine labs, using nearly four kilos of paste to make a kilo of pure, white cocaine hydrochloride for American nostrils. For every dollar they paid Peru's coca farmers and processors, the cartels earned more than twenty dollars from American buyers.

Suddenly, the informant stopped, searching the wall of latticed vegetation for the path. Locating it, he held the branches aside and motioned us ahead. The telltale smell of kerosene led us to the lab, a few dozen yards off the main trail. The Peruvians, young recruits looking for jungle glory with UMOPAR, circled the flimsy structure once before peeking inside. The hut contained the typical posero's starter kit. Several plastic jugs filled with kerosene and other chemicals lined the back of the hut, next to a huge pile of green coca leaves. Two waterproof sacks bulged with finished coca paste ready for delivery.

In front of the shack, a large trench lined with a plastic sheet held a leafy soup of coca and kerosene spiked with sulfuric acid. The poseros stirred and mashed the soup constantly, helping the chemicals leach the narcotic from the

leaves to produce paste. It had to be the world's most lucrative cottage industry. From these tiny labs sprung Peru's top export.

One of the UMOPAR men pulled out a half -empty jug of kerosene, sloshed it around the base of the hut, then touched his lighter to the damp wood. We stood like boys at a campfire, mesmerized by the climbing flames. When the thin walls buckled in a cloud of sparks, we turned and filed back to the main path, cursing the return trip in advance. Another small victory in the drug war, I mused. Not the dagger to the center of Peru's cocaine heartland I ached to deliver, but another tiny nick to annoy the cartels.

After spending some time in the Huallaga Valley, I learned to measure my progress in small increments. I was a guppy in a piranha tank.

The Colombians owned Tingo Maria. Its quiet farming traditions, its institutions, and its morals crumbled like dry clay as residents jumped into the coca economy. The leaf touched every member of the community, from the adolescent coca paste couriers to the shop owners who suddenly found a market for high-dollar electronics at the edge of the jungle. New pickup trucks rumbled over the dirt streets, clearly identifying villagers on the cartels' payroll. The national currency, the sol, was nowhere to be found. The town ran on dollars, attracting cash hungry bankers from Lima who flew in to buy U.S. currency.

The Colombians knew they had a DEA agent in their midst. When I passed them on the streets, they greeted me with arrogant smiles. If I made too much trouble, they could swat me like a mosquito. Thugs armed with sharp machetes would gladly hunt down a man for pocket change. They obviously did not consider me a threat. Their rule was absolute.

The cartels played both sides by shoveling cash into the jaws of prospective enemies. They purchased the loyalty of Tingo Maria's military officers, who declared a truce with the traffickers. On Sundays, I wandered past the soccer fields and watched Peruvian soldiers playing football with the Colombians. Snubbing the government's periodic efforts to wage war on coca, the military insisted its sole responsibility in the valley was protecting the peasants from Marxist subversives. Cracking down on the local coca farmers and traffickers, they argued, would drive the peasants into the arms of Sendero Luminoso.

The military, sent into the valley by President Belaunde to fight the guerrillas, opened their new base in Tingo Maria just a month before I arrived in Peru. It quickly became the most popular post in the country. Most of the soldiers at the base bribed their way into Tingo Maria. It was a small investment, given the payoffs. By the time they rotated home, they could earn enough coca-tainted dollars to retire on. Most of them just blew their money in the cantinas and shops, learning the meaning of conspicuous consumption. Some seemed to do nothing more than cruise the streets in their new Nissan and Toyota pickups, like high school boys angling for girls.

Sendero Luminoso quietly accepted the dollars as well, using the protection money to arm its guerrillas. I laughed at the irony of a Marxist movement selling out to such brazen capitalists. With only the Guardia to worry about, the Colombians new into any one of dozens of clandestine airstrips, picking up loads of coca paste and occasionally returning with AK-47s and other weapons for the rebels.

The Guardia and UMOPAR hurled themselves against this wall of corruption, taking me along for the ride as they rolled through the countryside in their four-wheel -drive trucks, hunting for coca. We destroyed the labs we found, dousing them with kerosene and setting them aflame. Any poseros caught at the scene went to jail, or what passed for a jail. The Guardia warehoused them in a long bank of concrete holding cells with hand -welded bars. The police took their frustration out on the prisoners, tossing hissing sticks of dynamite near the cells and laughing as the prisoners flattened themselves against the bare walls. The shaking peasants were processed, then sent to the tin-topped corral the Guardia called a prison.

I never saw a Colombian arrested in the valley. They counted their profits while the peasants swallowed the punishment, paying for their sins with large chunks of their lives.

I traveled to Tingo Maria every other week, slicing through the jungle for days at a time. A new stress tugged at the back of my mind. I was falling into selfish habits again, throwing myself into the job at the expense of my family. I pushed the guilt aside, promising myself I would spend more time with them. Tomorrow. Next week. But this assignment was too important. I was convinced my tour in Peru would become the highlight of my career. Noe seemed to be adjusting well. The disappearances were part of my job, I explained, more for my own benefit than hers. Noe said she understood. I was not so sure.

When I was home, I spent as much time as I could with Crystal. I took turns with Noe, groaning out of bed in the middle of the night to change diapers, or heat formula on the gas stove, or carry her around the dark house until she cried herself back to sleep. Our guard watched, an amused expression visible over his coffee mug. I wondered if any of us could protect her if the cartels decided I was too deep into their business. I glanced at the broken Coke bottles filled with stagnant water atop the cement wall. I felt vulnerable.

Rieff was no help, grumbling at me every time I walked into the office after another extended absence. He wanted regular phone calls to make sure the cartels had not had me chopped into pieces. There were no phone booths in the jungle, I argued, and the phones at my little hotel in Tingo Maria never worked when it rained. I assured him I could take care of myself.

Rieff seemed to think I could work the Huallaga Valley from Lima, ducking into Tingo Maria once a week to talk to informants, then maybe jump into the trees to look for a lab. I knew better. We depended on the Guardia Civil totally. As foreign agents, the Peruvian government had us on a short leash, with no power of arrest, no permission to interrogate, and only an advisory role in anti narcotics

operations. DEA could never make a dent in the valley's coca economy without a constant presence: mine. The cartels' money could quickly wash away any progress we made, buying off our allies and placing our missions at risk.

I got in the habit of presenting my friends at the Guardia with small gifts. I picked up liquor and American cigarettes at the U. S. Embassy commissary, or brought them jungle knives, trying to show my appreciation. I presented an old Vietnam flak jacket of mine to a stocky, raw-mouthed major who prided himself on his toughness. He immediately pulled it on and ordered one of his men to shoot him. The man grinned. He was not about to pass up the opportunity to plug an officer. He wasted no time, leveling a small -caliber pistol at the major and pulling the trigger.

The stocky major grimaced as the shot spun him sideways, buckling his knees. He removed the vest and pulled the flattened slug from the shoulder, grinning and rubbing what promised to be a world class bruise. After that, the major wore the 30-pound vest everywhere. I frequently spotted him jogging around the base with it bouncing on his bare chest. "It's good exercise," he said, clapping me on the shoulder.

Many of the Guardia resisted the drug money and mounted a real effort to flush the cartels out of their country. We stepped up the patrols, following every lead the informants brought in. The Guardia seemed energized when I accompanied them on their

raids. My presence gave them a measure of protection. "The military and the Colombians would not think twice about eliminating us if we make too much trouble," an UMOPAR officer told me during one patrol. "With an American, they'll be more careful." I considered that small comfort. With the military and the guerrillas blasting each other across the valley, my death could easily be explained away as an unfortunate attack by the rebels.

Every lab we hit shook the web. More and more peasants complained to the Colombians, who finally took their problem to the military. They wasted no time placing the Guardia under de facto house arrest, forbidding anymore patrols into the jungle. To justify confining the Guardia to their base, the Army claimed the guerrillas now infested the entire valley. Allowing anti -narcotics patrols would be too dangerous, they said. I wondered to whom they referred.

After twiddling their thumbs for a few days, the Guardia changed tactics. With a lone Cessna and tips from informants, they pounced on the cartels' airborne couriers skimming the treetops. They took me along on many of these missions, pointing excitedly when they sighted a drug plane. The surprised dopers ignored their orders to land. They assumed the Guardia was putting on a show. After all, the bribes were already paid to assure them safe passage to Colombia.

During one airborne chase, our pilot swooped down on the Colombian bird with the sun at his back, broadcasting his orders to land before the cartel pilot realized

he had company. We were close enough to see the Colombian flipping us off. We maneuvered on top of the Colombian plane, dropping to within 50 yards of the dopers as they tried to figure out where the invader was. The Guardia pilot yelled a suggestion to the UMOPAR members inside, who nodded and raised the side windows. They poked their rifles through the windows and rattled off a dozen rounds at the Colombian plane's wings, puncturing its fuel tanks. We followed the crippled plane until it sputtered and crashed, ripping a scar in the jungle canopy. The UMOPAR gunners returned to their seats with satisfied smiles. It was the first of several one-sided air battles I watched. All ended in the fiery deaths of cartel pilots and runners.

Despite these small victories, I became restless. I felt mired in quicksand, pumping my legs frantically but getting nowhere.

We could bum coca huts and shoot down loads of paste until I retired without crippling the valley's coca trade. Throwing a cocalero in jail affected the cartels about as much as arresting a corner pusher in New York. They were replaceable, interchangeable pawns. We needed to attack the Colombians' big investments. The Guardia estimated the valley contained 43 clandestine airstrips and a number of major labs. I wanted to know where the hell they were.

The men in UMOPAR feigned ignorance. I turned to informants, who insisted many of the Guardia officers were also on the cartels' payroll. It made sense. The Colombians were loading too many planes. There was no way the small-time labs we destroyed could produce enough paste to keep the cartels supplied. The Guardia was tossing me bones, guiding me to the poseros' tiny kerosene labs while protecting the Colombians' cocaine factories.

The next time I visited the UMOPAR, I tracked down the commander. "Where the hell are the big labs?" I demanded. He shrugged. "We know where they are. But the military won't let us patrol in those areas. They claim those are Sendero strong holds, which is their jurisdiction."

I finally called Rieff, explaining my predicament. I hoped we could convince someone in the State Department to convince the Peruvians to intervene and throw the balance more to our favor. He told me to forget it, obviously not wanting to make waves. The Colombians, satisfied after a couple months of quiet, allowed the military to allow the Guardia to resume their patrols. I tagged along, feeling like a damn puppet.

On February 2, 1985, Noe and I climbed to the top of a low mountain overlooking the city and watched a sea of Peruvians gather below. Hundreds of thousands stood shoulder to shoulder, hoping for a glimpse of Pope John Paul 11, who stopped in Lima as part of a 17 city tour of South and Central America. We sat in the sun, holding hands as Peru forgot its horrors for a day.

Four days later, Noe told me she was pregnant again. The warmth spread over me. Crystal had become the center of my world, my greatest treasure. This time, I secretly wished for a

boy. I lingered at home for a few days, playing with my daughter and trying to cram a month's worth of attention into every hour. I began to consider staying in Lima. I could work out of the office; spend more time at home; make hamburgers every Friday. It didn't last. I returned to Tingo Maria the following week.

In mid - February, I ventured into the hills with a column of nine or ten Guardia officers. Our informant said he could guide us to a lab he discovered the week before. An hour into our march, we ran across a small camp, a rough assembly of wooden huts topped with palm fronds and aluminum. It looked abandoned. We approached slowly, looking for signs of life. Each hut bore a red hammer and sickle symbol, clearly identifying its owners: Sendero Lwninoso. The informant looked at me. I looked at the commanding officer. He looked at the huts for a moment, then motioned us to move on. Some of his men clearly wanted to turn back rather than risk stumbling upon a Sendero patrol. As we passed, the faces of women and small children appeared like phantoms in the darkened doorways. Everyone checked their weapons.

The smell reached us first, a rancid musk floating on the heavy air. Then the drone of the flies. Something had died.

Then we saw the bodies. An arm reached from the brush. A bloodied leg lay nearby, bent at an unnatural angle. We dragged six of them from the foliage, covering our nostrils with bandannas. Some of the bodies had their arms bound behind them with cord. Others were butchered, their arms neatly hacked off. One was decapitated. Genitals were missing, eyes gouged out, tongues sliced from mouths.

One of the new UMOPAR recruits scrambled away and retched loudly. The informant made the sign of the cross. He was in shock. "That's my uncle," he muttered, motioning to a bloated corpse. He pointed to the next body. "That's my cousin. " He continued down the row, identifying all six bodies. All were male relatives of his. They were hanged. The rope left serrated red marks where it chewed into their necks. I hoped they were dead before the mutilation began.

We turned back, forgetting the lab. We knew we were one wrong move from joining the mutilated men we left behind on the trail. The informant could hardly think. He babbled along the trail, wondering aloud if they simply ran into the wrong people at the wrong time, or were butchered as a warning to him.

I thought about my family. After that, I tried to spend more time in Lima, but it was never enough. The guilt struck at odd times, reminding me how many hours I worked, how many nights my wife and baby slept alone, wondering where I was, wondering if I would emerge from the jungle again. Noe commented on how much energy I poured into my work. She did not finish the statement: I was neglecting her and Crystal. She didn't have to. I reminded myself every day. I closed my



eyes, trying to purge the image of the mutilated bodies from my mind. I had to get my family out of Peru.

The news rippled through DEA, carried by phone, cables, and office memos. On March 6, 1985, the bound, broken body of DEA agent Enrique "Kiki" Camarena was discovered wrapped in plastic in Vista Hermosa, Mexico. Four armed men had forced Camarena into a car February 7, after he left the U.S. Consulate in Guadalajara. DEA held its breath for a month as the Mexican police searched for Camarena. They found him just off a road in an area swept earlier by the police. The Mexican drug traffickers decided he had become too much trouble and assassinated him, along with a Mexican pilot who occasionally worked for him. Both were tortured before they died. I felt suddenly empty and paranoid. It could have been me. It could have been a lot of us.

At the end of March, I flew to New York to testify at the trial of one of the minor organized crime figures I helped bust during my tour with Gerry Franciosa. While I was in town, I attended a special mass for Camarena at St. Peter's Cathedral in Manhattan. Camarena's wife and son were there. Somber, uniformed men and women filled the pews. It looked like the entire DEA office and half the New York police force attended. The questions filled my head: Is this "war" worth a man's life? Why are we risking everything and accomplishing so little?

I could see similar questions lingering in the eyes of my old friends as I searched them out after the mass. Everyone was upset about Camarena's death, for the loss of a good man as well as the crossing of some unconscious line. In DEA's small, insular world, Camarena's assassination triggered a roiling anger that coursed through the agency like a current. The consensus among the

agents was DEA waited too long to apply the necessary pressure on the Mexicans. From what we heard, the Mexican police could have located and freed Camarena before the traffickers executed him. Camarena warned the DEA brass things were getting dangerous in Guadalajara. The agency ignored him.

The story sounded chillingly familiar. On my way back to Lima, I thought of the bodies lying next to the dirt path, hacked and scattered like broken toys. I had a lot in common with Camarena. So did a lot of agents stationed abroad. DEA simply was spread too thin to fulfill its political dreams across the globe. As my plane headed into Lima, I wondered how Camarena's death would change DEA's policies in Peru, Mexico, and a dozen other countries. I also wondered how his death would change me.

After Camarena's murder, Noe was in my thoughts constantly. I wanted to stay in Peru, but this was no place for a pregnant woman. I feared for her safety in Lima, as well as for her unborn baby's. The water was horrible; milk was in short supply; the guerrillas constantly knocked out power to the city. The area shook every few days with faint tremors. My brain played What If in a constant loop: What if we could not find a decent doctor? What if Sendero Luminoso launched an attack on the suburbs?

What if I was abducted?

Noe worried too. Our wealthy Peruvian neighbors traveled with armed bodyguards. She knew if I shook the web too hard, the cartels would take revenge on my family. I could do little to comfort her. That Easter, when we all flew home for a brief vacation, I returned to Lima alone. Noe and Crystal stayed in McAllen without me. It was better that way, I told myself.

In July, 1985, Peruvians elected a new president, 36-year old populist Alan Garcia. Young and immensely popular, Garcia took a special place in Peruvian history by becoming the first civilian president to succeed another civilian president since 1945. Garcia stoked the nation's hope by vowing to raise wages and play hardball with foreign bankers to defer payments on the country's \$13.5 billion debt.

To an outsider, it looked like JFK sweeping into town on inauguration day: A young, charismatic leader claiming the city as his aging predecessor departed. The explosions broke the spell. One bomb, packed inside an orange Volkswagen, erupted two blocks from the U.S. Ambassador's residence on the eve of the inauguration. The military occupied the city for the ceremonies, filling the air with the accumulated noise of helicopters, sirens, and shouting. The guerrillas still wiggled through. They marked the occasion by setting off a series of car bombs across the city. That night, they hit the electrical towers, blacking out entire sections of the city.

It was a particularly violent month in the drug war as well. In Colombia, five gunmen casually walked up to a taxi caught in rush hour traffic and pumped 13 bullets into Judge Manuel Castro, killing him instantly. Castro's execution followed his effort to bring charges against 16 people connected to the drug related slaying of Rodrigo Lara Bonilla, Colombia's justice minister. On July 24, a cocaine lab belonging to alleged drug lord Reynaldo Rodriguez Lopez exploded in Lima. The DEA investigation of Rodriguez, which I participated in following the blast, led us to a travel agency he owned. There, we found a stamping machine. For a fee, Rodriguez could stamp your passport with any visa you wanted. Inside his fire-stained mansion, police found an 84 - line switchboard with direct connections to the Mexican consulate and the homes of a number of Peruvian police detectives.

The new Peruvian president wanted fast action against the cocaine cartels operating in his country. Immediately after taking office, Garcia approved the operation his predecessor rejected: Operation Condor was on.

DEA, CIA, and the Guardia Civil came up with Condor. After prodding, CIA provided us satellite photos of the jungle to help us spot labs. The Colombian national police told us the remote area concealed a number of cocaine labs.

I flew to Leticia, Colombia, the country's only toehold on the Amazon. A contingent of Guardia Civil officers accompanied me, dressed in their best uniforms. We had an appointment with the Colombian national police to plan the first joint anti-narcotics

operation ever attempted by the two countries. The Colombians and Peruvians called it Operacion Condor, in honor of the massive vulture Peruvians adopted as a national symbol. DEA dubbed it Relampago, the Spanish word for Lightning.

We met at the Colombian national police headquarters outside Leticia. The two groups took to each other instantly, quickly becoming a unified team. The Peruvians needed the Colombians. Despite Garcia's purges - - he dismissed 37 generals in his first two months in office - - the Guardia still received no cooperation from the Peruvian military. The Colombians had the airplanes and equipment the operation would need. They knew cooperation meant more U.S. aid.

Our target was one hour from Leticia, deep in the Peruvian jungle in an area known as Callaru. Satellite photos supplied by the CIA revealed a huge dirt airstrip, more than a mile long. The strip, located near the Rio Tigre, was the hub for the area, where the jungle hid an estimated 10 airstrips and an untold number of clandestine labs. Neither the Peruvians nor DEA had ever worked the area. It was virgin territory. I circled the mile -long airstrip with a red pen. Phase I would begin there.

I became more and more wrapped up in the operation, losing track of the days. Noe and I talked on the phone constantly throughout her pregnancy. I missed her and Crystal terribly. I could not bear to think about Crystal growing up without me. I worked harder, exhausting myself to keep the thoughts from taking hold of my mind.

For several weeks, we exchanged cables with the Colombians and met in Leticia to plan strategy. As a cover story, we told everyone we were conducting joint drug enforcement training. Even the Colombian anti -narcotics unit did not know exactly where we planned to strike. We kept them out of the loop, fearful of cartel spies within their ranks. But Leticia was a traffickers' stronghold. Word leaked out the two countries were planning a big raid. When our informants told us of the leak, we pushed up the timetable. We knew we had to move fast before the dopers could react.

On August 13, 1985, two Bell helicopters filled with adrenaline pumped Colombian and Peruvian police lifted from Leticia, bound for the target airstrip. I sat in the second chopper, next to Colonel Zarate, the Peruvian officer in charge of the operation. He was one of the most honorable men I met in any uniform, a young, energetic officer from Lima. After this operation, he would become a general. I peered into the eager eyes around me. None of these men had participated in an air assault. I hoped they could keep their heads if the dopers attacked.

The trip brought me back to Vietnam. We flew at treetop level, the skids almost brushing the green carpet. Thousands of macaws, disturbed by the thumping rotors, erupted from the trees and flew below us in a red, blue, and green cloud. They were so close I was tempted to reach through the open hatch to touch one.

After 45 minutes, the strip suddenly appeared below us. It was a beautiful sight, 50 yards wide and a mile long. Five small planes sat at one end of the brown ribbon, next to a low building.

The lead chopper landed at the far end of the runway, dropped off its half - dozen passengers, then lifted and banked for the return trip to Leticia, where the remainder of the force waited.

The shooting started immediately. The traffickers, flushed from the building by the choppers, aimed and fired, too far away to do any damage. The Colombians and Peruvians returned fire. I silently cursed, willing them to hold their trigger fingers until they closed the distance. My chopper banked and circled over the river. We spotted two sleek cigarette boats, one blue, the other red, cutting a foaming wake through the murky water. One dashed straight for the overhanging branches near the bank, disappearing from sight. The other tried to outrun us. We could see three men inside, one at the wheel, the other two watching the approaching helicopter and shouting instructions to the driver. The chopper pilot banked for better angle, tipping us sideways. A Guardia officer gripped the edge of the hatch, took careful aim and fired a burst from his assault rifle. Smoke poured from the boat's wounded engine. The driver yanked the wheel violently, pointing the boat toward the shrouded bank.

We broke off our pursuit to back up the first team. Our feet hit the packed dirt a moment after the skids touched. We quickly divided, leap - frogging down the airstrip.

We caught up with the first team at the far end of the runway. The traffickers were gone. They obviously decided against a pitched battle and fled into the trees. I took a quick head count. No one was hit.

With several men posted to watch for the dopers, the rest of us cautiously surrounded the wooden building at the edge of the runway. I spotted a hand painted sign nailed to the wall: Casa Brava. Inside, several picnic tables lined the wooden floor, holding half eaten plates of steak, chicken, and soup. The

screened -in front room also held a few rickety cots, a big Sony TV, and a VCR. A large generator hummed behind the building. To the left, a large kitchen contained a deep freezer with enough steak and chicken to feed a platoon. Open - faced shelves held rows of insecticide, canned food, condiments, and burlap sacks of rice. Against the opposite wall, large plastic barrels brimmed with fresh water.

Across the runway from the building, the dopers erected stout posts supporting huge sheets of black plastic. The crude hangars were large enough to shield two planes. Drums of aviation fuel flanked the hangars in neat rows. I tried to imagine how many plane loads of cocaine departed from this compound every day.

By the time the helicopters completed their shuttle service for the night, 30 men milled around the isolated strip, gaping at the traffickers' lair. We spotted a bulldozer and several other buildings, but it was too dark for more than a cursory inspection. As dusk settled over the jungle, we saw figures scurrying across the center of the runway. The dopers were regrouping. We divided into teams and prepared for another assault.

I organized the perimeter, placing a pair of men every 10 yards around the building and up both sides of the runway to form a U-shaped defense line. When they settled in, Colonel Zarate assigned a team of men to cook a meal. The men rotated from their posts to feast on the traffickers' stocks. I passed from one station to the next, urging them to stay alert and sleep in shifts through the night. If the dopers returned with more men, we needed every eye and ear tuned to the trees.

An hour later, we heard a voice crying from the darkness. "Ayudanze, estoy herido. " Help me, I'm wounded.

The perimeter broke into excited chatter. Probably an ambush. I moved toward the treeline, turning to ask for a volunteer. The conversation stopped. Finally, Colonel Zarate drafted one of his men to accompany me. I whispered a few instructions, then we dropped to our knees, crawling through the undergrowth with flashlights and M-16s.

The voice continued, a low moan in the darkness. "Ayudan-me, por favor. "

If this is an ambush, they've found a convincing actor, I thought. I whispered to the Peruvian, "Watch out around us for movement. " He nodded. We crept the last few yards.

The man lay sprawled on his stomach at the base of a huge tree. The beam of my flashlight played over his prone body. He looked about 25, with a medium build and light complexion. His striped shirt was covered in mud. Blood stained his dress pants a deep crimson. I hissed at him, ordering him to identify himself. He was a pilot, shot in the ass as he fled the assault.

We crawled back toward the airstrip, dragging him behind. I still had not ruled out an ambush. We reached the perimeter, facing a line of gun barrels. Two Peruvians immediately yanked the pilot to his feet and began slapping him around. Then the Colombians joined them. A real show of cooperation, I thought sadly as they aimed kicks at his wound. The pilot was close to tears. He claimed he just arrived at the airstrip and was waiting for his load. He said he did not know anything about the traffickers' operation. The answer brought more fists from the unconvinced police. They assigned two guards to the pilot and made him sit upright in the dirt the rest of the night. The shooting started around 9 p.m. First one rifle, then two, then a dozen opened up, muzzles flashing in the darkness as men yelled and branches snapped. I broke into a running crouch, looking for the team who started the shooting. I reached them, screaming a cease fire order for the tenth time. The guns fell quiet. The pair stood shoulder to -shoulder, squinting at the tree line.

"I saw them," the first man whispered, pointing into the dark jungle.  
"They're out there, " his companion added, nodding vigorously.

"Did they return fire?" I asked.

"No. ' ~

"Then don't fire unless you're fired upon, " I said sharply. I was annoyed. If one side of the perimeter aimed the same direction as the other, they could kill each other in the crossfire. I trudged back to Casa Brava.

An hour later, the perimeter erupted again, rifles chattering into the stillness. The officers insisted someone was out there, but no one could be sure where. I repeated my warning.

At dawn, I crept through the trees around the perimeter until I reached the area where the shooting began. Four bullet riddled bodies lay scattered among the broken branches. I summoned the men from that section of the perimeter. The pair who started the shooting stared wide-eyed at the bodies. Their buddies burst into fits of laughter.

The monkeys never had a chance.

We spent the morning inspecting the area. The compound was huge, with buildings tucked into the foliage. We followed well - worn footpaths about 50 yards into the jungle and discovered a sign painted with a skull and crossbones: "Peligro. No fumar. " Danger. No smoking. We had found the lab. The large wooden lab sat at the center of a cluster of buildings, all joined by screened walkways. Blue plastic protected the roof of every building.

The first thing I saw were the vats, huge metal containers straight out of the Frankenstein movies, with gauges and tubes snaking between them. Kilo-size cardboard boxes lay scattered everywhere. Rows of heat lamps suspended from a large board served as cocaine dryers. We found generators, drums of coca chemicals, an electric mixing vat with revolving arms, and testing equipment.

This was no coca paste operation. They were producing cocaine hydrochloride. Col. Zarate looked simultaneously excited and troubled. This was unheard of in Peru. We always assumed Peru made all the paste and Colombian labs churned out the finished product. This place turned the conventional wisdom on its ear. A new, two-story refinery under construction near the lab alarmed the colonel even more. If the traffickers completed it, the new lab contained equipment to make an even stronger, purer product. One hundred percent pure cocaine.

Next door, a wooden building was labeled "deposito. " The lab's cocaine warehouse. It was empty. If there was cocaine here when we landed, they moved it quickly.

Each path ended at another building. We discovered six dormitories stacked with enough bunks to house 600 people. A rough hut sat on the banks of the river, where most of their supplies obviously arrived by boat from Leticia. One shack held nothing but 55 -gallon chemical drums. Next to the lab, another shack contained 15 bunks shrouded by mosquito netting. A sign tacked to the wall read " Guardia. " The lab had its own security force. There was even a rough-cut shrine made of three wide boards nailed into a triangle. The makeshift shelter, mounted atop a thick post, looked like a tiny A - frame house. It shielded a small statue of the Virgen de Loreto, the guardian of this sprawling Amazon district. A wooden cross was nailed to the peak of the shrine.

The wounded pilot insisted he knew nothing about the whereabouts of the paste. But he rattled off anything else he could think to tell us. He said Casa Brava usually employed about 25 people, who served as the ground crew, cooks, and guards for the busy drug hub. He explained the cartels' rigidly compartmentalized operation. Neither the pilots nor the Casa Brava staff were allowed into the rest of the compound, which was run by a different crew. The guards who slept behind the mosquito netting next to the lab would shoot a nosy pilot as quickly as an invading police officer.

We found a number of radios in the guards' shack and clicked them on. Somewhere in the jungle, the traffickers were carrying on a conversation. "They'll never find the stash," one voice reassured another. "It's too well hidden."

We knew they could not have taken the product far, but after a lengthy search of the compound, we were about to give up. Then a shotgun blast ripped through the trees. A Peruvian Guardia member aimed and fired again, whooping as he chased a large toucan. The panicked bird hopped from branch to branch, desperately trying to flap a shattered wing. I asked the Peruvian what the hell was going on. He said he wanted to eat the bird. I was not about to question another country's eating habits.

He continued the chase as we watched. The bird stopped, exhausted. The Peruvian crouched, aimed carefully, and pulled the trigger. The shotgun kicked, followed by the sound of splitting wood. The toucan disappeared in a cloud of feathers, which fluttered to the ground as the bird dropped like a stone.

We heard a yell and turned toward the toucan hunter. He was gone. The ground had swallowed him. We rushed to the edge of the hole and peered in. He thrashed about in a puddle of water. All around him lay bulging white sacks covered in leaves and shards of rotten wood. The stash.

In the days following the raid, the compound became a zoo. General Walter Andrade, the head of the Guardia Civil, flew in with Rieff, who suspended his eternal state of distress over my jungle disappearances to congratulate me. Our DEA counterparts from Colombia showed up with a video camera to film the entire area. Peruvian and Colombian officials descended on the site like press hungry vultures, gesticulating and posturing for the international and local media.

People milled around the compound like ants, oblivious to our gentle requests not to move anything. It was total chaos. The joint leader insisted on unlimited access for the cameras. They wanted the pens to scribble and the shutters to click. It looked good for the United States, which financed the operation. It looked good for the Colombians, who knew they were considered the world's cocaine Wild West. Most of all, it looked good for Peru's new president, who could boast of his country's victory over the traffickers. I avoided the cameras as best I could. For an undercover agent, exposure meant failure. I huddled with my paperwork, writing endless reports and filling dozens of clipboard pages with an inventory of the compound.

A few days later, the South American newspapers published multi - page articles on the raid, repeating the numbers: Four tons of coca paste seized from a lab capable of churning out 500 kilos of pure cocaine a day. The Peruvian government estimated the compound's value at \$500 million. It was the biggest cocaine lab capture in South American history.

We seized five planes, three with Colombian registration, one Bolivian, and one American. We never found the wounded cigarette boat or any of the Colombians who fled into the night. We captured assault weapons, military uniforms, boxes of ammunition, and a firing range with hand-drawn silhouettes, pocked with bullet holes. We later discovered the lab belonged to Arcesio and Omar Ricco, members of the Cali cartel.

For the rest of the week, I supervised phase II of the operation, buzzing over the treetops in search of other buildings and airstrips. We discovered another hut a half mile from the main compound, a communications center jammed with radio equipment. We found six smaller airstrips in the immediate area, one made of cement. The crude compounds, none approaching the size of the first, were dynamited, disappearing in a shower of splinters. We arrested a few young Colombian pilots at the airstrips. They were flown to Colombian jails.

When I wandered into the Lima office a week after the raid, I picked up a local paper left on my desk and almost choked on my coffee. My photo, snapped by a Reuters photographer with a telephoto lens, took up a quarter of the page. Luckily, I was wearing a large pair of sunglasses, but the DEA insignia on my camouflage jacket was unmistakable. A number of other papers published the photo in their spreads on the operation, with headlines screaming "Contra narcotrafico." Against narcotrafficking. Wonderful.

After Operation Condor, the dollars flowed into Peru at an unprecedented rate. The Peruvian government rewarded the Guardia by allowing them to use the confiscated planes for their anti-narcotics operations. DEA rewarded the Peru office with a new base in the Huallaga Valley, named Santa Lucia. The agency built a runway and barracks in the jungle, then sent more agents down with three Hueys to increase the pressure on the cartels.

I flew home in late September, arriving just before Noe went into labor. My son was born in the same McAllen hospital where his sister arrived. We named him Celerino Castillo IV. I immediately nicknamed him C4.



Back in Lima, Rieff was irate when he saw my photo in the papers. When I returned from McAllen, he insisted my tour be cut short, claiming my safety could not be guaranteed now that my picture was undoubtedly tacked to the cartels' bulletin boards. I shrugged it off and flew back to Tingo Maria. UMOPAR gave me a much warmer welcome, crowding around to congratulate me on Condor's success. Rieff remained obstinate, muttering I was going to get killed, or, worse, get someone else killed. I was beyond caring anymore. The cartels knew who I was. They surely saw my photo. But after a year in the Huallaga Valley, I knew the jungle better than their men did. I had spun my own small web, connecting strands throughout the valley to warn me of trouble. I trusted my Guardia friends, I trusted my informants, and I trusted my instincts.

I was not the only one receiving unwanted media attention.

On August 11, 1985, an article appeared in The Washington Post

described how the Nicaraguan rebels fighting the Sandinista government were sustained after U.S. funding ran out the previous May. The article exposed the man who held the Contras together almost single-handedly: Lt. Col. Oliver L. North.

Through September, I spent as much time as ever in the valley, running over the trails with UMOPAR. I avoided Tingo Maria, just in case the cartels decided to use me as an example. Ironically, both Rieff and the traffickers feared a repeat of the Camarena tragedy. Rieff knew his career would suffer a major blow if an agent under his command was killed by dopers. The cartels knew the wrath of two governments would descend on them if another DEA agent died in the line of duty. Neither wanted the kind of debacle then playing out in Mexico.

The real reason my boss wanted me out of the country, I thought, was my relationship with the Guardia and UMOPAR. Instead of consulting with Rieff, the generals and colonels came straight to me for advice about anti-narcotics tactics. They knew I spent most of my time in coca country. They trusted my instincts. Rieff resented that.

The word came at the end of September. Rieff called me into his office to tell me I would be transferred to Guatemala on temporary duty, or TDY. In addition, he refused to recommend me for promotion to the next level. I could not believe what I was hearing. When I first arrived in Peru, he told me the promotion was automatic after spending a year in the country. I looked at him, the irritation showing in my eyes. He gave me a half-hearted shrug. I just had not paid my dues, he explained.

# Six

## Tightrope

### Guatemala City, Oct. 10, 1985

As Copa flight 313 droned north over the jungle, I ran down my mental checklist on Central America. Leftist rebels, a permanent fixture in the region, had locked the military governments in Guatemala and El Salvador into bloody wars of attrition, while the poor multitudes in both nations, as usual, absorbed the crossfire. War would complicate my job considerably. To a government fighting for control in its own backyard, everything else becomes a distraction. But Uncle Sam's aid bought hospitality for the State Department's political operatives, a jungle playground for the U. S. Marines, and a tiny beachhead for DEA.

In Guatemala, the locals would be hostile. The government carried a lingering bitterness toward the United States since the Carter Administration cried human rights violations and yanked U.S. military aid in 1978. The Israelis quickly moved into the power vacuum to take care of the Guatemalans, training the security forces, financing the war machine, and running covert operations against leftist movements in Nicaragua and other republics. Under Reagan, a trickle of U.S. military aid resumed by 1985, but the Guatemalan government had new friends and was slow to warm to U.S. intelligence and drug agents poking around their jungles. I knew from working with Israeli intelligence in Peru they could give me all the information I needed to sort through the chaos. I made a mental note to look them up as soon as I got settled.

As we moved into Guatemalan airspace, another leadership shuffle was taking place below. The country had a new

democratically - elected government, headed by Marco Vinicio Cerezo Arvalo, a Christian Democrat still gloating over his triumph at the ballot boxes. The long - suffering Guatemalans had endured a string of military dictatorships that stretched back, virtually unbroken, to 1954, the year the CIA toppled Jacobo Arbenz Guzman. Arbenz had the audacity to legalize the local Communist Party and launch an agrarian reform movement, passing out 400,000 acres of uncultivated land to the peasants. Unfortunately for the would -be reformers, some of the idle land belonged to the United Fruit Company. At the time, Senator Joe McCarthy's red hunting was burning in the public mind, the Soviets had the Bomb, and the CIA was a budding agency looking to connect its first body punch against the Communist threat. The CIA called their pet coup "Operation Success," and declared it a victory over Communism in Uncle Sam's back yard. But Arbenz had helped seal his fate by playing Robin Hood with a U.S. company's

land, and the lesson had not been lost on the Guatemalan establishment.

We became the protective uncle in Guatemala, installing Carlos Castillo Armas as president in 1955. Our policy settled into a comfortable, conservative groove. The United States wanted stability in Guatemala, and backed every right-wing regime that came down the power alley, looking the other way as they crushed any opposition and wiped tens of thousands of their people off the face of the earth. Three decades later, not much had changed. Although the Guatemalan Christian Democrats traced their birth to 1955, after Arbenz fell, and carried the banner of moderate reform, the party forged blood bonds with the military as it ascended. Cerezo would assume the presidency in January, but he would need the okay from the men with the medals and the gold braid before he so much as broke wind in his new office.

My ears popped, breaking my train of thought as the plane dropped into its landing pattern. I leaned from my aisle seat to take in the view. In the dusky glow of a dying sun, Guatemala's famous volcanoes filled the landscape, lined up like sentinels along the spine of one of the world's most unstable areas - - the perfect symbol for a land forever erupting, both geologically and politically. The Guatemalans had named two of them Volcan de Fuego and Volcan de agua - fire and water. Steam hissed from the cone of Volcan de Fuego. Fire ruled Guatemala's horizon.

The tires yelped against the tarmac, and the airliner taxied into Aurora International Airport, where my new boss would be waiting. I knew Bob Stia, the country attache to Guatemala, from New York, where we had both worked as agents. We never had more than a passing conversation, and I remembered nothing more than general impressions: a tall Italian guy with straight gray hair and a mild personality. My DEA friends told me Stia had connections in Washington who pulled strings to get him the Guatemalan job. I shook my head. It was crazy to send someone like Stia to Central America. He had three strikes against him as soon as he hit Guatemalan soil: he was Anglo, his Spanish was abysmal, and he didn't know the culture. At least he wasn't out in the field trying to build cases. Hell, it's just TDY - - temporary duty, I thought as the center aisle filled with passengers. My job was catching dopers, not puzzling over policy. I reached the gate and picked my way through the crowd, searching the semi-circle of faces. Stia walked up and extended his hand, smiling. "Welcome to Guatemala," he beamed.

The next hand I shook belonged to Russell Reina, a short, stocky Mexican - American with a close-trimmed beard and black hair combed straight back. Everything about Reina cried out for attention. Gold everywhere - - pinky rings, bracelets, and a 50 peso gold medallion hanging around his neck. His money clip, fashioned out of a 20-peso gold piece, probably set him back \$300. He favored guayaberas, not the familiar Mexican short-sleeved variety, but the Panamanian style with long sleeves, cufflinks and embroidered fronts. He looked like a Class One doper. Reina carried what we called a "fag bag," a satchel Mexican men sometimes carry that looks like an oversized purse. His 9mm automatic would be tucked in there along with everything a man normally carries in his wallet. At first I thought Reina had just come from an undercover

assignment and left his dooper clothes on, but I soon realized it wasn't an act - - he really dressed that way.

At the time, Reina was the DEA's lone agent in the Guatemala office, which covered four countries: Guatemala, El Salvador, Honduras and Belize. As country attache, Stia performed mostly administrative functions and served as a liaison between the U.S. Federal agencies and local law enforcement authorities. I could not imagine one agent covering four

countries, especially when two of them had become major political hot spots. Enrique Camarena's murder in Mexico underscored the need for DEA agents to back up one another in unstable countries, and Guatemala and El Salvador made Mexico look tame. I was only on TDY, but the agency planned to take advantage of the sudden doubling of their manpower. Stia put me in charge of the aerial eradication program: reconnaissance missions over the marijuana fields and the opium poppy plantations spreading across the Guatemalan highlands. Some creative genius had named the operations Olive Oyl and Popeye.

As we walked toward the exit, Stia turned to me and said, "You're in a different world now. I'm going to take you to our local cathouse. " I grinned. Temporary duty would be interesting here. I later discovered the bordellos had become a first-day ritual for most U.S. agents setting foot in Guatemala City - - CIA, DEA, State Department, or military. We piled into Stia's brand new DEA Volvo and drove to the Hotel El Dorado, half a mile from the airport.

The El Dorado carried a five -star rating, and stayed plump from a steady diet of North American businessmen on expense accounts. I checked in at the desk, flashed my diplomatic passport to get the discount rate given to embassy staff, and the clerk handed me a key to a corner room on the sixth floor. I rode the elevator up and turned the lock. A king -sized bed dominated the room, across from the necessities: a desk and cable TV with CNN. Parting the drapes, I took in the view.

By pure luck, the room made the perfect agent's perch. I could read the identification numbers on planes coming and going from the airport, and the large picture windows offered a clear view of the front of the hotel and down one side. I threw my suitcase on the floor and took the elevator down to the lobby where Stia and Reina were waiting.

We drove down Avenida de las Americas, the busy thoroughfare that bisected Guatemala City and cut through the wealthier neighborhoods. The four-lane road was split by a broad esplanade dominated by tall trees and landscaped shrubs. The greenery halted at major intersections to leave room for huge statues of Spanish conquistadors and Mayan rulers locked forever in circling traffic. At the end of the avenida, we stopped at a large, one - story brick home where a security guard slouched in

front of an iron fence. Stia parked in the street, and the guard finally recognized the norte americanos and waved us through the gate. He assured Stia the car would be in good hands while we were inside.

The three of us looked like bit players in a bad detective show - - Reina in his flashy gold, Stia in his conservative suit, and me in my usual boots and jeans. Stia knocked. Right out of that same bad detective show, a small panel slid open in the steel door, and the brown eyes framed in the opening flashed recognition. The little panel clacked shut and the door opened. If those eyes had seen police uniforms, the owner would have made a hasty appearance to inform the officers who they should call to confirm the required bribe, or mordida, had been paid. A heavy square lock would hold back anyone trying to throw a shoulder at the door, and inside, a couple of stout sliding bolts would stop any uninvited guests without a battering ram.

The house looked like any cookie - cutter suburban dwelling you would find in the States, except for the nouveau - Graceland decorating. A huge living room to the right held blue and maroon velvet sofas and velvet drapes sweeping down to dark plush carpeting. Paintings of women in provocative poses adorned the walls. Beautiful ladies in evening gowns reclined on the wall -to wall sofa, awkwardly mimicking the classical poses on the wall. This was Maruja's, named after the madam who ran the place. Stia and Reina told me the house was legendary in Guatemala for its expensive women. As we crossed into their den, the women - girls, really, none of them looked older than 18 -- sat up expectantly, waiting for a signal to do business. A waiter in black tails sauntered over, a white cloth draped over his cocked left arm, and steered us to the next room. More girls filled the J-shaped bar in calm anticipation. A bartender in a white smoking jacket busily mixed drinks in front of the full-wall mirror.

A couple of the girls immediately joined us for drinks. They asked me to choose a companion, and I pointed to a Chinese girl with long black hair. She quietly joined me at the bar and I ordered drinks. Her black silk dress cut into a low V in front, showing her bare breasts when she leaned forward. In perfect Spanish, she introduced herself as Li. She looked about 16. As we chatted, she told me she had come to Guatemala from Taiwan a few years

before, and the cash she earned at the cathouse supported her parents and several brothers and sisters.

We spent a good two hours at the house, making small talk with the girls over drinks. Reina told me I could lay for an hour, or spend a little more, about \$25, to bring her back to my room for the night. I passed. I had been away from my wife for six months, with no indication the separation would end, but I was too tired for anything but sleep. Stia and Reina wanted me to become familiar with their haunts. Like the hotel, the cathouse held eyes and ears that could be prodded into divulging information we needed. The girls knew we worked for the U. S. Embassy, and they could tell us when Nicaraguans and Colombians hit town. I wondered if the information flowed the other way as well.

Stia and Reina dropped me off at the hotel. I watched the news for a while ' flipped through the Miami Herald's Latin American edition, and collapsed into bed. I had a good feeling about Guatemala. The capital throbbed with the energy of milling masses, and after more than a year in Peru, I needed some time away from the jungle. I clicked off the light, and promised myself I would visit the McDonald's I had spotted from the air.

Stia briefed me on Guatemala during breakfast the next morning in the hotel restaurant. The Guatemalan military, he said, was giving up the government on paper, but would always hold the real power in the country. Despite Cerezo's popular election, minister of defense Hector Alejandro Gramajo called the important shots from his position at the center of the Council of Commanders, a tight ring of military leaders whose decisions overshadowed any of the ostensibly democratic decisions made by the president or the congress. The Guatemalans knew they had to put a democratic face on their Draconian system to stay on Washington's good side, and Cerezo had shown no indication he would test his leash. As far as DEA was concerned, we operated at the at the pleasure of the military.

After breakfast, Stia shuttled me to the DEA offices, located within the U.S. Embassy. I received an embassy ID and met Ambassador Alberto Martinez Piedra, a diminutive Cuban-American, for a 10-minute welcome -to- Guatemala briefing. He never mentioned, and seemed completely uninterested in, the DEA's Central American drug program.

Stia guided me through the embassy compound to the cluster of rooms where the United States government masterminded its strategy to rid more than 8,000 square miles of foreign territory of narco trafficking. My office held a desk, a chair and a file cabinet, with a large window overlooking Avenida de las Americas. The thick bulletproof glass had been gouged by a slug. The natives constantly peppered the building with automatic weapons, our elderly secretary explained wearily. The U.S. government had long ago surrounded its diplomats in Guatemala with a stout iron fence anchored in cement, with concrete -filled steel drums ringing the front entrance. If the 55 gallon speed bumps didn't stop the occasional car bomber, the flock of security guards pacing the grounds would open up with automatic weapons. It was just like Peru. The shit was flying, and Americans were on constant alert.

Stia brought me into his office to continue my briefing. He switched to El Salvador, where I would be spending much of my time. The United States had bought and paid for the country. We chose the presidents, scheduling elections when the previous puppet wore out his welcome. This year, Christian Democrat Jos6 Napoleon Duarte had beaten Roberto D'Aubuisson, who was linked to the country's rightwing death squads. The election should have been a turning point, but the ruling elite and the military had a chokehold on the republic that no mere politician could pry loose.

Despite the ongoing reign of terror against the peasants, the dollars kept coming. A republic the size of Massachusetts absorbed \$1.5 million a day in

U.S. aid - - more than \$ 100 for every man, woman and child - - yet the military government still could not exterminate the Farabundo Marti National Liberation Front, or FMLN, the leftist guerrillas who pestered them from the suburbs and the mountains. They both hung on, dragging the civil war into its sixth year and making terror and gratuitous violence a part of every Salvadoran's existence.

Three days after my arrival in Central America, Duarte would walk unarmed into the war zone and plead with the guerrillas to release his daughter. The rebels had snatched her a month earlier, hammering home the reality that no one was immune to El Salvador's incestuous enmity. Death squad killings had slowed since Duarte took office, but that was like telling

mothers in Florida to take heart because the number of alligator attacks on children had declined.

The military/political storm troopers of both sides continued snatching people from their homes, and while the Salvador air force dropped bombs on guerrilla positions, the guerrilla knocked down power lines, mined roads, and kidnapped mayors. Whoever pulled the trigger, ordinary people died. The Guatemalan government harbored some resentment toward the United States, but at least they maintained some measure of control; the only constant in El Salvador was insanity.

DEA had never worked the country, and we were hoping establish some contacts and land our first seizure. I soon realize they didn't expect much more than recruiting informants and documenting any drug activity their eyes and ears picked up, actually busting a trafficker and grabbing his shipment would be gravy, as far as Stia was concerned. Later, as I leafed through the files, I discovered the drug war in this corner of the globe amounted to piles of reports documenting traffickers' identities and movements, but few seizures and arrests. We were playing traffic cop, taking down the license numbers of speeders, but never writing any tickets. Stia maintained a we're-doing-the-best-we-can attitude. As he continued the briefing, it became obvious that the agency's priorities here mirrored those in Peru. First, stay out of trouble with the locals. Second, don't make the U.S. government look bad. Third, try to make life difficult for the traffickers.

Then Stia nonchalantly brought up the subject that would dominate the remainder of my DEA career: the Contra resupply operation. He described the covert U.S. operation to the Nicaraguan rebels, run out of Ilopango air base near San Salvador by Marine Lt. Colonel Oliver North. Stia said the National Security Council, where North worked, picked up where the CIA left off after our government cut off aid to the Contras.

The third of five Boland Amendments prohibiting U.S. assistance to the rebels had been in effect for a year at this point, and in April, 1985, the House of Representatives had rejected \$14 million in non-military aid to the Contras, despite President Reagan's energetic lobbying for his favorite rebels:

As you know, the Sandinista dictatorship has taken absolute control of the government and the armed forces. It is a Communist dictatorship, it has done what Communist dictatorships do: created a repressive state security and secret police organization assisted by Soviet, East German and Cuban advisers; harassed and in many cases expunged the political opposition, and rendered the democratic freedoms of speech, press and assembly, punishable by officially sanctioned harassment, and imprisonment or death.

I truly believe - - the history of this century forces me to believe - - that to do nothing in Central America is to give the first Communist stronghold on the North American continents a green light to spread its poison throughout this free and increasingly democratic hemisphere.

Change the nationality of the advisers, and the President's speech would have described our allies in Guatemala and El Salvador perfectly. Nicaragua was not about to let its neighbors show them up, however; the day I arrived in Central America Nicaraguan President Daniel Ortega Saavedra suspended civil rights, such as free expression, the right to assemble publicly and privacy of mail and home. Ortega said "the brutal aggression by North America and its internal allies has created an extraordinary situation. "

Its " internal allies" were the Contras and their sympathizers, who made life difficult for the Sandinistas. Under the CIA's tutelage, these internal allies sabotaged oil facilities at Puerto Sandino, torched an oil storage facility, and planted magnetic mines in Nicaraguan ports. The Reagan administration made no secret of how badly it wanted to thump the Sandinistas.

"Be careful what you do up there," Stia said, referring to North's covert venture. "Don't interfere in their operation." Reports of drug smuggling by North's operation had trickled into our office, but Stia said DEA had not pursued the matter. He wanted to do his time in Guatemala, then pack up and return to upstate New York with his wife and kids. He wasn't about to throw rocks at a hornet's nest.

I had learned a hard lesson in Peru, and I wanted to lay out my personal philosophy up front. I told Stia, "If I receive

intelligence the Contra operation is trafficking, I'll investigate and report it.,, Stia laughed. If I tried to take down North' Operation, he said, the DEA brass would waste no time find some excuse to pull me out of the country.

I made up my mind right there I would check out Ilopango. I didn't care who was running dope; if I confirmed they we smuggling, I would move in. Stia assumed I would salute and play the good soldier. From his statements, I could read his logic: I was a Vietnam veteran. I spent eight months in the jungles trying to



shoot Communists, and watched my buddies die in the process. In Central America, the Sandinistas gave the Reagan Administration an opportunity to banish the ghosts of Vietnam forever. Reagan, like Kennedy, Johnson and Nixon before him, had used Cold War Communist fears and the domino theory to persuade America we could finally slay the dragon on a small Third World stage. I despised Communism, but I joined the DEA to fight another war, and Stia had no idea how many comrades I watched die in the clutches of heroin in Vietnam.

I fell in love with Guatemala. I ate fresh vegetables, lobster, steaks. The people somehow remained friendly and polite, although their eyes revealed a hard edge honed by war. My only complaint was the weather. Even in October, it felt like springtime, making sweaters a necessity at night. I still preferred pounding the beat. I found plenty of U.S. fingerprints on the ancient Mayan homeland. On the crowded streets, old American cars jockeyed for position, many of them bearing Texas plates. The homesick U.S. businessmen from Akron got their fast food fix at McDonald's or Pizza Hut, and Wendy's was opening soon.

My ears picked up the local brand of Spanish on the streets, and I worked on scrubbing the Mexican signature from my speech. My border Spanish would only raise eyebrows here. It didn't take long for me to pick out the differences between the Guatemalan and Salvadoran dialects. The Salvadorans had a singsong tone, and used very correct Spanish. The Guatemalan elite prided themselves on their correct Spanish, but the poorer people tended to cut the end off of their words and spiced their conversation with slang. With each conversation, I took on more of the local vernacular.

My mission was redefined after I found out Stia and Reina had a lock on most of the aerial eradication work. They both wanted to get enough time in the sky to qualify for their pilots' licenses. They were always flying. Nobody was ever on or off duty here. Reina liked zooming over the poppy and pot fields, but face-to-face encounters with the bad guys were not part of his plan. As much as Reina looked the part of a trafficker, he refused to work undercover - - he never had the instincts for it. He just wanted to have fun. Stia always teased him for working "kiddie dope," and rubbed it in by telling him he wasn't shit until he worked New York.

Five days after I arrived in Guatemala, Reina's passion for flight almost got us both killed in the Guatemalan mountains.

Reina and I met early that Tuesday and drove to Aurora for an aerial reconnaissance mission, my first poppy field hunt. Since DEA didn't have its own aircraft and pilots, we used a Bell 212 Turbo helicopter piloted by Perez, a contract pilot and a good friend of Reina's. Perez guided the chopper along the ragged spine of the mountains to San Marcos, the western most of Guatemala's 22 departments. We picked up a Guatemalan soldier, a member of the Guardia de Hacienda, at Tacana, a little village near the Mexican border - - guerrilla country. He guided us to a spot in the mountains where the poppy fields glowed

against the foliage. The poppy fields looked beautiful from the air, red streaks against a green canvas.

Mexicans owned the crops, and taught local farmers how to grow opium poppies for a cash crop more lucrative than anything they could plant. The Mexicans taught the locals how to score the hard pods with a blade, let the white sap ooze out, then scrape it off and knead it into a ball. The sap turned chocolate brown, and in short order became heroin for American junkies. Long streaks of red and white along the mountainside proved how quickly the poppy trade spread. The Guatemalan police generally left them alone. They didn't want to risk running into a guerrilla stronghold while trying to destroy a bunch of flowers. We landed on the side of a mountain, in the middle of a poppy field, and took a few plants as samples.

Ironically, the Guardia officer told me, the fields were frequently guarded by the Guatemalan Civilian Self-Defense Patrols, the rural indians organized and armed by the military who were supposed to be keeping the guerrillas busy. When General Efraim Rios Montt took power in 1982, he organized the patrols

to spearhead his counterinsurgency war in the mountains and pressed close to a million civilians into service within two years.

Now here they were, guarding the poppies. I could sympathize with them to some extent. They were very poor people who sided with the military for protection.

The Guatemalan guerrillas also fed off the hopelessness of the Indians, who formed the base of what they saw as an inevitable and massive peasant uprising against the ruling elite. They took names like the Guerrilla Army of the Poor and Organization of

People in Arms, fighting from the rugged jungles of Huehuetenango and Peten in the northern part of the country. The guerrillas spent most of their energy ambushing army patrols, and the military responded with reflexive thumpings of any village suspected of aiding the guerrillas. I wondered how these simple villagers decided between the military and the rebels, with both sides threatening to kill them if they chose the other. It reminded me of the fable about the lady or the tiger, except the unfortunate indians could count on finding a tiger behind either door.

The Guardia officer said he never heard of the civilian patrols shooting a guerrilla. But they were always shooting at the DEA planes and helicopters with their M1 rifles, and the planes frequently returned with bullet holes.

Every trip to the mountains was a risk.

Once we had our Poppies, we dropped the Guardia officer in Tacana and headed north to Huehuetenango for the next leg of the mission. That's when Reina took over the chopper's controls. He wanted to learn how to fly a helicopter, and Perez just smiled and let go of the stick. Reina didn't have much

trouble until we got to Cuilco, the little Village where we were going to meet with Guardia officials to chart more Plantations. But as we reached the Point where an experienced pilot would instinctively cut back his airspeed to prepare for landing, Reina continued bearing down.

I waited for Reina to let up on the stick. By the time I said something, it was too late. I yelled to Perez over the intercom, "We're coming in too fast. " Reina yanked on the stick and the helicopter lurched upward until we were looking straight up into the sky. As he tried to bring it back down, I could see a soccer field, a clump of trees, and a school. A hard stone formed in my gut. Drawn by the sound of the rotors cutting the air, the children were streaming out of the tiny adobe and concrete school.

Reina panicked and let go of the controls. "You take it," he yelled to Perez. Perez grabbed the stick, but Russ had slammed one of the foot pedals to the steel, sending the chopper into a spin. ",I can't control it," Perez screamed. The Bell spun into the ground, snapping off the left ski before the chopper bounced back off the turf. As the door on my side flew open, my mind flashed back to Vietnam, to the thump of the grenade exploding through a pack of men, to the chopper blades slicing through panicked soldiers as they tried to escape the wounded bird. I froze. Perez said, "I've got to lay her down. " He nudged the Bell on its side, and dirt showered the metal skin as a blade buried itself in the ground.

In helicopter crashes, usually the next blade slices through the helicopter's body, taking out anyone unlucky enough to be sitting in the wrong place. But somehow, the chopper broke free of the blades, ripping out the transmission and pouring hot fluid all over me. I thought it was blood. We seemed to float for a moment, then the fuselage crumpled into the ground.

I crawled up to the opposite door and pulled myself out, knowing the wreckage could explode if sparks hit the fumes filling my nose. I yanked open the cockpit door and shouted to Russ. He looked at me in a daze over his dangling sunglasses. He glanced down at his lap, where the belts held him at a right angle to the ground, then at Perez, who was clawing like a caged lion trying to escape a fire. Reina unbuckled his belt and dropped on top of Perez with a thud. Perez let out a yell that knocked Russ out of his daze, and the two finally untangled themselves and climbed out of the shattered Bell.

We stood silently near the wreckage, bruised and bleeding from numerous scrapes and cuts, as a mob of children watched from a respectful distance. Class had obviously been dismissed due to a helicopter crash in the soccer field. Russ tried to light a cigarette and failed miserably; his shaking hands couldn't work the lighter. A little wide-eyed Mayan girl walked up with a handful of oranges and said "Eat these, they will calm you down. " Reina took an orange and wolfed it down, skin and all.

I lit his cigarette for him. Perez was shaking too, but out of anger rather than fear. The first words out of his mouth were "No fuckin' insurance. " He had turned a \$500,000 helicopter into a schoolyard scrap heap.

The tiny military post in Cuilco radioed their headquarters in Guatemala City and told them about the crash, and the commander called the U. S. Embassy, who scrambled a helicopter to beat the guerrillas to the school. The CIA pilot who pulled us out swore he thought we were dead when he saw the wreckage~ The embassy, he said, went ballistic when someone radioed in that the guerrillas had shot down two DEA agents on a recon mission.

Damage control began immediately, and I got a quick lesson in Guatemalan palm greasing. Perez stood to lose his license for letting Reina fly the helicopter, so he paid off the FAA investigator, and the heat blew away. Stia instructed me to write a cable explaining the crash, omitting the fact that Reina's hands were on the stick when we lost control, and stating "it has not been determined what caused the malfunction and crash. " I didn't like it, but Stia made it clear he didn't want headquarters bringing the hammer down on us for Reina's blunder.

Stia and Reina later accompanied me to San Salvador for the obligatory introductions. We flew into Ilopango, a sprawling air base used by military and civilian aircraft.

In El Salvador, the tension level had been slammed up a few notches. You could feel it, an oppressive mixture of fear, hostility and suspicion that permeated every glance, every movement. The base bristled with security. We drove to the U. S. Embassy, where I met Edwin Corr, the U. S. ambassador to El Salvador. I told Corr we received intelligence about large quantities of narcotics passing through El Salvador, and I would be DEA's point man in his domain. Corr struck me as a mild -mannered, affable guy, and unlike his counterpart in Guatemala, he seemed genuinely interested in assisting the DEA. Over the following months, Corr became one of my strongest allies; the one U.S. official I could count on for support as my investigations pushed into sensitive areas.

After the near miss in the helicopter, I decided to work on the ground for a while, and Stia introduced me to a few of our best informants, the people who would ultimately determine the success or failure of my undercover operations. If they could give me accurate information and introduce me to the right people, we could make a dent in the trafficking. If they turned on me, I could be dead. Stia first introduced me to Luis Aparecio, a heavysset Guatemalan businessman in his 40s the agency knew officially as informant number STG - 81 - 0013 - - meaning he had worked for the DEA since 1981, and was the thirteenth informant signed up in Guatemala that year.

I pegged Aparecio as a con artist the minute I met him. He talked fast and smooth, and could easily lure you into a trap with his bullshit. He spoke perfect English, and had lived in San Francisco for many years, where he headed the Hispanic Lions Club.

In San Salvador, he owned a coffee shop. Four months before I arrived in Guatemala, a group of guerrillas with machine guns had driven by the cafe in

two pickup trucks and killed four U.S. Marines as they sat outside. Aparecio told me the guerrillas chased one of the marines inside the restaurant and shot him as he cringed on the floor near the bathroom. It was no big deal to Aparecio; those things happened on San Salvador's streets. The Salvadoran military caught up with the guerrillas and arrested or killed all of them, although rumors spread they had nabbed the wrong men in their rush to placate the U.S. government.

Despite its bloodstained reputation, the cafe still drew Americans, probably because of its prime location in San Salvador's club district, the Zona Rosa. By the time I arrived, American servicemen and diplomats had a curfew after which they were not to be in public. But that never stopped the Marines I watched from getting drunk, falling in love with whores, and shooting off their rifles.

Our relationship started on a tense note. I discovered why Aparecio left San Francisco: he was a dooper, a fugitive from justice in the United States. In addition to his civic - minded Lions Club activities, Aparecio led an organized crime syndicate in San Francisco, a group of Central Americans running large quantities of cocaine into the United States. The DEA had filed charges against him for CCE, Continuous Criminal Enterprise, and narcotics trafficking under the RICO law. They just couldn't catch him. In San Francisco, he gained a reputation for his guile; DEA reports showed the frustration of agents who tried to tail Aparecio, only to lose him when he suddenly shot the wrong way down a one -way street. Because the United States didn't have an extradition agreement with Guatemala, the DEA couldn't touch him. Aparecio told me later that a DEA agent once called in the Guatemalan police to kidnap him and put him on a plane to the

United States - a popular technique for extraditing criminals from countries with no extradition agreement with the United States. When they busted through the front door, he jumped out the window in his underwear and hid in a neighbor's house. He called his military friends, and they grabbed the agent in Guatemala City and brought him to Aparecio, who politely asked him to back off. The agent probably felt lucky to escape with his life, but they didn't harm him. Aparecio hated violence, and refused to carry a gun in a place where bullets were the ultimate arbitrator in my disputes.

We had a Class One cocaine violator in our sights with RICO warrants out for him and nobody could touch him. I realized then we were sleeping with the enemy. But I had little choice but to use him; he was our top informant in El Salvador and we wanted to log our first bust there. Like it or not, we had a team. I checked up on him periodically, asking locals I trusted if he had returned to trafficking. They assured me he was out of the business.

He might have been a con artist, but Aparecio proved himself as an excellent informant. He liked my determination' and I learned I could rely on his information. I had the undercover expertise, and he was the guy who showed me around and set up the meetings. His contacts consistently amazed me. Aparecio seemed to go anywhere and speak to anyone in El Salvador. His networking

stemmed from his role in the Nationalist Republican Alliance, or ARENA, a union of politicians and military men who seized the country in a 1979 coup. Aparecio endeared himself to ARENA's top echelons through his skills as a mediator and organizer. He could bring the right people together, and with his silver tongue and waving arms, Aparecio could settle most personal and political disputes in short order.

Aparecio married a Canadian, who fled San Francisco with him. Ironically, the wife of the dooper became a hopeless junkie, hooked on the product that bought them the trappings of the elite. Disgusted, he shipped her back to Canada. I knew Aparecio was a user and trafficker, and I set down the ground rules immediately. If he started in the business again, I would lock him up. He agreed, probably because we paid him well. The DEA gave him about \$1,000 a month a lot of money in Central America. Plus bonuses of \$2,000 to \$3,000 if his work led to a big bust. He knew I could see through his facade, and his disposition changed around me.

As we began working El Salvador, my dependence on Aparecio grew. I had no one else to turn to. After Camarena's torture and murder in Mexico, DEA administrator Jack Lawn said no American agent was to travel or work alone in a foreign country. But with two agents to cover four countries, DEA had no choice.

Aparecio had a girlfriend, a very attractive Salvadoran who worked as a prostitute. He had fallen for her after meeting her at one of the local cathouses, and they had lived together off and on ever since. He even opened a boutique for her next to his cafe, and she struggled for a while to sell women's clothes. Meanwhile, she continued her night job and fed Aparecio a lot of information about the Colombians who bounced in and out of San Salvador. I used her as a sub-source, and time after time her information proved reliable. Later, she would provide a few more entries in a growing list on the Contra operation.

I took over the undercover operations and began organizing and training anti-narcotics units, the "Teach a man to fish" approach to interdiction. The State Department had earmarked money for us, and I wanted to put the cash to use. I visited the different police forces in Guatemala, interviewing men and women, talking to their supervisors as I searched for those with the quickest minds and the best street smarts. The country had plenty of security to choose from, thanks to generations of turmoil.

The masses were kept in check by overlapping webs of muscle. The Treasury Police and the Guardia de Hacienda, who guarded the National Palace, fell under the 11,000-member national police. The military boasted almost 40,000 troops, with its own sub-groups. I soon learned the members of the different forces refused to work together. They all answered to different chiefs, and openly despised one another, so I had to choose one force and recruit from it exclusively. I started with 25 or 30 members of the national police, then formed a second squad within the Guardia de Hacienda within a year.

One security organization I avoided was G2, the intelligence/counter-intelligence unit of the Guatemalan military and

the most feared organization in the country. They held the big power, reinforced by a reputation for stone-faced cruelty. More than 1,000 people disappeared each year at the hands of G2, which Guatemalans referred to ominously as La Dos - - "the two. " La Dos ran the death squads, and favored nondescript white vans for their sinister work. Some of the unlucky victims dragged from their homes turned up later as mutilated carcasses, but most simply vanished, joining the legions of desaparecidos - the disappeared. The snatchings were so widespread that relatives of the disappeared formed their own organization, the Mutual Support Group. Of course, that made them subversives as well, and the death squads began making return house calls on some families. The G2 goons were experts, trained by United States and Israeli intelligence and fed with American tax dollars. They learned their lessons well, and used techniques I would later see first-hand. Their interrogations always brought results; unlike the CIA, G2 didn't worry about red tape or bureaucrats. They would simply extract the information they wanted, then kill their victim and blame it on "death squads. " The vans often took their quivering captives to a bridge close to a neighborhood where all the military brass lived. La Dos drove their quarry - - students, opposition party members, professionals, clergy, and peace corps types - - into small sheds under the bridge. People in the area could hear the screams at night.

After a few weeks in Guatemala, I developed a twisted admiration for the local security forces. They got results, while we wallowed in a quagmire of futility. "El Coyote" personified our impotence. Luis Montoya earned his nickname by setting up a service to smuggling Cubans who lacked documentation in and out of Central America. He also flew all types of contraband on his trips, including narcotics. He neglected to pay off Bahamian officials during one trip, and they arrested him with a plane full of marijuana. The Colombians had given him cash for bribes, but he kept it, thinking he could sneak past the Bahamians,. The Colombians went back and got the load back, which was the only reason they spared his neck. ,

He flew for Reina as a contract pilot, and as their friendship blossomed, Reina signed him up as an informant. He sucked money out of the DEA, feeding Reina information about the cocaine he flew for the Colombians to Florida and Texas. Reina set up "controlled deliveries, " to catch the cartel members on the receiving end. We would help Montoya refuel at small Guatemalan airstrips, then call our DEA offices in the U. S. to bust whoever showed up to collect the powder. In theory, El Coyote would be arrested for show, then set free while the bad guys went to jail and the agency weighed the cocaine for the press releases. Or Montoya could give the Columbians directions to a certain parking lot where the coke would be stashed in a DEA van, which would promptly run out of gas and leave the stranded Colombians easy prey for our agents.

But El Coyote never landed at the right airstrip. Each time, he explained the Colombians had changed the destination at the last minute, or offered some other excuse for leaving our counterparts brooding in the dark at some barren Florida airstrip. Reina usually asked me to go undercover on these operation, which totaled about 50 flights by the time I quit counting. I posed as a

maintenance worker, refueling the Cessnas and Caravans as I checked out the loads. Most flights carried 300 to 500 kilos of cocaine, and I knew Montoya charged them \$500 per kilo for delivery, plus expenses. He had a sweet arrangement, taking money from us for information on the cartels, then making as much as a quarter million dollars delivering loads that yielded not a single arrest or seizure. After realizing we were in effect refueling narcotics flights while the trafficker pointed us to the wrong landing strip, I protested to Reina. El Coyote had duped us every time, I said. Reina just shrugged. They were friends.

In Guatemala, friendships were everything. If I wanted to make any progress, I would have to work with the military - despite my disgust with their methods. I met with every military commander I could find, and even paid a courtesy call on the G2 office in the Palace. They seemed eager to work with me. They confided their distaste for the CIA, who supplied them with the high-tech gizmos they loved, but tried to dictate how they worked. After running the country for three decades, the military was not about to take orders from anyone. They saw me as an asset, someone who could melt into the countryside and bring back information on the guerrillas in exchange for their support in the drug war. After a few informal visits, I compiled an extensive list of military contacts, and within a month I sealed their trust with information on Cerezo.

Corruption had rotted Guatemala from the top down, and my growing network of contacts brought the extent of the decay into focus. I talked to customs agents at Aurora, bartenders and waitresses at the Camino Real and El Dorado hotels, U.S. embassy domestic workers and relatives of government officials. Everyone told the same story. The pilots who worked in Aurora talked about the cocaine shipments that frequently passed through on both private and commercial flights. The bartenders and waitresses had served Guatemalan officials during their meetings with Colombian cartel members. The customs workers occasionally caught government officials smuggling bags onto U. S. commercial flights without going through inspection. They had looked the other way because the men carried government credentials. The officials recruited people in U.S. airports who would pick out the marked bags and take them to a scheduled drop point where cartel runners picked them up.

In short, Guatemala had become a major hub connecting the cartels to their customers in the United States. Back in the office, I began running the names of Cerezo's top lieutenants through our computer, and almost every name came back with a black mark. The list read like a flowchart of the Guatemalan power structure. Among the Guatemalan high command documented as traffickers were the president's brother, Milton Cerezo-Garcia; Claudia Arenas, a top aide; and two members of the Guatemalan congress: former interior minister Alfonso Cabrera-Hidalgo and Carlos Ramiro Garcia de Paz.

I leaned back in my chair, trying to absorb the enormity of what I stumbled upon. Our government had leaned on the Guatemalan military for elections and trumpeted the birth of a government whose top officials were involved in narco trafficking. Somewhere, our priorities had become skewed, hopelessly mired in the residual shame of Vietnam and Korea while a new monstrosity



feasted on our minds and bodies. We spent billions trying to beat down an ideology in Central America, while the cartels rented nations as transit routes. After fighting both wars I knew which posed a greater menace to America. Communism had accomplished little within our borders, but drugs were quickly turning our inner cities into war zones and choking our prisons, hospitals and morgues with empty husks. In New York, I watched the drug culture grow, throb, and metastasize to the streets. In South America, economies had surrendered to the most powerful growers the continent had ever seen. Now, I had evidence Guatemala's infant government was addicted to cocaine. Winning our narcotics war in Guatemala would mean taking down a good portion of their government, and that would never fly in Washington.

Warily, I took my information to Stia, who had heard about it already from informants. As usual, he had chosen not to follow up. I held my tongue; Guatemala's high officials didn't seem concerned about hiding their drug activity, so it was only a matter of time before I gathered hard evidence on them.

The Guatemalan military proved a better judge of Cerezo's true character than the Reagan Administration. They had vigorously persecuted Cerezo years before, and one of my informants discovered Cerezo never forgot his trip into exile.

Enrique, a Colombian-born informant who ran a clothing business in Costa Rica, gave me an intimate look at the political side of Cerezo's inner circle. One of Enrique's good friends was a well placed Guatemalan official, and I asked him to feed me anything he heard about the men on my trafficking list. Enrique's friend took him to a surreptitious meeting in downtown Guatemala City where a high Government official, met with two Cubans, a Russian and several Nicaraguans.

Enrique said they spent the evening discussing how to overthrow the Guatemalan military.

I wrote my report and gave it to Stia and the CIA. The CIA didn't believe me, so I called G2. Two of their officers rushed to my office for a quick briefing. It was hot information, and they were stunned. Captain Fuentes (whose full name I never learned), was clearly impressed. "Someone tipped us about the meeting, but our friends within Cerezo's government could not discover the location in time to act," he said. Fuentes pressed for the name of my source, but I balked. He didn't know how to react. Glaring at me, he told his lieutenant I probably worked for the CIA, and it took me a while to convince him drugs and politics were so intertwined I gathered good political intelligence with almost every drug case I worked. He thought for a few minutes, then dropped his interrogation and thanked me for the tip.

I shut the door behind them, feeling strangely secure. I had their respect.

One of our informants worked for both the Guatemalan government and the Contras, and his loose tongue gave me my first concrete intelligence about the rumors Stia had mentioned. Everyone knew him as Sofi. Socrates Amaury Sofi -Perez was a Bay of Pigs veteran, a short, thin Cuban with a big nose, glasses and a receding hairline. Despite his vague resemblance to Gandhi, Sofi had his fingers in every illegal and immoral activity in the region, including the government's death squads. He carried G2 credentials, but essentially worked as a free agent, leading the squads and dabbling in narcotics on the side. Like Cerezo, he surrounded himself with bodyguards, massive men he handpicked from G2.

Sofi never tried to hide his connections to the death squads. Accountability barely existed in Guatemala, and he had all the connections he needed with the military, the government and the ruling elite. They kept Sofi and his fellow commanders very busy. A British human rights group estimated 100 Guatemalans were killed for practicing the wrong politics each month, and another 10 people disappeared each week. I knew those anonymous white vans could pluck me off the street at any point. I couldn't touch Sofi.

One of his tentacles reached into the Contra operation, and as Sofi bragged about his connections with the rebels, he shed more light on North's shadowy operation. He told me the small Contra air force at Ilopango smuggled drugs as well as war materiel, and drug money helped feed their crusade against the Sandinistas.

"We have to support the Contras fully," Sofi often told me. "Nicaragua must be liberated from the Sandinistas at any cost, and if trafficking provides the means to that end, so be it." Like Stia, he considered me trustworthy because I was a Vietnam veteran, a fellow traveler in his eyes. Like so many Bay of Pigs refugees loitering around Central America, he lived to battle Castro and Communism. By sharing the details of the operation, he wanted my implicit approval of their activities.

Sofi owned a shrimp company in Guatemala City he used to launder narcotics profits for the Contras. He played the role of trafficker and banker, picking up cocaine in Colombia, hiding it in shrimp bound for Miami, then turning over the profits to the rebels. He paid off a U.S. Customs agent who would receive the cocaine/shrimp shipment and hurry it past inspection, arguing it would spoil. I wondered what Bob Stia would say if he found out the cases of frozen shrimp Sofi brought him were part of a smuggling operation.

Sofi told me he had started double -dealing, piggybacking big cocaine loads from Guatemala to Miami for the same Guatemalan government officials I had on my list. I had never met a man so adept at exploiting chaos. Sofi's only loyalty was to himself, but he sold his services simultaneously to Cerezo, the Guatemalan military, DEA, and even the CIA. I later discovered he was double -dealing on the DEA as well, monitoring our activities and reporting to the Contras. He asked too many questions about my intelligence on Ilopango, always pestering me to run computer checks to find out if DEA had opened any files on certain pilots or Contra operatives.

One incident Sofi passed along revealed how badly President Reagan wanted

to keep the resistance alive. North had negotiated with the Guatemalan government to receive a shipment of surface-to-air missiles bound for the Contras, in exchange for a generous increase in U.S. aid. On the way to the Contra base, the missiles were seized by the Hondurans. A hasty phone call from Reagan convinced President Roberto Sauzo Cordoba of Honduras to release the shipment, and North later revealed Washington's reward: additional aid. The Guatemalans obviously reaped their own quid pro quo for their part in the transfer; the following year, U.S. military aid to Guatemala increased from \$500,000 to \$5.4 million.

Sofi maintained his sales pitch for the rebels, but I wasn't buying. I admired the Contras for their tenacity and their ideals, but I suspected Sofi's surreptitious seafood scam was just a sample of their drug involvement. I repeated the pledge I made to Stia - - if I caught them running dope, I was going to report it. Sofi looked as if I had slapped him. His questions persisted, but he stopped volunteering information on his activities for the Contras.

After a month in Guatemala, I shifted to El Salvador to repeat the networking process. I spent a lot of time with Aparecio, drinking in everything he knew about contraband in the country.

He was a walking encyclopedia on everything from Colombian trafficking in El Salvador to the black market baby trade.

I told him what I learned about Sofi's shrimp connection, and he filled in more blanks on the Contras. The military gave them carte blanche use of Ilopango, with the blessing of Juan Rafael Bustillo, head of the Salvadoran air force. Ramiro said they were indeed running narcotics out of Ilopango. He said a bay of Pigs veteran named Max Gomez - - which I later discovered was the nom de guerre for Felix Rodriguez headed the operation and reported to Oliver North.

Ramiro said everybody who spent any time around Ilopango or the Salvadoran military knew about the operation, and the people running the show didn't bother to hide anything. To his air force officer friends, there was nothing covert about the operation. It meant more U.S. aid, and they supported it enthusiastically.

I added Aparecio's statements to my files on the Contra operation, which included careful notes of everything Sofi spilled. As soon as I could accumulate enough intelligence to make a strong case, I planned to drop the hornet's nest in Stia's lap.

The goal of every investigation was to get the dooper out of Central America and into a U.S. court for trial. Unfortunately, we too often turned our handcuffed prizes over to a Byzantine system. Central American justice had a way of misplacing well connected narcotics violators, or releasing them for lack of evidence. The locals saw the drug trade as a huge cash pipeline that could be tapped into almost at will, and it was standard practice in many countries to hold cartel operatives and their drug loads for ransom. As flawed as American justice might be, the drug lords feared it like nothing else, and we had several techniques for getting otherwise unextraditable offenders into our system. On

November 10, Reina called me to back him up on one of these rule-bending busts.

Counterintelligence experts in Belize had maintained a wiretap on Johnny Zabaneh, a DEA fugitive and banana baron living in Orange Walk, Belize. Zabaneh was fat, Lebanese, and the biggest dooper in the country. The U.S. government wanted him for conspiracy to import and distribute marijuana. Reina had been trying to bust him for a year. Without an extradition treaty, we had to wait for him to leave the country, and when the Belizian eavesdroppers heard Zabaneh planning a trip to Guatemala to purchase some sort of equipment, they called Reina with the flight number and time. We detained him at Aurora, then asked our friends with the Guatemalan police to kick Zabaneh out of the country as an undesirable. It was a poor substitute for an extradition treaty, but it worked.

The Guatemalans knew the drill, and grinned when they told Zabaneh he would be returning to Belize - - via Houston. I bought two tickets and called DEA in Houston to send someone to collect a fugitive. As the 8:30 a.m. Aviateca flight left Guatemala City, Zabaneh still looked puzzled. The Guatemalans had evicted him, but he was not sure how that translated into a trip to the United States. He figured it out when I read him his rights from the airplane seat as we approached Intercontinental Airport.

"I'm placing you under arrest for narcotics trafficking," I said. Zabaneh didn't make a sound as I led him off the plane. My DEA counterparts collected him at the gate, and I turned around and re-boarded the plane for the two-and-a-half hour return flight to Guatemala City. High Times, a famous dooper's magazine, wrote about the incident in August, 1986, and I saved a copy for my scrapbook. We had broken rules to nail a trafficker, and he would actually go to prison for his crimes. For the first time since I came to Guatemala, I was proud.

My phone in the El Dorado rang constantly as our eyes and ears at Aurora discovered I would respond in a few minutes when they had a tip. Three days after the Zabaneh bust, one of our informants called when a group of Libyans passed through his security checkpoint. They carried Libyan and Bolivian passports, and the suspicious security team pulled them over for closer scrutiny. They insisted they were tourists, but a search turned up an ominous cache of documents: addresses, phone numbers of contacts, and crude torture diagrams, with the human body's lethal points circled in red.

I pulled on my boots and rushed to the airport. Five minutes later, I confronted the Libyans. They stuck to their tourist story in animated English. If they had landed five months later, when President Reagan ordered the retaliatory bombing of strongman

Muammar al Qaddafi's house, their presence would have sent off warning bells all over the isthmus. I called Manny Brand, a Cuban CIA agent based in Guatemala City, and told him about the group. Manny told me not to get excited - - they were probably trying to come in as illegal aliens, and I should take down all the

information I could and call him the next day. They had not broken any laws, so I followed his instructions. The Libyans were released.

I could not drive the red circles out of my mind. As soon as I reached my office the next day, I turned the information over to the FBI's Central American attache, then called Manny with the Libyans' names. Manny called back shortly, panic-stricken. The CIA computer listed them as terrorists. Manny said Jack McCavett, chief of station for the CIA in Guatemala, had previously worked in Libya, and Qaddafi threatened to assassinate him. The ominous tourists were now a hit squad, and Manny was going crazy trying to find them. The CIA wanted every shred of information they could find, and sent a Learjet from Langley to Panama to catch up with the FBI attache I had briefed.

The next day, the morning traffic into Guatemala City hummed past the bodies of the Libyans. Manny had called La Dos, and it took their best predators one day to hunt down the Libyans and kill them.

On November 18, I flew to New Orleans for Zabaneh's hearing. He was furious, claiming we had kidnapped him. I couldn't stifle my smile when the judge said he didn't care how Zabaneh got there, as long as he was arrested when he hit U.S. soil. He was going to jail, and we had another small victory in our futile war.

My euphoria disintegrated when my wife called from McAllen. There had been an accident, and Crystal Bianca was injured. I jumped on the next flight to McAllen, feeling helpless. When I last saw her in October, Crystal didn't want me to leave - - I could see her standing at the airport waving goodbye. I could also picture the accident Noe described, a car coasting through a stop sign and smashing broadside into my wife and daughter. The images swirled through my head until I rushed home and opened the front door. Crystal had a gash on her head, but nothing serious. She smiled at me with her bandaged head, and almost broke my heart. "Daddy, I didn't think you were going to make it" On my way back to Guatemala, I took advantage of a stopover in Miami to stock up on gifts for my friends. I picked up a bottle of Dom Perignon at a liquor store for the Guatemalan police who evicted Zabaneh. It always paid to reward the people who came through with reliable intelligence. I always brought them bottles of American booze, expensive champagne, and cartons of Marlboros. The men loved giving their girlfriends boxes of candy I brought back for them.

I could afford it; the DEA gave me danger pay for every trip to El Salvador and covered my expenses while I was in the field - which was almost every day. My personal expenses shriveled to almost nothing, so I could play Santa Claus to my network. Friendships were everything.

By December, I was confident enough in my feel for El Salvador to start working undercover. On December 5, I picked up Sofi in my DEA Volvo and followed Highway 1 through the mountains surrounding Guatemala City before picking up Highway 8 to the Salvadoran border. The two-lane road cut through beautiful rolling farmland, but its reputation for bloody accidents forced me to catch only glimpses of the scenery as I concentrated on the traffic. We stopped at the Las

Chimanas checkpoint between the two countries, where Sofi had set up the meeting with Leonel Gaitan-Gaitan, a Salvadoran trafficker who moved large quantities of cocaine for the Medellin cartel.

I didn't trust Sofi, and he became a little annoyed when I repeatedly ran through how I wanted everything done. He never liked being told what to do. I was in no mood to deal with his ego. Working undercover in El Salvador with Sofi as my only backup was plain stupid. If our Salvadoran friend became spooked, I half expected Sofi to scurry under the nearest car, or worse, blow our cover and get us both killed. When I asked Reina to come along, he begged off; he was tied up with his aerial missions in Belize. We met Gaitan-Gaitan in the parking lot of a restaurant just inside the Guatemalan line. Sofi and I began sweating, only partly out of nervousness; El Salvador was always an oven compared to Guatemala City's cool mountain air. Sofi introduced me as Carlos de Cordova, a Mexican buyer looking for a new supplier. I borrowed the alias from my friend Tony Cordova, a Texas Department of Public Safety trooper. Gaitan - Gaitan was almost as relaxed as he was sloppy. His rumpled slacks and dress shirt

hung limply on a short, beefy frame, and he had unbuttoned the top of his shirt to reveal gold ropes Reina would have been proud to own.

My nervousness melted away when Gaitan- Gaitan took the initiative, eagerly chattering about his unique access to the Colombians. He looked and sounded like a used car salesman trying to hit his monthly quota. I told him how many kilos I needed, and promised to call him later to set up the deal.

I smiled as we shook hands. I saw no trace of suspicion in his face, no threatening eyes watching from the perimeter, no signals to hidden associates. Undercover work, the deceptive art of gathering evidence and building a case, simply didn't exist here. The local authorities had no use for it; they grabbed their man, extracted their information, and often decided the punishment on the spot. The idea that I was anyone other than who I claimed had never occurred to Gaitan-Gaitan.

On January 14, Vice President George Bush visited Guatemala City to put the U.S. stamp of approval on Cerezo's inauguration. I met Bush at the obligatory cocktail party at the ambassador's residence. Embassy personnel and Guatemalan dignitaries elbowed through the crowd, jockeying for floor space near the Vice President. I was standing alone, watching the steel faced secret service agents watching everyone else, when Bush approached. He read the tag on my lapel identifying me as a member of the U.S. embassy, and asked what I did. As he shook my hand, someone snapped a photo. I told him I was a DEA agent assigned to Guatemala. He said, "Well, what do you do? " I knew it wasn't wise to bring up the Contras - - this man was part of the Administration, and Reagan had even declared himself a Contra.

I just blurted it out. "There's some funny things going on with the Contras in El Salvador. "

Bush didn't reply. He simply smiled and walked away, seeking another hand to shake. After that exchange, I knew that he knew.

In Washington, the Contra public relations machine continued its mission to scrub the Contras' image in the eyes of Congress and the American public. Years later, Congressional pressure forced the declassification of documents outlining how taxpayer money paid for the Administration's PR campaign on Capitol Hill. In 1983, National Security Advisor William Clark created the Office of Public Diplomacy for Latin America and the Caribbean (S/LPD). "The President has underscored his concern that we must increase our efforts in the public diplomacy field to deepen the understanding of and support for our policies in Central America," Clark wrote in a July 1, 1983 memo.

By 1985, the public relations firm hired by S/LPD to handle the Contra's image referred to their efforts as a "White Propaganda" operation. In an "eyes only" memo from one spin master to another, Johnathan Miller of International Business Communications alerted Pat Buchanan to several negative news pieces and outlined their media counterstrikes. "I will not attempt in the future to keep you posted on all activities since we have too many balls in the air at any one time and since the work of our operation is ensured by our office's keeping a low profile," Miller wrote.

In the winter of 1985, the blitz even reached McAllen, where retired Gen. John Singlaub appeared at the McAllen Public Library with Mario Calero, brother of United Nicaraguan Opposition leader Adolfo Calero. Singlaub, head of the United States Council for World Freedom, claimed he was raising money from ordinary folks to support the Contras. Later, the truth would come out. I happily noted Singlaub didn't get a dime from the ordinary folks in McAllen. Fundraising was against library rules.

Four days after Singlaub's McAllen visit, the first hint of the Contras' drug connection appeared as a blip in the national news. On December 21, an Associated Press article appeared, quoting unnamed U.S. investigators and American volunteers working with the rebels: "Nicaraguan rebels operating in northern Costa Rica have engaged in cocaine trafficking, in part to help finance their war against Nicaragua's leftist government."

Thirteen months later, another story on the Contra drug connection would appear on the front page of The New York Times. Quoting anonymous Administration officials, the story outlined a DEA investigation at Ilopango. It would be the closest my reports ever came to exploding in the White House.

With Bush's visit still echoing in my head, I wrote a report on the Contras based on more than three months worth of intelligence from Sofi and Aparecio. I gathered up my notes and

wrote the main report, then individual reports under each informant's number to show what information came from whom, signed them and dropped them on Stia's desk. He read them slowly, carefully, shaking his head. His discomfort was obvious, and for a moment I was afraid he would refuse to sign.

"This is too big, and it's going to come back and bite us in the ass if we don't report it," I argued. It didn't take long to convince him - if he didn't sign the reports, I was ready to send a cable out to El Paso Intelligence Center, which coordinated and dissected intelligence from all over the world on narcotics trafficking. Stia knew he was covering his ass, and scribbled his name on the reports.

From Stia's desk, they were forwarded to the DEA Latin American Desk in Washington. If this had been any other operation, I knew our foreign office would cut loose a few intelligence agents on temporary duty to help out - I waited for a reaction from Washington. Nothing.

Meanwhile our appointment with Gaitan-Gaitan arrived, and I called the Salvadoran national police to help Aparecio and me make the bust. Sofi's role was finished,, and I always tried to keep my informants from meeting. The Police, however wanted to beat us to the scene, and they exploded into the filthy San Salvador house with a gang of men. When Aparecio and I arrived the Salvadorans were searching the house as they led their prisoners outside. When Gaitan-Gaitan emerged, he squinted at me through a swelling eye and silently shook his head

His mouth didn't look as though it would function anyway. The police were energetically knocking them around, screaming for the location of the hidden cash. With their thumbs tied together behind their backs, the men groaned helplessly as the Police delivered swift kicks to their midsection and swatted them across the face with thick San Salvador Phone books. Somehow, they held their tongues.

The police looked about half finished stripping the house of all valuables. I started to object when the phone rang. I picked up the receiver and the voice on the other end asked for Leone. He said he was calling from Bogota. I switched to my Salvadoran accent and told him I was Carlos, Leonel's right-hand man. "He's at the store," I said. "He should be back in a minute. "

The line was silent for a moment. Finally, the voice from Bogota decided to believe me. "Tell him our friend is going to arrive tonight with 25 aparatos. " The word meant apparatus, a good non-specific term for a kilo. He gave me the flight number of a plane arriving in San Salvador that night and said we should make sure our friend arrived without any problems. I assured him I would personally wait for the flight. He described the passenger briefly and hung up.

The mad scramble continued throughout the house, and I could barely control my anger. The Salvadorans picked over the place with greedy fingers, hunting for the still undiscovered cash. The 30 kilos they seized from Gaitan - Gaitan lay forgotten on a table as they hurried to their vehicles with televisions, stereo equipment, and whatever else struck their fancy. On a lucky hunch, I picked up a large stereo speaker as Aparecio reached for its twin. We grunted with the effort - - they were almost too heavy to lift. Aparecio grinned as we



tore open the back panels and found them packed with brown paper bags full of cash.

The Salvadorans watched intently as we wrapped the money with tape, marking it to show signs of tampering. I felt better when we arrived at the police station, where I searched out my regular contacts and enlisted about 15 police officers to help count the cash. It came to \$800,000 in worn U.S. dollars, which we turned over to their commanders.

From the police station, I drove to El Salvador International Airport to meet our visitor, whom the man on the phone had identified as Nivias. Aparecio had stayed at police headquarters to make sure the money didn't disappear, so I needed some backup for the meeting. I called Victor Rivera, an advisor to the president of El Salvador.

The CIA had hired Rivera as a contract agent and advisor to Duarte, and he and I quickly became good friends. His street skills could help any operation. He was one of a half-dozen Venezuelans training the Salvadoran security police in counterinsurgency techniques. Changing political tides had forced them out of Venezuela, and the Salvadorans generously donated an office in national police headquarters in exchange for their expertise. Sharing grisly techniques had become a thriving cottage industry in El Salvador, and Rivera and his cohorts found cozy positions with both the Salvadoran government and the CIA, who paid Victor a reported \$5,000 a month for his work.

Victor met me in front of the airport, and we quickly fanned out among our contacts in customs and immigration so Nivias could bring his apparatus into the country unchallenged. I spotted him waiting at the baggage carousel and introduced myself. He shot me a quizzical look and asked, "Where's Gaitan?" I had rehearsed my excuse: Gaitan was at the house taking care of the money. He relaxed. I asked if he had the stuff, and he picked up the suitcase and handed it to me.

"Are we going to do it like the last time?" he asked. I had no clue what he was talking about, so I blurted, "Yeah, we're just going to take it out the front door." I grunted as I picked up the big Samsonite, and Victor shot me a wry smile. My arm felt like it was being yanked from its socket. I asked Nivias for his passport and handed it to one of my contacts at immigration, who stamped and returned it with a blank stare.

We walked to Victor's Toyota Celica, and Victor plunked the suitcase in the trunk and popped the clasps. The kilos were packed tightly inside, wrapped in brown tape. I turned to Nivias and told him he was under arrest. Victor cuffed him, and a plainclothes Salvadoran national police sergeant took the wheel of the Toyota. Victor and I got in the back seat, cramming Nivias between us. We had a 45-minute drive from the airport to the capital, plenty of time to question our guest. Victor and I played bad cop/bad cop, asking him how many shipments he had delivered to El Salvador, who he paid off at customs, and other details about his smuggling. Nivias refused to answer. "I don't know what you're talking about," he insisted.

After a few failed attempts, Victor snapped. He swiveled in the cramped back seat and lashed at Nivias with a hard -muscled arm. The punch mashed Nivias' chin with a crack and continued through, smacking me in the face. Victor apologized briefly and continued working on our stubborn captive. After another 15 minutes, he lost his patience and told the sergeant to pull onto a side road. Victor grabbed Nivias by the hair, threw him to the ground, and growled, "I'm tired of this bullshit. If you don't cooperate I'll kill you here like a dog. " He pulled his Glock 9mm, snapped a round into the chamber, and aimed the barrel at Nivias' head.

Nivias pulled himself to his knees, begging. "Please don't kill me, I have a family. " Victor lowered the Glock to Nivias' face and fired. I looked away, convinced he had killed the man. He was that crazy. I began sweating, wondering if Victor would turn the gun on me to eliminate witnesses.

I heard Nivias whimper, then Victor's deep laugh. He had pulled the Glock to the right and fired a round next to Nivias' ear, missing him completely. Victor was laughing, and Nivias remained sprawled on the dirt, breathing in fits with his eyes tightly shut. Between gasps, Nivias said he was ready to talk. We took him to the police department in San Salvador, where he dictated a signed, sworn statement claiming to be a member of the Colombian terrorist group M 19. He said the smuggling had gone on for years. The cartels hired him and other gofers to carry cocaine past paid -off officials. The risk, he added, was minimal.

Everybody was excited about the bust. The Salvadorans could point to the bust with one hand and extend the other to Uncle Sam for more anti -narcotics money. In light of Nivias' confession, the Salvadorans tried to paint it as a terrorist organization smuggling narcotics to support the rebels. Naturally, the dollars followed. Later, the State Department released money for an anti -narcotics squad in El Salvador. My workload again doubled, and for a few weeks, the Contras slipped into the back of my mind.

By mid-February, TDY had become permanent duty. I knew the area, had a big bust under my belt, and they needed the help. Stia asked if I wanted the job, and I jumped at it. I returned to Peru to pick up my household goods, and moved into the embassy transit apartments in Guatemala City's zone 10.

About this time, I recruited a Salvadoran who put the hard evidence I needed on the Contras at my fingertips. Hugo Martinez worked at Ilopango, writing flight plans for the private planes streaming in and out of the airport's civilian side. That included my flights in and out of the airport, and we talked frequently as my presence in El Salvador increased. Hugo impressed me with his pro-American and anti-drugs sentiments, and his strategic position at Ilopango made him a perfect candidate for intelligence -gathering. Recruiting him was easy; he had worked for us indirectly for months. Hugo occasionally fed Aparecio information as a sub - source, and he cemented his reputation with a tip that led to a 500-kilo cocaine bust.

During one of my visits to Ilopango's civilian side (I could never get access to the military side where North's operation was based), Hugo confided he had become unhappy with the arrangement. He had originally balked at becoming a documented informant because he feared getting caught. Emboldened by success, he was no longer happy with taking whatever cut Aparecio chose to pass along. His disgust with the drug trade, plus his addiction to the intrigue of spying, had him hooked. I said, "You're giving us this information, you might as well get paid for it." He readily agreed, and I gave him his informant number. From that point on, I paid him about \$200 every time he gave me intelligence.

Hugo wanted to prove his value, and unleashed a flood of documentation on narcotics smuggling out of the air base. Suddenly, my reports contained not only the names of traffickers, but their destinations, flight paths, tail numbers, and the date and time of each flight. Hundreds of flights each week delivered cocaine to the buyers and returned with money headed for the great isthmus laundering machine in Panama. I could have started a weekly newsletter: Ilopango Doper. Still, our seizures didn't increase much; the traffickers usually airdropped the cocaine before landing in Florida or the Bahamas, swooping low as some poor grunt in the back kicked the bundles out of the cargo hold into the waves below. Waiting speedboats would fish the cocaine out of the water and race to shore undetected.

Many of the loads found their way to the streets through the skills of George Morales, a three-time world champion speedboat racer who smuggled millions of dollars worth of marijuana and cocaine from the Bahamas to Florida before he was caught and convicted in Florida. In his testimony before the U.S. Senate Subcommittee on Terrorism, Narcotics and International Operations, chaired by Sen. John Kerry of Massachusetts, Morales said he paid off Bahamian officials so his powerboats and airplanes could operate unmolested.

When I asked Hugo about the Contras, his eyes lit up, and by the time he finished talking I knew we were in over our heads.

He explained the operation in detail. The Contra planes flew out of hangars four and five, and Hugo could identify their planes by the black cross painted on their tail. The CIA owned one hangar, and the National Security Council ran the other. I knew the CIA, like DEA, had a long history of hiring men with less than stellar reputations. In this case, they were narcotics traffickers. Hugo said the pilots often brought the drugs to Ilopango from either numerous private airstrips in Costa Rica, or the U.S. military base in Panama. They flew weapons, cash, and cocaine from these safe havens, taking the powder to the United States.

Ilopango reminded me of O'Hare Airport in Chicago, bustling at all hours of the day and night. Murga was one of the busiest men on the base, tending to a continuous line of pilots waiting for their flight plans. Like Aparecio, Hugo had no trouble picking up incriminating information; many times pilots told him outright they were taking cocaine to the United States. The CIA had hired them, they boasted, and nobody could touch them. Hugo would quietly jot down their names after they left. Most of the time, Hugo simply poked his balding head into

the planes as he made his rounds. When he spotted the tightly wrapped kilos, the pilot's name joined the others on his list.

As Hugo described it, every pilot had his own preferred technique for getting his illegal payload to U.S. soil. Some liked the John Wayne approach, flashing their CIA credentials at Florida airfields and unloading the drugs in plain view. Those who wanted to maintain a lower profile shipped the kilos out in innocuous cargoes like towels, seafood, frozen vegetables or auto parts. Many landed at military bases around the United States, knowing no one would inspect a Contra plane. The air drops were probably the least risky and the most popular, since many of the pilots had plenty of experience dropping bundles in the Bahamas or off the Florida coast.

They returned with cash to Ilopango. Hugo said some of the pilots flew the money to Panama for deposit in the Bank of Credit and Commerce International, later indicted for money laundering and bribery. From Panama, the money was wired to a Costa Rican bank account held by the Contras. They used the money for supplies and arms, completing the cycle.

When I ran Hugo's list of names through the computer, they all came back as narcotics traffickers in DEA files. Little wonder the Contras used them, I thought. Nobody knew the terrain like drug pilots, and their dive-and-dump flying skills perfectly matched the job description for covert operations.

When I realized how deeply Hugo had probed into the Contra's small air force, I increased my presence in El Salvador, checking in with Hugo and Aparecio constantly. The Contra supply operation had clearly become a link in the cartels' smuggling operations, with Ilopango as the main hub between Colombia and the United States.

We began tracking the drug flights out of hangars four and five. I used pages ripped from Hugo's log book to jot down the date, time, flight number, tail number, destination, and the names and passport numbers of each pilot and co-pilot. Finally, I had concrete evidence.

I wrote a string of reports on the Contras through the end of March with the stream of intelligence Hugo and Aparecio generated. As Aparecio zoomed in on our target, his air force contacts in Ilopango shared their knowledge on the activities in hangars four and five. He had access to the military section of the airport, and he would visit with his military buddies every time he needed booze for his restaurant. The military had a monopoly on El Salvador's liquor sales, so they were the only source for all of the bars and restaurants in the country. Aparecio would go in every week to buy his whiskey and tequila and shoot the bull with the air force brass. They talked openly about the Contra operation. I updated my reports after every trip to El Salvador.

By this point, I was in El Salvador at least every other week, meeting with Aparecio and Hugo in my room at the Sheraton. Stia kept shaking his head and signing the

reports. He figured the deed was done, and they couldn't come down on him too hard. He was just doing his job.

On March 16, 1986, President Reagan took another shot at the Sandinistas in a speech televised nationally. As Congress prepared for another vote on Contra aid, Reagan accused the Sandinistas of drug running. "I know that every American parent concerned about the drug problem will be outraged to learn that top Nicaraguan government officials are deeply involved in drug trafficking," Reagan said, then showed hidden camera footage of several men loading cocaine onto Barry Seal's plane near Managua in April, 1984. Seal, a burly Louisianian who headed the Medellin cartel's shipping operations, had become a DEA informant and was helping the agency infiltrate the cartel. One of the men loading the bundles onto Seal's C - 123 cargo plane was Federico Vaughan, who the President said was a top aide to Nicaraguan interior minister Tomas Borge. Seal's cover was blown the previous summer when his mission into Nicaragua was leaked to the press.

Before his name hit the papers, Seal planned to carry \$1.5 million in drug money to Managua, where the cartel kingpins waited. Oliver North wanted it. On July 28, 1988, DEA officials told the House Subcommittee on Crime North had suggested the Sandinista drug money be diverted to the Contras. North did not get the money. Seal was murdered in Louisiana by two gunmen in February, 1986.

Despite his willingness to solicit for drug money, North, of course, dismissed any possibility of a connection between his Contras and the drug trade. In his autobiography, North tried to put the allegations to rest. After special investigator Lawrence Walsh spent millions of dollars in his probe, "If there was even a grain of truth to these stories, it surely would have come out. "

Hints of the truth surfaced in 1987 and 1988 as Kerry's subcommittee interviewed 27 witnesses and subpoenaed documents - including North's personal notebooks. The notebooks arrived heavily censored, but scores of references to narcotics or terrorism remained. One of the entries, for July 12, 1985, read "\$14 million to finance came from drugs."

Morales, given a day pass from federal prison to testify before Kerry's subcommittee, revealed his involvement with the Contras. Marta Healey, ex-wife of Contra southern front military commander Adolfo Popo Chamorro, approached Morales in 1984 after his second arrest for smuggling and arranged a meeting with Chamorro and two other Contra leaders, Southern group air force chief Marcos Aguado and political head Octaviano Cesar. Aguado and Cesar told Morales they were CIA agents and asked for financial and military assistance.

As far as the Contras were concerned, whatever Morales lacked in scruples, he made up for in money and planes. In return, they promised to use their " personal knowledge " of Washington to help him with his indictment. The Contras needed to fly fabric for uniforms and 40,000 lbs of weapons out of Miami; Morales needed well-connected friends, and quickly. It was a perfect match.

That summer, Gary Betzner, Morales' best pilot, took off from Executive International Airport in Fort Lauderdale with a load of weapons Morales bought at a gunshop in southwest Miami. He landed in Costa Rica, where the weapons were unloaded and, as Morales testified, Betzner picked up a different cargo:

Senator Kerry: What were you expecting to have come back?

Mr. Morales: About 400 or so kilograms of cocaine.

Senator Kerry: Did you know where he was going to pick up those kilograms of cocaine?

Mr. Morales: It had been arranged. He had the map and the coordinates, and the airstrip appears on the Costa Rican air map. It is an American rancher's.

About two weeks later, Morales cleaned out the inventory at another Miami gunshop, and Betzner pushed his Panther off the runway at Opa-locka Airport with another load for the rebels. Again, he returned with cocaine.

As far as Morales could tell, the Contras fulfilled their end of the bargain. He was told the DEA and FBI offices in Miami knew of his involvement with the Contras, yet the flights continued. After one of Morales' deliveries to the Contras in 1985, an associate told Morales he overheard a conversation between a U.S. agent and an informant, outlining the details of an earlier shipment. "This is one of the reasons which has led me to believe that I was very well protected," Morales testified. "Otherwise, one of these agencies would have intervened. "

Morales rewarded the Contras handsomely, starting with \$400,000 in cash and checks in October, 1984. By the end of 1985, the speedboat smuggler's cash contributions to the Contras totaled, by his estimate, \$4 million or \$5 million. Kerry asked him twice, just to make sure:

Senator Kerry: My question to you is, was the majority of that money mostly drug money that you delivered to the Contras?

Mr. Morales: I would say that about 100 percent.

Senator Kerry: Except for the \$100,000 or so that came from your company?

Mr. Morales: Exactly.

Senator Kerry: The rest was illegal profits?

Mr. Morales: Yes, sir.

Kerry's committee also talked to the Contras, with Kerry flying to Costa Rica for depositions of Aguado, Cesar, and Karol Prado, who was Southern front commander Eden Pastora's second in command. The Contras corroborated Morales'

story, and Cesar said when he told CIA officials at Ilopango about their relationship with Morales, they condoned it "as long as you don't deal in the powder. " The Contras said they loathed taking money from a drug trafficker and using his airplanes to transport supplies, but with the CIA money gone, their troops in southern Nicaragua slowly ran out of boots, clothes, medicine, and ammunition. "I'm not proud of having had this type of relationship," Cesar told Kerry during the deposition on Halloween, 1987.

Back in Guatemala, I was preparing for a long tenure. I returned to McAllen for Easter and helped my family pack for the move to Guatemala. Thankfully, the kids were too young to know what was happening. Crystal was two, and C4 was eight months and crawling enthusiastically. Although it meant leaving her family, Noe actually looked forward to the move. I was relieved; she was learning about the life of a diplomat's wife.

In mid-April, a cable arrived from Bobby Nieves, the agent in charge of our Costa Rican office. Nieves advised me to check hangars four and five at Ilopango; a very reliable informant gave them intelligence about large quantities of cocaine being smuggled from Costa Rica to El Salvador. The cable named two Costa Rican pilots who had been flying into Ilopango. It ended with a line that jumped off the page: We believe the Contras are involved in narcotics trafficking.

When I get back to San Salvador and tell Hugo and Aparecio, this will make their day, I thought. Word was getting around.

I immediately called Nieves and briefed him on everything I knew about Ilopango and the connection between the hangars and North's Contra operation. "That's what I thought," Nieves said. The same shit is going on in Costa Rica at a large private ranch, he said, with dope shuttling from the airstrips to Ilopango. We agreed to keep in touch, and share any new information we received.

I bolted from the office and jumped into the Volvo. I set a new personal speed record on Highway 8 to San Salvador, then burst into Aparecio's cafe with a copy of the cable in my fist. I asked him to drop by Ilopango and ask Hugo to check the pilots' names. He came back after sifting through the log books and handed me a list detailing each pilot's flights into Ilopango, along with their tail numbers. The pilots were flying out of hangars four and five.

The next day, I went to the U. S. Embassy in El Salvador and met with Robert Chavez, the counselor general for the U. S. State Department - - and the man who issued all visas from the embassy. Chavez told me the CIA had just requested a visa for Carlos Alberto Amador, a Nicaraguan pilot documented in the computer as a narcotics trafficker. Chavez said he thought Amador flew for the Contras. I checked with Hugo, who confirmed it. That added more fuel to the fire. Why would the CIA give a known trafficker a visa? Chavez was concerned. He knew approving the visa could come back to haunt him, and he asked me to do something about it.

I closed myself in my office and began forming a mental list of the people I needed to visit over the next few days. My reports on the Contras seemed to be falling into some sort of faceless, bureaucratic black hole. I wanted someone to look me in the eye and respond to the evidence.

It was time to get noisy.



# Seven

## Conspiracy of Denial

### Guatemala City - April 1986

Moving provided a much - needed break, and rejoining my family washed away much of the stress that chewed at me since Noe and Crystal's car accident. We made a family trip of it, driving our Jeep Wagoneer from McAllen to Guatemala City and stopping wherever the urge struck during the three -day trek. We spent a night in Veracruz, along the Mexican Gulf coast. When we took our luggage to the car the next morning, Crystal stopped my heart, dashing ahead of us toward the street. Luggage clattered against the sidewalk as I chased after her. To this day I can see the brown taxi bearing down on her, the driver's jaw clenched as the old Chevy's tires locked. The taxi squealed to a halt five feet from Crystal, who stared in frozen dismay at the front bumper. She turned and gave me a helpless look, and I lifted her off the street as the taxi driver screamed at me to take better care of my kid.

He was right. That was the whole idea of moving to Guatemala- to take better care of my family, to soothe the pangs of guilt, to try to bridge the growing space between Noe and myself. Now, the doubts crept back. Just one day out of McAllen, and Crystal had almost been run down. I thought about Duarte's daughter, kidnapped by the rebels in El Salvador. The president had traded a captured guerrilla leader for his child. I wondered if I could protect my kids from the chaos in Guatemala; and if someone snatched them, what did I have to offer the captors?

After driving through some of the world's worst human deprivation, our new home seemed like a palace. The two-story brick house was in zone 13, an upper -crust section of Guatemala

City. Our neighbors were the big landowners, business tycoons, government officials, and others at the top of the Guatemalan food chain. The mayor's residence was a few doors down, the most prestigious link in an unbroken row of connected dwellings.

Noe and the kids fell in love with the house the moment I unlocked the massive wooden double doors. The floors were paved with Italian tile, and a big fireplace separated the sunken living room from the dining room. Ceiling - to - floor glass doors overlooked a kidney- shaped pool fringed by tropical plants. A wooden spiral staircase dominated the vaulted entryway, and diffused sunshine streamed in through a glass dome in the roof. We hung stuffed tropical birds, including a huge peacock, in this airy space - - and constantly worried about the kids crawling over the low partition above and falling. After more than six months in a cramped hotel room, I felt like a kid on Christmas morning when we

unpacked our belongings in this sparkling house. Unfortunately, the place lacked a heater, and I cursed the cold every morning as I left the warm bed and tiptoed over the frigid tiles to the bathroom.

I was receiving a lot of hazard pay and travel money for my field work, so we had enough to hire domestic help. We started with two housekeepers. Maria, a short, wiry woman in her 50s, arrived first and annexed the kitchen. She had neither a husband nor children, which probably made her somewhat of an oddity in the tiny coastal village where she grew up. Maria had worked in Guatemala City for several years, finding a special niche working for embassy employees. We gave her a room on the first floor, which she later shared with the second housekeeper, Ana. Maria quickly became like a live-in grandmother. I remember chasing C4, ready to give him a whipping for some indiscretion, when she pulled him to her chest and glared at me. "You are not going to spank him," she boomed, and marched to her room with him nestled in her bosom.

Ana was in her early 20s, and watched over the kids with a tomboy's energy. Somehow she kept up with C4, who had perfected his crawling skills and scrambled around the house on a perpetual Easter egg hunt. Ana had a mother's instincts for looming danger, and as a Guatemalan mother, her radar was amplified several times. Ana saved little Cele's life twice: once catching him as he chugged over the lip of the pool, and later, snatching him off the ground as an errant Fourth of July rocket zoomed between her legs.

Ana was from a poor Indian village in the mountains, and to her, death was a cold hand seeking an opportune moment to close around the innocent and the unprepared. The guerrillas killed her brother, and her parents stubbornly remained in the free - fire zone while she and her three children sought a better life in the city. Ana usually brought them with her to work. I think she actually enjoyed the knee-high pandemonium.

We also hired a handyman/gardener, Don Chavelo, to do odd jobs and care for the landscaping. He lived in the filthy ring of wood and tin squatters' camps around the city. The lost souls in these squalid settlements often lived literally on top of the city's garbage. People were continually picking through the rancid piles like ants. Don Chavelo knew the owner of our house, and when he appeared at our door looking for work, I hired him on the spot. He was a quiet, thick - muscled six - footer - - incredibly tall for a Guatemalan - - with an old man's grizzled face and snowy hair.

I never knew whether to judge his age by the etched lines around his eyes or his powerful grip. He was a tireless worker. He reached the house by catching one of the mini-buses, called micros, before sunrise each morning, then walking the remaining half mile to our neighborhood. By the time I finished my shower each day, Don Chavelo had washed the Jeep inside and out.

The neighborhood was both a haven and a target. Police patrolled the area constantly, yet people lived amid bodyguards and guns. We benefited from our proximity to the mayor, but the house was still armed with an expensive security

system. Both Ana and Don Chavelo carried devices to trigger the screeching alarms.

We all knew what happened in these neighborhoods to the innocent and the unprepared: thugs from both sides of the conflict often kidnapped members of wealthy families for ransom. The cycle fed upon itself, with the rich worried about their safety, the right wing worried about threats to its ideology, and the poor worried about surviving another day. Nobody slept soundly in Guatemala.

The chasm between opulence and indigence glared at me from every corner of the city. On my way to work each morning, a little barefoot Indian girl sat on the corner selling newspapers. She was a happy kid, maybe four years old, hawking papers as her mother squatted nearby in numb silence. I bought a paper every

day, and she learned to watch for me at the busy stoplight. She always rewarded me with a toothy smile, her perfect teeth clashing with the tattered skirt and blouse she wore every day.

In early June, I drove to San Salvador, where Hugo waited with more intelligence from Ilopango. He had been watching hangars 4 and 5 closely, and gave me a detailed list of Contra planes and pilots hauling narcotics. He named Carlos Amador - the man for whom the CIA was seeking a U.S. visa - - as well as three other pilots who carried cocaine payloads. Another name caught my interest: Carlos Armando Llamas, El Salvador's honorary ambassador to Panama. Hugo had watched Llamas for a long time, and in November, 1985, Hugo said the Ambassador proudly showed him cardboard boxes containing \$4.5 million in cash he was taking to banks in Panama, for laundering. Reading from his log book, Hugo ticked off corresponding tail numbers: TIANO, YS265 and N-308P.

Hugo also dug up more information on Transportes Aereos El Salvador, an Ilopango -based air-transport company owned by two brothers named Gutierrez. Aparecio, always with the best connections, told me weeks earlier the brothers were trafficking. The DEA computer once again proved him right. Hugo said they had begun chartering planes to the Contra pilots, who used them to run dope and money. I took down another tail number, N82161.

As the names, dates and eyewitness reports accumulated, I collected my notes for another Contra report. When I had enough new intelligence, I planned to go office-hopping. I wanted to know if any of the bureaucrats would break ranks to help me take this information beyond the conspiracy of denial which seemed to include every U.S. official in El Salvador.

Early one Wednesday morning, the phone rattled me awake. Hugo's excited voice sent my feet to the cold floor immediately. Chico Guirola was making a run to the Bahamas. Hugo had watched Francisco Rodrigo Guirola -Beeche for weeks, hoping to help me bust one of the Contras' busiest pilots. Guirola's planes frequently carried dope and cash, so we made him a priority target. Like most Contra pilots, Guirola carried air force credentials signed by General Bustillo, making him an instant VIP in

the Salvadoran air force. He was also one of the Gutierrez brothers' better customers, frequently renting planes from them.

Hugo went to great lengths to make friends with Guirola. He talked shop with "Chico" enough to gather plenty of incriminating information on his new buddy. When I ran Guirola's name in the computer, it popped up in 11 DEA files, detailing his South America to United States cocaine, arms, and money laundering activities. Business was obviously booming: In 1985, law enforcement officers in South Texas arrested Guirola with \$5.5 million in cash.

"Guirola left for the Bahamas a few minutes ago with a load of cash," Hugo said with an excited edge in his voice. I looked at my watch; it was just after 7:45 a.m. Hugo hung up, and I quickly dialed the DEA office in the Bahamas. Just as I feared, the receiver buzzed in my ear. The Bahamian office did not open until 9 a.m. Nobody would be at the landing strip to meet Guirola. Not from our agency, anyway. As usual, the dopers got up a little earlier than we did.

We tried again a few days later. Aparecio and I set up surveillance on Guirola at Ilopango, watching him from the civilian section of the airport. He landed on the nearby runway, loaded several boxes into a red compact car, and raced off. Aparecio and I waited for the signal from Hugo. If Guirola was carrying narcotics or cash, Hugo was supposed to appear at the window and give us the thumbs-up sign. As Guirola zoomed away, we stared at the window. No signal. When I asked Hugo what happened, he threw up his hands. "Now Chico has credentials from President Christiani, identifying him as a presidential advisor." Aparecio and I exchanged a grim look. Our best target joined the ranks of the untouchables.

I began to wonder if we would ever bust a pilot. The national police didn't want anything to do with a sting at Ilopango because the pilots carried Bustillo's air force credentials. If I could somehow convince someone to arrest a pilot, Bustillo would undoubtedly drop the charges for lack of evidence, then scream to Corr about my "illegal investigation."

I wasn't sure how Corr would react if I slapped an arrest report on his desk. Every time I visited his office in El Salvador, the Ambassador showed a genuine interest in my operations, and offered his encouragement. Corr served as U.S. ambassador to Bolivia about the same time I was in Peru. He saw firsthand the kind of Power drug organizations wielded across the Western Hemisphere. Corr obviously knew about North's resupply operation, and supported it as a matter of policy, but I had a feeling that he did not agree with his methods.

On June 24, I wrote another Contra report, based largely on Hugo's detailed observations of the previous two weeks. The report went through the usual channels, to be filed in the usual places with the usual results. Eventually, it landed in Washington with nary a ripple.

I was reaching my frustration threshold. The rules of the game here prevented me, or any DEA agent, from searching pilots and Planes. We could not arrest, interrogate or initiate an investigation without a member of the local police present. Later, when we organized an anti - narcotics group in El Salvador, even our recruits from the National Guard could not help me with the Contras; they needed official approval to snoop around Ilopango's military side. Bustillo would never allow it. Ambushing pilots when they landed proved fruitless as well. Knowing their flight plans didn't help - Like El Coyote, they never emerged at the right place at the right time, and most airdropped their cargo, then landed with nothing more incriminating than a sly grin.

I collected my notes and returned to El Salvador to begin building a Salvadoran anti-narco unit - - and visit a few Officials with my Contra evidence. Every time I worked in El Salvador, I was supposed to check in with the embassy to inform them of my plans. This time, I had a mother lode of information on the Contras. I was eager to see how they would react. I checked into the Sheraton, planning to stay a week.

Aparecio and I began our recruiting immediately, selecting about 15 energetic young conservatives from the national guard and other security forces. The process moved along much smoother than in Guatemala: the Salvadorans kept a tighter rein on their security forces, and tolerated no infighting. We called the task force FUCA, the Spanish acronym for United Anti-narcotics Force. I placed Aparecio in charge as the group's chief adviser. I resisted the urge to ask Aparecio if he saw the irony in placing a drug fugitive in charge of an anti -narcotics squad.

Money from the State Department, the Department of Defense and the CIA paid for training the group. FUCA's training consisted of lectures on the cartels, on narcotics trafficking techniques and investigations, and U.S. -style weapons training. Aparecio took center stage, transfixing the recruits with real - life tales from both sides of the drug war.

On May 27, Lt. Col. Alberto Adame, a U.S. military advisor to El Salvador and a fellow Texan, recommended one of his friends as a firearms instructor. When he introduced the short, middle -aged man, the name clicked in my head immediately. Dr. Hector Antonio Regalado, a San Salvador dentist, was a household name in the country's power corridors. I was shaking hands with " Dr. Death, " as he was known in U. S. political circles, the man reputed to be the Salvadoran death squads' most feared interrogator. In El Salvador, he was known simply as "El Doctor." Regalado's prestige among the right wing stemmed from his ability to extract teeth - - and information - without anesthesia.

I wanted no part of El Doctor. I asked Adame if the embassy had approved Regalado as an adviser. He said Col. James Steele, the U. S. Military Group commander in El Salvador, gave Regalado his blessing. The military obviously wanted this man aboard, human rights abuses and all. Regalado was hired, and we began spending a lot of time together. I saw him almost every time I visited the National Police headquarters, where the Salvadorans donated a group of dingy second -floor offices as classrooms for FUCA.

On the surface, Regalado was a friendly, genteel man. Underneath his gentle demeanor, though, he was the type who would shoot a man, then spit on him to make sure the point got across. He always carried a hair-trigger .45 pistol holstered at his

side. El Doctor harbored a boiling hatred for anything associated with Communism or revolutionaries, and showed particular disdain for the clergy, who sympathized with the peasants.

Regalado was good. He could draw either of his two holstered pistols in an instant. One moment, you would be looking into his eyes. Suddenly, they were replaced by the cold, black eye of his .45. When I asked him how he did it, he looked around theatrically, as if about to reveal a coveted secret. "I oil the holsters, then rub wax inside so the gun slips out like a feather. "

He passed his tricks down to his teenage daughter, who sometimes accompanied him. She was almost as fast and accurate with a gun as her father. I tried to picture her when she was Crystal's age. She obviously had wasted little of her childhood playing dress -up and collecting dolls. Feminine innocence was a luxury she could not afford: her family was in constant danger from the FMLN, who wanted to perform their own crude surgery on her father, and end his bloodline if possible.

Regalado loved guns, which made him the perfect firearms instructor. He taught the recruits how to squeeze a trigger without jerking the weapon, and supplemented shooting practice with briefings on how to react in a life -or- death situation, "Can you kill someone? Can you actually pull the trigger if your life depended on it?" he asked, stalking between the rows. Most of the males immediately assured him they would have no problem. But looking at the recruits, who averaged about 22 years old, I could tell some would not know until the time came. El Salvador had bled as much as Vietnam, but unlike the war-hardened Vietnamese, these young men and women came from a reviled class shielded from the crossfire.

The FUCA recruits regarded Regalado with something bordering hero worship. When he entered the room, they fell silent and leaned into his soft voice. When he lectured, they furiously scribbled down every word. He treated the classroom like a stage, casting himself as a son of squat James Bond. Early in their training, the recruits learned a new trick from the old predator. Veering from his discussion on how to kill efficiently,

Regalado repeated the mongoose maxim: The prey can always turn on you. "Never hesitate, " he said. "If you feel someone is after you, you have to move. You have to learn to run and shoot at the same time. "

Regalado pulled his .45 from its waxed nest, removed the clip, and smiled at the eager faces around him. Without saying a word, he ran straight at the wall, his eyes fixed on an imaginary assailant's left. The

click-click-click of the empty.45 echoed in the room as Regalado ran up the wall and snapped into perfect backflip, landing on his feet. The recruits looked at each other, grinning. El Doctor knew how to get his point across.

Later that summer, El Doctor used us to send a message to the guerrillas. Col. Adame called one Sunday morning to ask me to accompany him and Regalado on a mission. When I met them at Adame's home in San Salvador, Ramiro had been summoned as well, and greeted me with a quizzical look as several men from the anti narco group piled into jeeps. Regalado explained we were to drive into the mountains and check out reports of a marijuana plantation hidden in the jungle. With El Doctor leading the charge, we rattled over winding dirt trails in the afternoon heat, only to abandon the jeeps when the road ended at the base of a mountain.

The operation made me nervous. We were in guerrilla territory, traveling on foot, in civilian clothes, with M16s slung over our shoulders. Any government troops in the area would undoubtedly mistake us for a rebel patrol and open fire. If the rebels happened upon us, one look at our American-made rifles and police gear would bring a barrage of AK-47 fire.

After a few hours, the plantation was nowhere to be found. "What the hell is going on?" I yelled. Regalado simply smiled and marched ahead. Finally, the trail opened onto a decrepit ranch carved out of the jungle. Regalado owned the ranch, Adame explained, and wanted to make a show of force to warn the rebels away. I didn't say anything to Regalado. It was part of the game, with everyone trying to use everyone else and avoid being used. And after everything I had seen, I wanted to keep El Doctor on my side.

Privately, Regalado told me the death squads were necessary to stop the spread of Communism in El Salvador. "Everything for the country" was his favorite saying: Todo por la patria. The elite and the country, of course, being one and the same.

Regalado painted a vivid picture of the death squads' modus operandi. After watching their intended victims for a few days to

learn their movements, a dozen men in two vans would move in for the abduction. They preferred to strike away from the victim's home, bolting through sliding doors on both sides of the van and yanking the person off the street. As the torture began, they wrote down every name their victim cried out. Regalado practiced his impromptu dentistry on the unfortunate captives with a pair of pliers.

I could see these doomed, bleeding men, screaming names with the faint hope their pain would end if they fed their captors enough future victims. The pain usually ended with a bullet or the edge of a blade.

Regalado said he didn't do interrogations often, but when the death teams caught a particularly notable insurgent, El Doctor was in. I felt truly sorry for the men who drew Regalado from his lair.

Regalado was convinced the clergy were Communist infiltrators, trained in Cuba to undermine El Salvador. He considered them cowards, hiding behind the cloth as they spread their diseased doctrine to the peasants he loathed. He spoke of person ally directing the deaths of several outspoken priests.

Archbishop Oscar Amulfo Romero was the symbol of the church's new solidarity with the downtrodden. A conservative when he became archbishop, Romero rebuked the elite after witnessing the persecution of workers and peasants. In an act of high treason against the Salvadoran oligarchy, Romero called on President Carter to halt military aid to El Salvador. The right unleashed its fury on March 25, 1980, when a single bullet ripped through Romero's heart as he lifted the chalice in the chapel of San Salvador's Divine Providence Hospital. The following day, dozens of bombs rocked the capital as his supporters erupted in anonymous rage.

I learned Regalado was part of the assassination team from Aparecio, his good friend. Ramiro once told me about Regalado's role in the archbishop's killing. I didn't really believe him until I brought up the subject with Regalado and he did not deny the charge. After one training session, I casually mentioned Romero, and Regalado's eyes flashed with rancor. He spit the archbishop's name, calling him hijo de puta - - son of a whore.

"Did you kill him?" I asked. He looked at me with a faint smile. "What do you think?"

Deep down, El Doctor was afraid - - more for his family than for himself. Regalado said if the guerrillas caught him, he would accept his fate. Ironically, nothing scared the orchestrator of so many deaths more than the thought of a similar fate befalling his family. The prey could always strike back.

Inevitably, I met Regalado's superior, Roberto D'Aubisson, the most visible leader of the Nationalist Republican Alliance (ARENA), and the driving force behind the Salvadoran death squads. We met at the downtown San Salvador home of D'Aubisson's right-hand man, who I knew only as El Negro. Aparecio and I requested the meeting with D'Aubisson, to confront him with intelligence linking him with drug trafficking. He denied it. Because we lacked the proof to make a case, we let the matter drop. The accusation did not rattle him a bit, and D'Aubisson spent the next 45 minutes sharing his political dogma with us.

D'Aubisson had vowed to deliver El Salvador from Communism. His right-wing enforcers carried out the vow for him with a deadly blend of McCarthyism and Nazism: Root out the Communists, then slaughter them. As one ARENA official told the Albuquerque Journal, "If you investigate people like we did, you find everybody has some Communist ties if you look for them hard enough."

D'Aubisson's flamboyant personality was the polar opposite of Regalado's. D'Aubisson was bitter about the U.S. government "stealing the election" away from him. With Duarte in office, he planned to continue his purges until he could run for president again. He did not seem to realize his ties to the



death squads made him a political leper in Washington, and his prospects were not likely to improve so long as he flaunted his human rights record. D'Aubisson told me he was proud of his involvement in ridding the country of insurgents. Everyone the squads killed, in his mind, deserved to die.

Shortly after I turned in my contra report, Hugo briefed me on another Contra pilot, an American named William Brasher. He was ostensibly in Central America as a representative of a U.S. company selling night vision equipment to the military, but Hugo

had uncovered his real vocation. Hugo reported Brasher was in charge of money, equipment, and training for the Contra operation. Brown had impressive connections with the embassy and the Salvadoran military. Like Guirola, he carried credentials signed by Bustillo. Hugo said Brasher regularly flew crates of weapons from the United States into Ilopango, which violated laws in both countries. But like the other pilots, he flew under the military's protective umbrella.

When I returned to Guatemala City, I typed Brasher's name into the computer. He was documented in seven DEA files for flying drugs and arms from South America to the United States via Ilopango. I called Aparecio and told him to grab a pen. We had a new special project.

That summer in Washington, North's "Project Democracy" hit the newspapers as reporters lapped up numerous leaks, and raced to put the details together first. Spurred by the publicity, members of Congress launched inquiries into the Administration's activities in Central America. They came back frustrated. North and his superiors threw disinformation at Congress to shake them off the trail, with apparent success: On June 25, 1986, the House of Representatives approved \$100 million in lethal and non-lethal aid to the Contras, a stunning victory for the Reagan Administration.

By October 30, the legislation placing the rebels back under Uncle Sam's overt protection would become law. Before that, North was looking forward to retiring from the operation, and took inventory of Project Democracy's assets. He recommended they be turned over to the CIA when the time came. North did not know it, but the operation was about to explode in his face.

I began checking on Brasher during subsequent trips to El Salvador. I started with Adame, who was now part of my team. He knew Aparecio well, and often left his official quarters to stay at Aparecio's house when he was in the mood to carouse. Adame told me he was working with Brasher on the side, using his military contacts to help Brasher sell night-vision equipment to the Salvadorans. Adame also confirmed the link between Brasher and North. Like every other U.S. official in the area, he saw North's operation as a heroic gesture against Communism. He listened patiently to my concerns about their drug involvement, but clearly considered narcotics a subordinate issue. When I mentioned

Brasher's name, he assured me "Willy" was a good guy. After all, he was helping the Contras. I brought Adame with me July 28, 1986, for a meeting with the State Department's political officer in El Salvador, Janis Elmore. We sat down in her tiny office in the embassy, and Elmore listened as I rattled off the intelligence I had accumulated linking the Contra's Ilopango operation with narcotics smuggling. She knew most of it already: She approved all DEA cables relating to El Salvador before they were forwarded to Washington.

I wasn't surprised when she replied with the party line:

That's a covert operation, and you should stay away from it. Elmore prided herself in having the best intelligence in El Salvador, which she usually did. Elmore said she knew the Contras were running drugs, but had to follow her own advice to keep her nose out of North's resupply operation. The pressure came from Washington. Elmore obviously didn't like it. She resented North giving the Ambassador orders, strutting around like he owned the place. Before we left her office, Elmore, too, confirmed Brasher worked for Oliver North. I wondered aloud who else may have Brasher on the payroll. "Cele, Willy doesn't work for the embassy," she said. I wasn't convinced, and I told Elmore she would see Brasher's name on my next Contra report.

The next day, I took the Contra intelligence report to Robert Chavez, counselor general for the U.S. Embassy in El Salvador. Chavez looked at the list of names, and checked them against his computer database. They were hits his computer also listed the pilots as documented drug traffickers. Our computers carried much of the same information, but I wanted to make sure Chavez knew these pilots were traffickers, so he could block future visa requests. Chavez told me then that he knew about North's operation, and knew they were smuggling dope. As hard as he tried to stay out of it, the CIA's visa request for Amador drew him into the mess. Chavez did not want his name linked to

this imbroglio. Instead of refusing the CIA's request personally, he wanted to use me as the bad guy: Hey, it wasn't me, Castillo nixed Amador because he's a trafficker. I knew Chavez would not back me up if I tried to expose the Contras' drug -running. Elmore, although more outspoken, would probably back away as well.

In August, one of my Guatemalan informants introduced me to a businessman named Bobby Castillo, whose family owned a brewery and the Coca-Cola factory in Guatemala City. He supplemented his income from Coke with a thriving side business in coke. The informant said Bobby was one of Guatemala's biggest cocaine connections, and probably the least cautious. I started working undercover on him, hoping for a break to turn my luck around. Bobby and I talked by phone at first, and after several conversations, and a few lunch meetings at the Camino Real, I arranged to buy 200 kilos of cocaine from him, starting with a ten-kilo sample.

After arranging the meeting, I called our Guatemalan anti-narco unit to help with surveillance. Up to this point, they helped me with several busts, never netting more than a few kilos from the small time Colombians and Guatemalans

they arrested. This could lead to their biggest haul yet. We planned a simple buy bust: As soon as I saw the cocaine, the squad would move in to arrest Bobby. They met me at the airport, then melted into the street, watching discreetly as they did their best impressions of passers-by.

Bobby pulled up shortly in a Jeep Wagoneer, trailed by a Mercedes flanked closely by two more Jeeps. Bobby's taste in clothing leaned toward casual American yuppie. As he walked up to me, he looked like one of those smiling, dark-haired models straight out of a department store catalog. Bobby's smile quickly faded. "I don't want to talk here," he said. "Let's meet at the Camino Real." I agreed, then motioned to the Mercedes. "Who's that?" I asked. Bobby said he would explain when we got to the hotel. When their caravan pulled out of sight, I found the officer leading the anti-narcotics squad and explained the situation.

At the hotel, Bobby was much more relaxed, greeting me with a hug. "I want you to meet my partner," he said, nodding to an older, heavysset man waiting a few paces away. As I shook his hand, Bobby introduced him as el diputado Carlos Ramiro Garcia de Paz.

I froze. This was the Guatemalan congressman listed in DEA files as a drug trafficker. De Paz saw the shock in my eyes and smiled, pulling out his diplomatic credentials. "Don't worry, there's no DEA here," he said. "And if you are with the police, you cannot arrest me. I have diplomatic immunity." I heard myself tell him not to worry, as my stomach churned and my palms turned clammy. De Paz grabbed my arm and started to lead me to his Mercedes - - he wanted to do business right there in front of the hotel.

I stole a look down the street, searching for my backup.

Obviously, they had seen the congressman and scattered. Good. I changed tactics, explaining to the congressman I didn't do business out in the open. He patted me on the back, handing me his calling card. "Here's my address. Meet me at 2 o'clock at my residence, and we'll do business there. Nobody is going to rip anybody off." As I walked him to the Mercedes, I told him I needed to notify my people in California of the change.

As they drove off, the squad commander appeared. He looked worried after seeing De Paz, and seemed relieved the bust was cancelled. I hurried to the embassy and called Julio Caballeros, chief of the Guatemalan National Police, to ask if it was possible to arrest a member of congress. It was, he assured me, but only if he was caught with the cocaine in his possession. "Do you want to set it up?" I asked. Caballeros paused a moment. "No, thank you."

I walked to Stia's office, where he was chatting with Reina, and told them about De Paz. The anti-narcotics unit wanted no part of the operation, I said. Caballeros would not cooperate, either. The Ambassador and his deputy in charge of missions were out of the country, so Stia called Larry Thompson, the third ranking State Department official at the embassy, to ask how I should proceed. Stia returned with

Thompson's instructions: Drop the pursuit. We were not here to embarrass the Guatemalan government, he said. We were here to help them.

There was no time to argue. I called Bobby to explain the deal was off - - my superiors in California feared I would get ripped off if I did business with a government official. I apologized, but Bobby said he understood. Orders were orders.

A wave of depression washed over me. I slumped in my chair. All my work building narcotics squads, all the cultivating and coaxing of informants; all the groundwork we laid to strike at the top of the drug structure had come together beautifully. Finally, a big catch, only to watch our own leaders cut the line.

My losing streak continued. On August 15, I met with Jack McCavett, the mild-mannered CIA station chief in El Salvador. Again, I repeated my evidence against the Contras. McCavett denied any connection between the CIA and the Ilopango operation. As far as Brasher was concerned, McCavett said "He doesn't work for me. He works for the Contras and Ollie North, and we have nothing to do with that operation. "

Three days later, McCavett called me into his office and pulled \$45,000 in cash out of his desk drawer. "I've got money left over from my budget I need to spend, " he said. "Take this for your anti-narcotics group. Go buy them some cars. McCavett didn't mention the Contras, but I suspected he was trying to buy me off. The CIA, to my knowledge, had never given the DEA this kind of gift. I wrote out a receipt and handed it to him, took the stack of bills, and gave it to Adame and Aparecio. They bought three much-needed vehicles for FUCA.

Near the end of August, I met with Ambassador Corr to brief him on the CIA's attempt to secure a U.S. visa for Amador. I told him what I had learned about Amador's connection to the Contras, as well as my information about Brasher. He knew about Brasher's ties to North's operation, and listened intently to the new evidence my informants had collected. I was desperate. After repeating the Contra speech over and over to many bureaucrats, Corr was the one U.S. official I thought would understand, and maybe give the investigation a push.

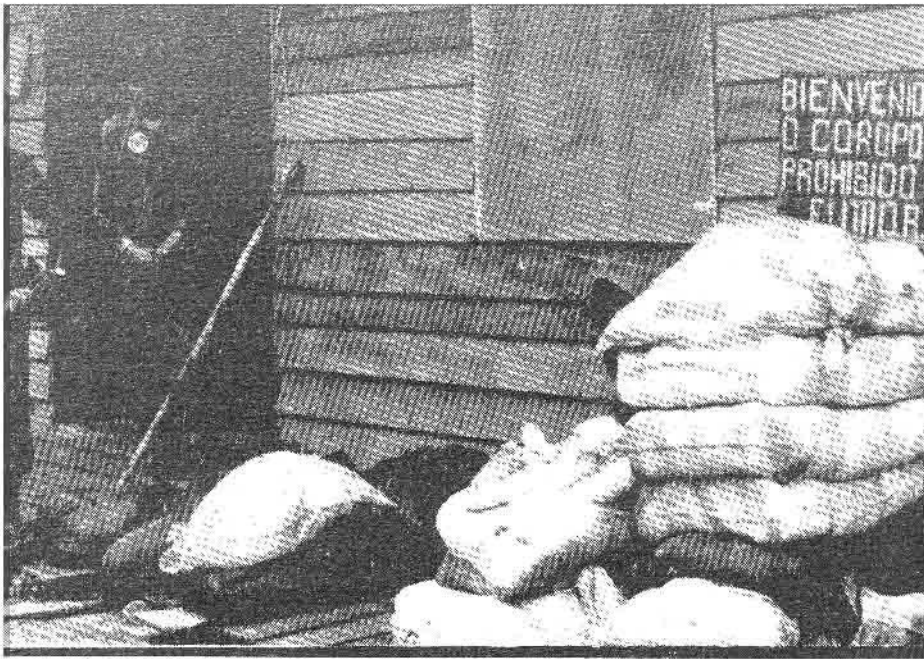
I'll never forget Corr's response. "It's a White House operation, Cele. Stay away from it."

Despite my disappointment, I understood his predicament. Corr was part of the administration. Despite Reagan's "Just say no" rhetoric, supporting the Contras would dominate every other U.S. initiative in Central America until the Sandinistas were crushed - - or until someone convinced Reagan the cartel chieftains were Communists.

I left Corr's office, and called Aparecio. He and some of the FUCA team had been watching Brasher carefully. I told him to move in when they had enough evidence to merit a raid. If my superiors would not support an investigation of the Contras, my only option was to bust a member of the resupply operation. If we could prove Brasher was smuggling drugs for the Contras, the bureaucracy would have trouble suppressing my investigation at Ilopango. Brasher's ties to North were well established, but so far, every U.S. agency in El Salvador denied any affiliation with Brasher. He was the bastard child nobody wanted.

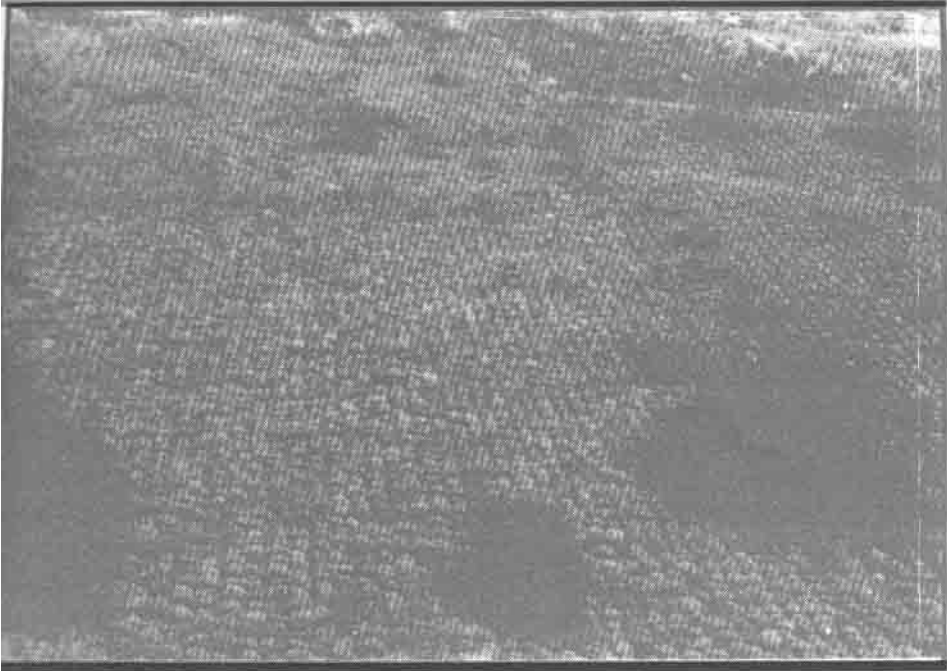


PERU



*Above and Below:* Operation Condor in Peru



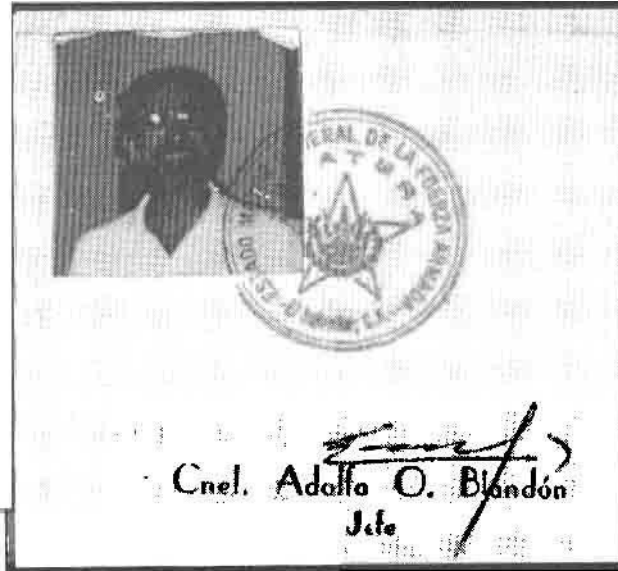


*Above:* Coca plantations in Peru

*Below:* Celerino Castillo with 300 kilos of Cocaine in Guatemala







*Above:* Wally Grasheim Salvadoran Military I.D. He was only a civilian. He was Oliver North's right hand man in El Salvador.

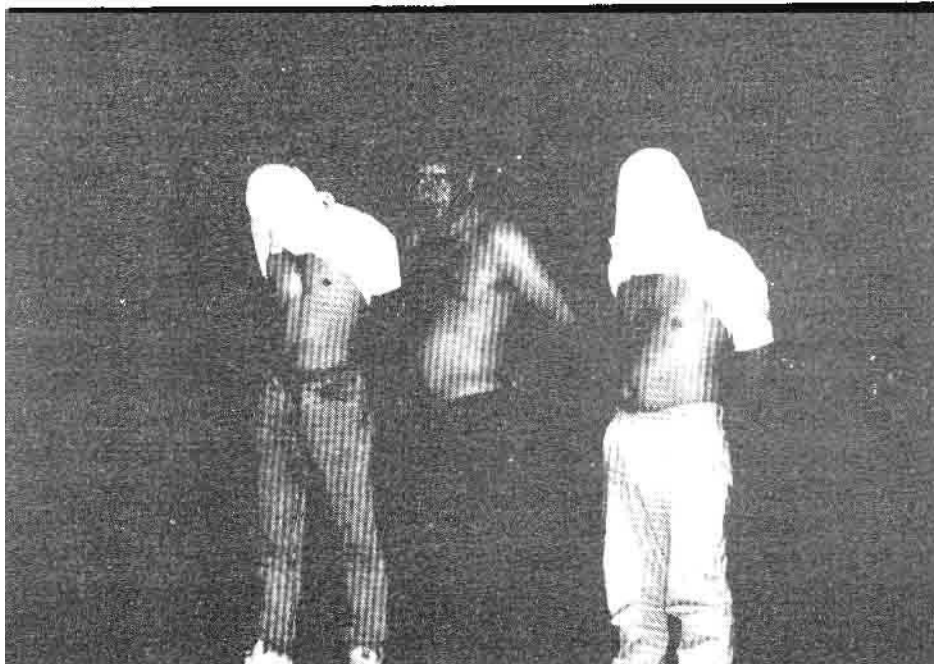


*Centre:* Joseph Delvecchio "Joe the Crow" New York mobster arrested after the delivery of several kilos of Heroin

*Bottom:* Castillo undercover in San Francisco.



*Above and Below:* Colombian Pilots who were killed by Guatemala G2 during operation. 300 kilos of cocaine were seized



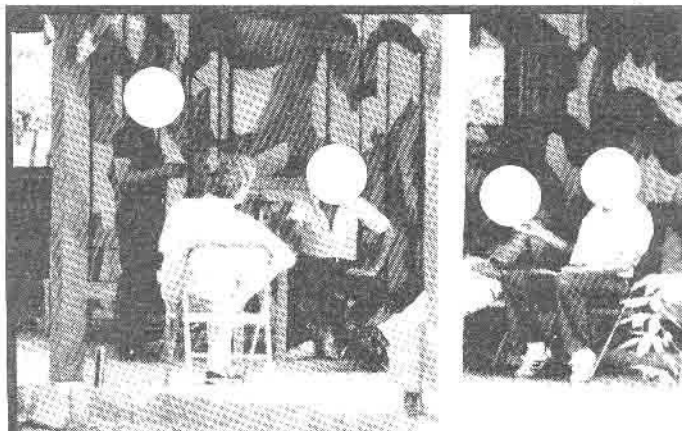


*Above:* Colombian pilot who was killed by Guatemala G2 during operation. 300 kilos of Cocaine were seized.

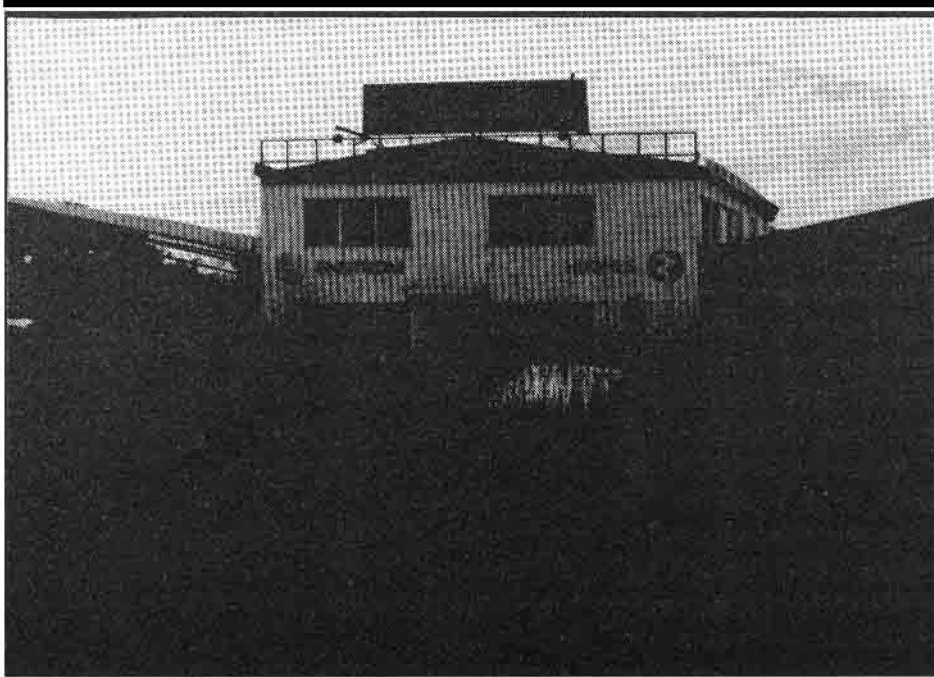


*Left:* Carlos Ramirez member of the Medellín Cartel in Guatemala murdered by G2.

*Below:* DEA and Guatemalan G2 agents before the arrest of the 300 kilos of Cocaine.

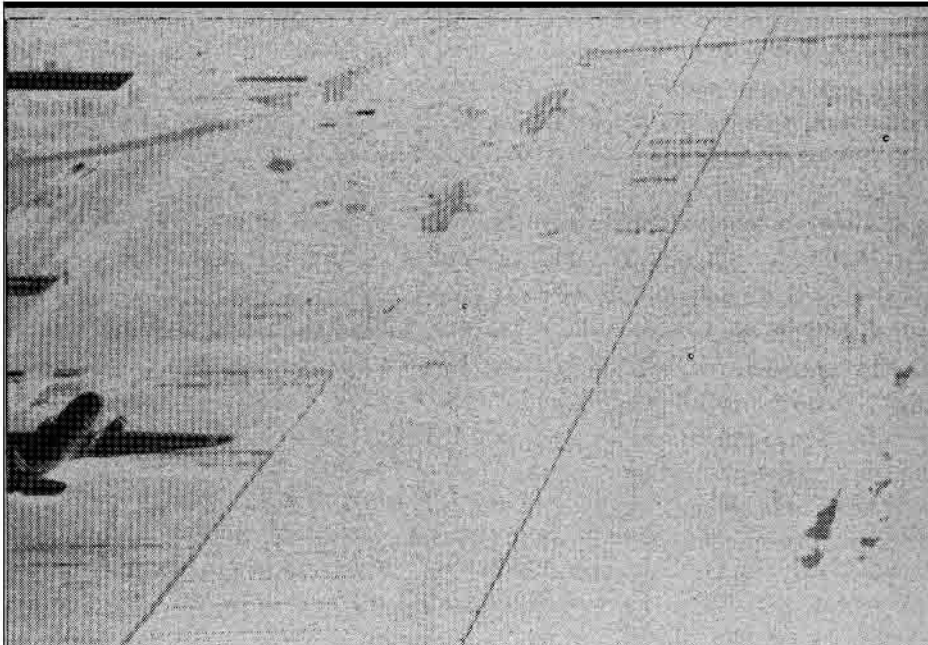


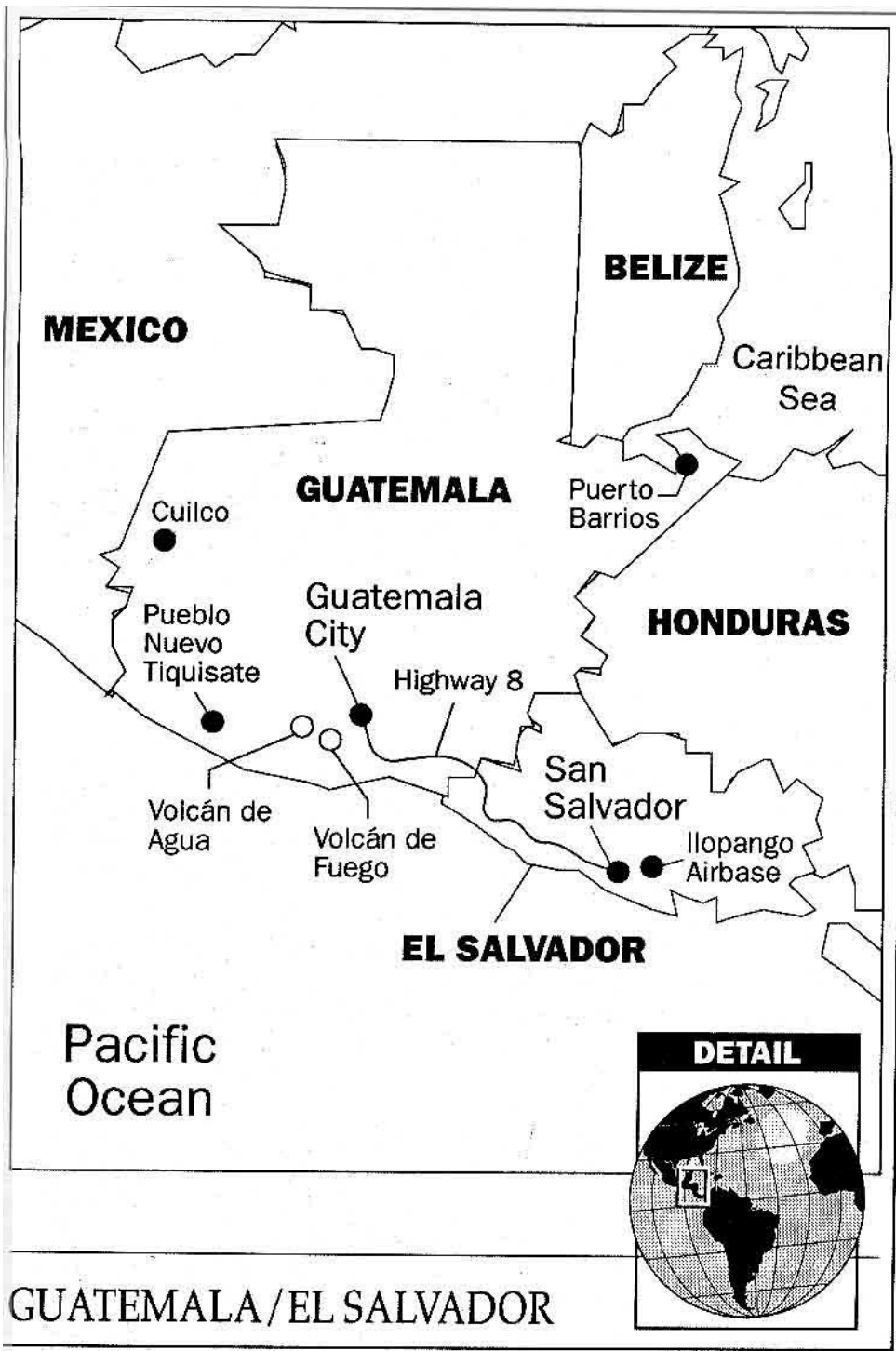




*Above:* Illopango Military Base Office where flight plans were made by the Contras. Castillo's informant worked there.

*Below:* Illopango Military Base for the Contras.







# Eight

## Contraband

### San Salvador, September 1, 1986

William Brasher was in New York City when Aparecio and ten FUCA soldiers surged into his Salvadoran residence and blew open a link in the contra connection nobody thought we would touch.

FUCA had watched the house in the Lomas de San Francisco neighborhood for a week, while Aparecio drilled the squad on every phase of the raid. The intensity of the preparations told the recruits they were preparing for their first big bust. They pounced bursting into the living room like a football team on fourth -and goal. Brasher's stunned guards didn't have time to react or argue. This was El Salvador: the "state of siege" dating back to 1980 meant the police could enter a home with all the subtlety of a fist between the eyes. No search warrant, no perfunctory Miranda recitals, just a stream of uniforms and your face against a wall.

I was in my office that Monday at 5 p.m. when Aparecio called. "We just hit Willy's place, and we found a whole bunch of shit. I think I might have put you in trouble with the embassy he said, spitting the words in his hybrid English/Spanish. "you better get your ass down here now. "

The flight from Guatemala City to San Salvador left at 7:30 the next morning. A few suddenly- serious FUCA recruits met me at the airport. "Where's Aparecio?" I asked the soldier at the wheel.

"He's waiting at Brasher's house, guarding our seizure, he said, jerking the wheel and screeching into traffic. When we pulled into Brasher's driveway, Aparecio yanked Open the car door and led me into the house. The recruits milled around outside, young faces etched with uncertainty.

The house was a mess, with clothes, dishes, and junk strewn everywhere. I poked my head into several rooms. Bunk beds. No way these people are military, I thought. The place looked like a barracks for a pack of teenagers.

"Any drugs?" I asked Aparecio.

"Marijuana," he replied. "It looks like personal use. There's a few plants growing out back, and we found more than a pound wrapped in a brown paper bag. It's in the kitchen." „So what's all the excitement about?" I asked. He brought me running from Guatemala for this? Aparecio Pointed toward the back of the house. "Follow me."

He guided me through an enclosed patio and stood at the threshold of a side room, watching my face for reaction as I entered. Holy shit.

No wonder the recruits looked so distraught. Aparecio had mentioned finding some military hardware in the house, but I Was not expecting the arsenal piled before me. The room was filled with enough firepower to arm a platoon. We've intercepted Contra military shipment, I thought, as my eyes roamed the stacks of weapons. A sniper rifle caught my eye first. It looked like a .50 caliber, with a scope big enough to peek into a window half way across town. U.S. military field radios sat atop cases of grenades and neatly packed C4 explosives. There was night vision equipment; M16s; helicopter helmets; Gerber combat knives; grenade launchers; compasses.

As we sorted through the piles, Aparecio held up boxes Of M-16 and M60 ammunition with a grim look. I ran my fingers Over a bundle of mottled green uniforms - - US jungle fatigues.

"Somebody could do a lot of damage with this, I said hefting an RPG. The shoulder-fired rocket launcher somehow found its way from the Soviet bloc to William Brasher's back room.

We saved the file cabinets for last. Each folder was neatly labeled. I leafed through letters listing Payoffs to Salvadoran generals, colonels, and other high-ranking officers. Brasher certainly had connections. One letter promised a general a paid trip for two to New York, and suggested the general Pick up complimentary fur for his wife while he was there. Brasher was

obviously making sure he remained on their good side. Not a bad idea, I thought, I've heard about their bad side. In ten minutes, we found enough documents to prove Brasher's link to the Salvadoran military, the U.S. MilGroup and, as expected, the Contra operation. Col. Adame's business with Brasher was documented as well, with receipts of sales the colonel had secured for him.

I pulled a file bearing the name of Eden Pastora, head of the Contra's Southern Front in Costa Rica. The cables inside contained lists of military supplies, with corresponding delivery dates, times, and locations. I handed one to Aparecio. "That's probably where this cache was headed," I said.

The FUCA unit loaded everything into trucks and hauled it to National Police headquarters, where word of the seizure raced through the building. I saw curious faces poking around office doors as we walked the halls. The police had always regarded the unit as more of a concession to the norte americanos than a serious investigative force. The triumphant FUCA team strutted through the corridors, back-slapping each other like the Bad News Bears of the drug war.

When Aparecio spread out the arsenal for inventory, the procession began. Curious visitors filtered through our offices to gawk at our catch, and listen to the FUCA members recount every detail of the raid. Nobody could get any work done with all the traffic, so we set up tables in the hallway and laid out our haul like a deadly buffet table. The recruits took turns jealously guarding their prizes. Aparecio was not about to burst their balloon by revealing the two guards and the female housekeeper had surrendered without the hint of resistance.



One of Brasher's bodyguards later took a job with Aparecio in his cafe. He and his buddy confirmed Brasher used the house as a barracks for Contra pilots, and as a storehouse for U.S. military hardware bound for the Contras.

The FUCA group didn't yet realize the magnitude of the seizure. With Brasher's trafficking history, anyone we could link to the weapons would have to explain how their goodies had come into the possession of a known smuggler. As Aparecio and I began tracing the gear, we discovered one of the M-16s belonged to Col. Steele, who had so emphatically denied any connection to Brasher. The connections were forming like the spokes of a wheel, with

Brasher at the center. I had already drawn mental lines to Oliver North, Col. Adame, and Eden Pastora. Now Steele joined the circle.

The next name should not have surprised me. Aparecio ran a check on the license plates from Brasher's Jeeps. They came back registered to the U.S. Embassy. Corr. I thought back to our last conversation. It's a White House operation. I switched on one of the confiscated radios. It was tuned to the embassy frequency, and U.S. personnel chattered back and forth in English. Damn, I thought, they all looked me right in the eye and flat-out lied.

We needed help tracing the rest of the weapons. They were U.S. military issue. The serial numbers stenciled on the crates would guide us to their point of origin. I called Richard Rivera, a U.S. Customs agent in Mexico City. Col. Hugo Francisco Moran-Carranza, director of the president's anti-corruption unit, recommended Rivera after they worked a case together. Moran was impressed. "If anyone can find out where those weapons came from, it's Rivera," he said. When I explained our situation over the phone, Rivera agreed to fly to El Salvador as soon as he could get free. I thanked him and hung up.

Good. After thrashing around in the darkness for so long, I could see a pinprick of light ahead. When the inventory was complete, we planned to call a press conference. An arrest warrant had been issued for Brasher, and I wanted to give him a big surprise when he returned from the States. I could see the cameras flashing as the police cuffed him and drove him to jail. As soon as the reporters scribbled down the details from the police, they would surely descend on the U.S. embassy and lie in ambush at the gate. Col. Steele, what connection does the U. S. Military Group have to Mr. Brasher? Where did a civilian obtain such a large cache of U.S. weapons?

I was still savoring the image when the FUCA lieutenant rapped on the door frame. His eyes spoke before he did. Something was wrong. "Col. Revelo just told me he received orders not to release the information to the press. "

A long minute ticked away on the wall clock as I rocked in my chair. I felt I had been drilled in the chest with an icicle.

Someone high in the chain of command had ordered Revelo, the chief of the national police, to cancel the press conference. The

lieutenant drummed his fingers against the wood, waiting for instructions.

"What should we do?" he asked finally. It was more a challenge than a question. His brow dug a deep groove between his eyes. I suddenly felt sorry for him, for all of them. They knew nothing about the political storm their raid had unleashed, and I couldn't warn them. My initial shock congealed into a slow, rolling anger.

" Have someone bring a car around to the front I'm going to talk to Corr. "

The CIA had already briefed the ambassador about the raid. I briefed him again, studying his face when I came to the part about embassy license plates gracing Brasher's Jeeps. Corr stared at me, the muscles in his jaw flexing.

"You just hit the Contra operation, " he said flatly.

"I told you I was going to hit Brasher," I shot back. "Explain to me what the hell a U.S. civilian in El Salvador is doing with this stuff. I told you this guy's a documented trafficker. He could be arrested as a terrorist.

Corr paused. The jaw flexed again.

"Cele, it's a covert operation, " he said, holding his palms out.

That didn't answer my question. I played my last card; Corr had always insisted North's orders came straight from the White House, the embassy had no involvement. He had just admitted Brasher worked with the Contras. I knew the license plates and radios we had seized could tie this mess around Corr's neck like an albatross.

I didn't want to back the ambassador into a comer, but a shadowy paranoia was crawling around the comers of my mind. Undercover agents live in a world of delicately woven deceit, the office - - in my case, the embassy - - is the one place they can peel off their underworld identities and confide in people they trust. Everything was being turned upside down; I was beginning to trust my informants more than my superiors. I wanted desperately to trust Corr. I needed answers.

"Why did he have U.S. Embassy radios? Why did he have embassy plates on his Jeeps? " I was close to losing my composure. "If you don't claim him, and Steele doesn't claim him, and Janis Elmore doesn't claim him, where did he get all this shit?"

The jaw clenched again. "We were ordered to give them all the cooperation they needed, " Corr said, rising from his chair. The conversation was over.

If our raid had somehow slipped past the diplomatic radar and hit the U.S. papers that September, Oliver North's cover might have evaporated sooner. U.S. -sponsored drug smuggling might have joined the list of deceptions later known

as the Iran Contra Affair. While we wrestled against our strait jacket, a security breach in Costa Rica later that month pushed the National Security Council's disinformation apparatus into overdrive.

On September 26, the Costa Rican Security Minister held a press conference that revealed the U. S. government's use of the Santa Elena airstrip in Costa Rica to supply the Contras. North shot off a top secret memo to his boss, National Security Advisor John Poindexter: "The airfield at Santa Elena has been a vital element in supporting the resistance. Built by a Project Democracy proprietary (Udall Corporation, S.A. - a Panamanian company), the field was initially used for direct resupply efforts. " North went on to recommend Oval Office visits for Cerezo and Duarte to shore up their support for the Reagan Administration in Guatemala and El Salvador. Preventive damage control. A short photo opportunity could buy them political insurance against future leaks. Referring to Duarte, North wrote: " Given the active support for the Nicaraguan democratic resistance provided by El Salvador, such a brief meeting is highly appropriate. "

He included a press guidance sheet with the memo, instructing the agency's spin doctors to say "no U.S. Government funds were allocated or used in connection with this site nor were any U.S. Government personnel involved in its construction."

It was just a day's drive away, but Costa Rica might have well been on the other side of the world. Its government relatively stable, its citizens relatively peaceful and prosperous, and its leaders were more likely to test Washington's grip than the Guatemalans or Salvadorans. They were tired of Uncle Sam using their country for its undeclared war against the Sandinistas. The press conference about the airstrip drove the point home. With El

Salvador in firm U.S. control, we had no chance of finding a disgruntled official who would expose simultaneous arms- and drug running by U.S. operatives in his country.

Two days after the raid, I returned to Guatemala City to write my report. As I copied down serial numbers, Aparecio called. "Some people from the embassy Just walked in and claimed the radios and license plates, " he said. "They took Col. Steele's M 16 too."

At that moment, I knew the Brasher investigation was doomed. We were out of allies. The only reward the FUCA men would receive would be a bottle of good American booze after my next trip to the States. But we had to finish out the ride, like a stunt driver who realizes in mid -air he added one car too many to the jump. Richard Rivera flew down from Mexico City, photographed the seized weapons, and took a list of serial numbers back with him. He promised to call as soon as he found something. Over the next month, Rivera made several more trips to El Salvador, talking to people, checking leads, trying to use the serial numbers on the Weapons to find the thread that would unravel the veil of secrecy over Brasher's activities. I didn't tell him he was our last hope.

I threw myself into other investigations, trying to push the raid to the back of my mind. I had a few new leads on the Guatemalan narco politicians, I desperately wanted another chance at exposing their activities. But the image of the stacked weapons and U.S. fatigues tugged at my thoughts like a impatient child. All the elements were lined up: Brasher's connection to the Contras and Oliver North was well established in the tight diplomatic loop in Central America; his drug exploits were documented in the DEA computer; we had caught him with marijuana and a huge cache of weapons. Yet every U. S. diplomat in sight was protecting Brasher, even though they clearly disliked the man. I decided to keep pushing. Something had to give.

When I returned to San Salvador, I dropped in on Steele and asked about the rifle. "I thought Brasher wasn't working for you," I said. Steele brushed the question away, claiming he gave Brasher the M-16 a long time ago, before they had clashed - - over something he wouldn't discuss. He no longer talked to Brasher, Steele declared. End of discussion.

Later, as the Iran-Contra scandal unfolded, Steele's role was illuminated by Rafael "Chi-Chi" Quintero, a Cuban exile and Bay of Pigs veteran who had worked for the CIA as a Central American intelligence officer. When North recruited retired Air Force Major General Richard Secord to help run the Contra operation, Secord hired Quintero to ship arms to the rebels.

During North's 1989 trial for his role in the Iran-Contra affair, Quintero testified that North told him two men were responsible for decisions about weapons drops: in Costa Rica, CIA station chief Joe Fernandez; in El Salvador, he was to report to Col. James Steele.

As we chatted, Steele clearly wanted to distance himself from Brasher. "You know I'm going to have to include this in my report, " I said. In fact, it was already in the report, which had been sent up the line before I left Guatemala. Steele nodded, apparently unconcerned. I left, heading for Janis Elmore's office.

Elmore greeted my briefing with an I-told-you-so look. "Nothing's going to happen, " she said. "Willy works for Oliver North. "

On my way out, I stopped to chat with a Salvadoran secretary working for Adame. I wanted to find out what had thrown Brasher and Steele's relationship on the rocks. She and I had lunch occasionally in the embassy cafeteria. Like secretaries everywhere, she knew more about the goings-on in the office than her boss. She often supplemented the intelligence I obtained elsewhere with her own fly-on-the-wall insights. She had restless ears and an eye for detail. She knew Brasher too.

'He's an asshole, " she said bluntly. I asked her what she knew about Brasher's other activities. "He's been running guns and drugs for the Contras, " she said. Yeah, no kidding, I thought as I rapped on Adame's door.

Adame told me Brasher had challenged Steele's authority in the Contra resupply mission. Brasher was trying to run the operation, but Steele had quashed his power play. I mentioned the

incriminating documents in Brasher's file cabinets listing Adame' s extra-governmental sales activities with Willy. I was hoping to wring more information about Brasher out of him, but the colonel threw me a reassuring smile and said his arrangement with Brasher was purely business. Adame said he planned to make some real money while he was in Central America, and his association with Brasher had done the trick. The thought that someone might consider this immoral or illegal apparently never entered his mind.

Not that anyone worried about the rules anymore. The CIA which had ostensibly turned over the Contras lethal supply line to North and his network, remained an active part of the operations .Rumors of this violation of the Boland Amendment whispered through the system for months, until it became so obvious the agency could no longer avoid action. By January, Joe Fernandez the CIA Costa Rican station chief, was recalled when the rumors turned into allegations.

\* \* \*

I had become good friends with Randy Capister, a CIA agent in Guatemala with whom I shared countless flights between Guatemala and El Salvador, He was an ex-Marine, balding and bearded, whose hands twitched and waved as if his body had chosen them to let off its excess energy His career took him throughout Latin America; he was an expert in covert operations and demolition. We partied together from time to time, and when he transferred to Miami, we threw Randy a huge going-away party.

He knew I was investigating the Contras, I knew he was helping them. I expected him to deny my evidence of the Contras' narco-trafficking, but he followed Sofi's reasoning: "Cele, how do you think the Contras are gonna make money? They've got to run dope, that's the only way we can finance this operation. '

"Arrogant bastard," said the DFA agent in Panama when I asked him about Brasher. The DFA computer mentioned a recent Brasher appearance at the DEA office in Panama. Yes, the agent said, Brasher had paid them a visit, demanding information on certain traffickers. 'He strutted in like he ran he place. We asked him for identification. He had credentials from DEA and CIA. He even had FBI credentials, 'he said. While Brasher waited, they ran his name through the computer. When they discovered his illustrious trafficking record, they happily bounced him out of the embassy. "Be careful with this guy", the agent said, "He's a little nuts."

On October 7, as I pored over paperwork in Guatemala City, a burly mid-westerner was led before a pack of reporters in Managua. I caught the news conference on CNN at the office, and my jaw dropped. The prisoner looked haggard, dressed in filthy jeans and a denim shirt. His Nicaraguan captors allowed him to make a single statement: "My name is Gene

Hasenfus. I come from Marinette, Wisconsin. I was captured yesterday in southern Nicaragua.

Hasenfus and three other crew members --Americans Sawyer and William J. Cooper, plus an unidentified Contra operative --had lumbered off a runway at Ilopango on Sunday, October 5, with a load of munitions for the Contras.

They flew South, skirting the Nicaraguan coastline before veering into Costa Rica, then looped into Nicaragua. A few minutes later, as they approached San Carlos, a surface-to-air missile slammed into the plane, and sent it hurtling to the Earth. Hasenfus was the only one with a parachute. As his comrades braced for their death, the lone survivor floated into history.

The unravelling had begun.

I recognized Hasenfus' name immediately. Aparecio's prostitute girlfriend, had mentioned him as one of the regulars at the pilots' lair in the hills. They constantly invited her to the house and I had written reports based on her accounts of her encounters with the pilots. She described their parties, where cocaine, marijuana, and sex swirled around the house, punctuated by the rattle of automatic weapons fired into the air by juiced up pilots. She knew Hasenfus, Oliver North, Felix Rodriguez -the Cuban American who helped North with the Contra operation - and virtually every pilot who flew for Project Democracy out of Ilopango.

When he heard about Hasenfus, Aparecio headed straight to the house with a FUCA team, looking for evidence. He called 30 minutes later. "It was cleaned out completely," he said dejectedly.

The Nicaraguans recovered rifles, grenades, boots and 50,000 rounds of ammunition from the shattered C - 123. They also seized an ID card identifying Hasenfus as a U.S. adviser to the Salvadoran Air Force. I thought about the documents in Brasher's files listing weapons and delivery dates for the Contras' Southern Front. Had the cargo on that C-123 been stored at Brasher's place? Had Eugene Hasenfus ever slept in one of the bunks in that filthy house?

The hornet's nest had broken open, and everyone was ducking for cover. Oliver North hurried back to Washington from Frankfurt, Germany, where he had been negotiating with the Iranians for the release of the American hostages held in Beirut. He immediately began shredding the paper trail connecting him to the Contras.

By then, Congress had approved \$100 million in aid for the Contras, allowing North to shut down his operation to prepare for the CIA's return to the war. Hasenfus said he thought the CIA ran the operation; the Administration began circling the wagons. Secretary of State George Shultz issued a flat denial: "They had no connection with the U.S. government at all.

It was the first of a long string of lies.

The Reagan Administration tried to pin responsibility on Gen. Singlaub, the Contra cheerleader whose fund-raising had been prohibited in the McAllen Library. Singlaub also denied any knowledge of the flight or its mission. Officials later admitted he had been used as a scapegoat.

As more details bubbled to the surface, the President lauded the efforts of the private American citizens who chose to risk their lives to fight the Sandinista regime in their spare time. The Contras played their part in the farce: spokesman Bosco Matamoros assured the world the U.S. government had no connection to the downed C - 123. In response, the Sandinistas marched Hasenfus before the cameras and upped the ante. "Two Cuban naturalized Americans that work for the CIA did most of the coordination for the flights and oversaw all of our housing, transportation, also refueling and some flight plans," Hasenfus said.

As their role in the fiasco came to light, the first political tremors rumbled through the Salvadoran government. But they were dwarfed by the terror that struck five days after Hasenfus was captured. At 11:49 a.m., October 10, every living resident of San Salvador was united for an instant, their minds frozen in a flash of horror as the city lurched beneath them.

The earthquake measured 7.5 on the Richter scale. When the Cocos Plate slipped another notch under the isthmus, the long scar stretching through the city ripped open and claimed its victims. The city's landmarks crumpled: The Gran Hotel, the Ministry of Planning, and the five story Ruben Dario office building where the moans and cries of more than 300 trapped workers echoed through the twisted steel beams. More than three dozen children died in the San Jacinto neighborhood when Santa Catalina Elementary School shuddered and fell. As the day faded, the searchers and the stunned survivors milled over the remains of the City, their silhouettes black against the searchlights and names.

In Nicaragua, Hasenfus named the two Cuban-Americans who helped run the supply operation. One of them was Max Gomez. Vice President George Bush immediately hailed Gomez as "a patriot," and in a slip of the tongue, called him "Felix Gomez." Gomez, of course, was Felix Rodriguez.

The residents of San Salvador worked through the night, Pulling the dead and near-dead from the rubble, praying they could reach the living in time. Sudden thunderstorms doused them as they clawed through the wreckage. In the shantytowns, refugees who had lost loved ones in the crossfire called out the names of relatives they would never see alive again.

The following day, the earthquake and Hasenfus dueled for space on the front pages. Elliott Abrams, the senior State Department official in charge of Latin America, appeared on CNN to repeat the party line on the Evans and Novak show:

Evans: Mr. Secretary, can you give me categorical assurance that Hasenfus was not under the control, the guidance the direction, or what have you, of anybody connected with the American government?

Abrams: Absolutely. That would be illegal. We are barred from doing that, and we are not doing it. This was not in any sense a U.S. government operation. None.

Novak: Now, when you say, gave categorical assurance, we're not playing word games that are so common in Washington. You're not talking about the NSC or something else?

Abrams: I am not playing word games.

Novak: National Security Council?

Abrams: No government agencies, none. They never thought the truth would wiggle out of their fists.

Only one of San Salvador's hospitals escaped damage, so wounded Salvadorans fought for medical attention as U.S. transport planes swooped into Ilopango with relief supplies and rescue teams. They brought dogs to sniff out the living, and tools to cut through the wreckage, now reeking from hundreds of damp, decomposing bodies. President Duarte estimated the death toll at 890, with 10,000 injured and 150,000 homeless. The American Embassy was a total loss: moments after Ambassador Corr stepped across the hall, the ceiling in his office collapsed.

Bush denied any connection to Max Gomez, or Felix Rodriguez, or Felix Gomez (depending on who you asked), but on October 12 he admitted Donald Gregg, his national security adviser, had some dealings with his favorite Contra patriot.

Hugo called from Ilopango: the pilots were scrambling out of the country, almost bumping into the reporters swarming into the air base. Not that the pilots had anything to fly anymore. The Contras' small air force at Ilopango was quietly flown to a remote airstrip and destroyed.

The earthquake's aftershocks hit October 13, three days after the initial devastation, sending most of the city scurrying outdoors. Some remained in the streets hours after the last tremor. The death toll reached 976.

In the following days, the Salvadorans began laboriously reconstructing their capital, while America's most popular presidency in decades staggered with each new revelation. The Sandinistas discovered a business card on the C-123 belonging to Robert Owen, North's main intermediary between himself and the Contras (according to Kerry's subcommittee probe, Owen's name was later discovered in an address book found on a DC-4 controlled by Frank Moss, a pilot who flew Contra missions and was investigated, but never indicted, by 10 different law enforcement agencies for narcotics offenses). And as Secretary of State George Schultz picked his way through San Salvador with Duarte, a dozen House Democrats asked the Justice Department to appoint a special prosecutor to investigate whether the White House had violated the Boland Amendment.



On October 21, I filed a follow-up cable on the Brasher raid, this one more detailed than the report I sent from El Salvador. The suits in Washington still had not responded to my first cable. By then I doubted the memo existed anymore.

John Martsh, head of the DEA's Latin American Section, surprised me with a call a week later. He had read my latest report, and he was not pleased. He insisted I use "allegedly" more when I described my investigation of the Contras and Brasher. "Headquarters is pretty upset about this, " he said. "Don't step on other people's toes, it could come back to haunt you. If DEA doesn't like your reports, they might reject your re-up." The shit was obviously hitting the fan, so now Washington was telling me to back off.

Despite the setbacks, I planned to put in for another two years overseas. I wanted to finish what I had started in Guatemala. Noe agreed to stay for another tour. She enjoyed the cocktail party atmosphere of the embassy social scene. She also landed a job as assistant manager in the embassy commissary. Now Martsh was telling me I might be yanked back to the States if I made headquarters squirm too much.

I scheduled an appointment with Gen. Bustillo, the ranking Salvadoran air force officer at Ilopango, to ask him why he allowed Brasher to run dope. It was a bluff, but Bustillo bit. The general said he was only following orders to help North's operation. He was confused. "I don't understand your government, " he said. " North comes down here and tells us he needs our help with his covert operation. Now you tell me what they're doing is illegal. " As far as he knew, Oliver North represented the White House. That was all the reassurance he needed.

I met with Corr at his residence on November 13. It had survived the earthquake, but the ambassador looked a little shaken when I arrived. "Guess who just left?" he said, then filled in the blank. "William Brasher. " Brasher had returned from the

States in a rage. Corr told me Brasher had stormed in and threatened him: If I go down, you and half the MilGroup go down with me. He wanted his weapons back.

Corr advised him to get his ass out of town while he still could, then confiscated his embassy credentials as he left. Brasher would never get his guns back. We had donated the cache to the national police, who happily distributed it through the ranks; anything left at the house had been picked clean by the CIA. But Brasher would not go to jail, either. Officers at the national police told me they could not arrest him - - their superiors ordered them to leave him alone.

Corr wearily said he was taking heat from Washington because of my reports. "You're not the only one, " I replied. The DEA had sent a man from Washington to investigate my reports on Brasher. He repeated the orders to use "allegedly." Then he scolded me for poor grammar in my cables. Poor grammar? That was a first.

A few days later, Brasher called me. He apparently had taken Corr's advice to leave the country. He was calling from Miami.

"You and I need to sit down over a cup of coffee. I want to meet you and find out who you are," Brasher said. "I need to straighten you out. " He was angry. I had messed up his operation, and he claimed my reports were false. I was in no mood for his abuse. By then, Brasher had threatened every diplomat in El Salvador, using North's name to throw weight behind his wrath. He repeated the threat to each one: If I go down, the whole show goes down.

The Contra operation was collapsing in a heap without Brasher, like the flimsy shantytowns in San Salvador during the earthquake. Across America, the shock of learning Reagan's staff was negotiating with the Iranians for the release of the hostages was followed by the inevitable aftershocks: North overcharged the Iranians to buy guns for a war we were no longer supposed to be supporting. If the Contra-drug connection had been added to the list of sins, it might have leveled anyone left standing. Instead, my own agency was trying to intimidate me, and this asshole was harassing me.

I thought back to his unceremonious eviction from the DEA office in Panama, despite his ample credentials. "Hey, you still have those FBI credentials?" I asked sarcastically. Brasher fumed. I hung up.

# Nine

## Death Squad Dance

### San Salvador - January 16, 1987

It should have been just another brief flight from Guatemala City to San Salvador. The pilot adjusted the flaps, dropping the jet smoothly into its landing pattern. The whining engines competed with the murmur of passengers in the half-filled Copa jet. I sat in the front row, skimming over my work notes from the previous week, a bottle of scotch for the FUCA commander tucked under my seat.

Suddenly, the plane lurched upward, pulling my stomach down to my belt. As the jet roared past the control tower, I peered through the oval window and spotted a white - shirted figure in the tower waving his arms back and forth, like a baseball umpire signaling "safe. " His grave expression indicated otherwise. Something was wrong. Flight 317 banked sharply, aiming toward the Pacific.

A flight attendant appeared, her face drawn and nervous.

She clicked the intercom and delivered the bad news with a halting voice: The front landing gear was stuck halfway down. After jettisoning most of the fuel over the ocean, the crew planned to attempt a crash landing.

The woman across the aisle, a Nicaraguan who looked about eight months pregnant, prayed out loud, ignoring the effect of her display on the two terrified little girls in the seat next to her. The flight crew instructed the passengers to move to the rear of the plane, but the pregnant woman refused, afraid to leave her seat. The flight attendant frowned for a moment, then patted her shoulder and joined the others in the rear.

I remained in the front with her and her daughters. Muttering my own quiet prayer, I pulled off my wedding band and locked it in my attache case, then jotted a quick note to my wife in my planner:

Noe, I love you and the kids. Guide them. I'm proud of you and I am sorry. Be brave. Tell my family I love them. Cele, 10:45.

I closed the book and cursed to myself, thinking of all the things I should have done. Always too busy. Too much work. Too much stress. It should have been different.

The pilot's voice cracked over the intercom: "The front landing gear is still jammed. Prepare for every hard impact when the back wheels touch down. We're going to try to jar it loose when we land." A minute later, the plane

dropped toward the runway, tail first. The rear landing gear smashed into the pavement, bouncing us in our seats like puppets. After a few terrifying moments, we heard a screech as the gear touched again. I closed my eyes, waiting for the sound of twisting metal. The airbrakes hammered on, dragging the jet to a slow stop. We were safe. I pried my fingers from the armrests, said a quick word of thanks to Saint Jude, then walked into the sunlight.

I had little time to dwell on the near miss. At the end of January, articles linking the Contra resupply operation with narcotics smuggling hit the U.S. media. The third secret was out.

The story surfaced in turbulent waters. Iran-Contra was a household word by the beginning of 1987, with new revelations smacking the public in the face every few days. When the Administration ran out of lies, it searched for scapegoats. President Reagan fired Oliver North and accepted the resignation of his boss, Vice Admiral John Poindexter, on November 25, 1986. The first bodies had dropped.

In December, during his weekly radio address to the nation, Reagan admitted "mistakes were made." He would change this comment to "serious mistakes were made" a month later. On December 4, the House and Senate agreed to form a select committee to probe deeper into those mistakes." On December 19, U.S. Attorney General Edwin Meese named Lawrence Walsh

independent counsel to investigate the now-famous Iran -Contra Affair.

The third secret surfaced in The New York Times on January 20. Under the headline, "Contra Arms Crews Said to Smuggle Drugs," reporter Joel Brinkley wrote: Federal drug investigators uncovered evidence last fall that the American flight crews covertly ferrying arms to the Nicaraguan rebels were smuggling cocaine and other drugs on their return trips to the United States, Administration officials said today.

When the crew members, based in El Salvador, learned that Drug Enforcement Administration agents were investigating their activities, one of them warned that they had White House protection, the officials said.

The Times then quoted an anonymous U.S. official who said the crew member's warning, which came after DEA searched his San Salvador house for drugs, caused "quite a stir" at Ilopango. Brasher. Who else could it be? Someone at DEA leaked details of my investigation to The Times, I thought when I finally saw the article. The story described it in amazing detail.

Then, in Newsweek's January 26, 1987, issue, a headline asked "Is There a Contra Drug Connection?" The magazine quoted three drug smugglers: George Morales, the champion speedboat racer- turned -trafficker; Gary Betzner, one of Morales 'pilots; and an unnamed "FBI witness" who claimed to have seen contra planes loaded with cocaine in Colombia in 1985. Morales and Betzner, both interviewed in federal prison in Miami, accused the Contras of running drugs, claims they would repeat under oath before Sen. Kerry's subcommittee in 1988.

The "FBI witness," who passed a lie detector test, said cocaine was packed aboard a Southern Air Transport plane in Barranquilla, Colombia, where other aircraft from North's supply network often landed. " Southern Air Transport is the shadowy company that has been implicated in Oliver North's network to supply arms to the contras, using funds from the Iranian arms deal. It also provided the Hasenfus plane, shot down by the Sandinistas on a contra airdrop run," the author wrote.

Then, another connection.

The Times article mentioned Southern Air Transport as well, saying "Colonel North had told the Federal Bureau of investigation last October to stop investigating Southern Air Transport ... At that time, Colonel North told the FBI that the investigation would jeopardize negotiations for the release Of the American hostages in Lebanon."

An anonymous former federal official - nobody wanted to talk about this on the record - told The Times reporter some senior government officials were "very, very worried that Ollie really had stopped that investigation, and this would be the next big scandal. "

From my vantage point, it was obvious the government did not want the drug issue to turn the scandal into the Iran-Contra Cocaine Affair. First, Rivera's weapons investigation was quietly snuffed.

Before the weapons could be traced, Rivera called, distraught. Customs suddenly decided to switch jurisdiction for Central America from Mexico City to their Panama office. His bosses ordered Rivera to pack up his investigations from Central America, particularly anything related to the Iran-Contra Affair, and ship them to headquarters, marked "Classified." Rivera boxed his files and sent them to Washington. We never learned what, if anything, happened to the Brasher investigation.

Then, two weeks after the Times article appeared, DEA sent a two -person team to Guatemala to investigate my Contra reports. Finally, someone is listening. Or so I thought. I did not know about the increasing publicity the Contras' drug connection was receiving.

I was in El Salvador when the intelligence team arrived. I hurried back, expecting a couple of grizzled veterans. Instead, Stia introduced me to a young, casually dressed man named Doug. His partner, a short woman with straight, shoulder-length dark hair, was a DEA rookie. She was also a diplomat brat whose parents, she said proudly, worked in the US Embassy in Costa Rica. I wondered why the agency would send an inexperienced analyst to investigate such a sensitive topic. She's probably the only Spanish speaker in her entire office, I thought.

After a brief meeting with the pair, I ducked into Stia's office, eager to discover what kind of questions they were asking.

Stia said when they interviewed him the previous day, he let them flip through my reports from Ilopango. He assured me he backed up everything in my reports. I nodded. I was going to need plenty of support.

On February 9, the analysts and I filed into Janis Elmore's office. Col. Adame was already there, sitting quietly with an eager-to please look on his face. I pulled up a chair, wondering if Elmore and Adame would verify my reports. I had my doubts.

The woman started by asking Elmore about the relationship between DEA and the State Department in Guatemala: Were there any problems Elmore would like to air now? No, Janis said, the offices maintained an amicable relationship. She threw me a quick, puzzled glance. I shifted uncomfortably in my chair, which suddenly became cold and hard. The questions continued, edging closer to my actions in Central America. They seemed more interested in searching out criticism of my performance than learning the truth about the Contras. By the time they got around to asking about the Contras - - Doug seemed afraid to say the word, instead asking "What's going on at Ilopango?" - - Elmore seemed thoroughly irritated with their fishing expedition.

Elmore dodged the question, telling them everything at Ilopango was normal. She avoided the Contras altogether. Adame chimed in with his own reassurances: Nothing unusual to report at the airbase. Rumors had surfaced about some Contra pilots smuggling narcotics, he said, but he could assure them if the rumors were true, no U.S. personnel were involved. The woman nodded without looking up from her notebook.

When the female investigator asked to meet with Elmore in private, Elmore shook her head. "Anything you want to ask me, you can ask in front of them," she said. The woman stalked out with her teammate in tow. Elmore leaned toward me. "Be careful. This girl is looking for something to nail you guys on.

I nodded and walked out.

Any slim hope I harbored of Elmore and Adame verifying my Contra reports vanished as I left the office. I could not bring myself to be angry. They were avoiding turbulent water. Adame and Brasher, after all, were friends and business partners. He was not about to stab Brasher in the back, or admit the MilGroup allowed a U. S. sponsored operation to haul boxes of cocaine into the United States.

And whether or not Elmore knew it, the State Department shared some of the responsibility for placing the drug traffickers on the government payroll. The year before, the State Department awarded contracts to four companies owned or operated by drug traffickers: SETCO Air, founded by a Honduran trafficker; DIACSA, an air freight company that doubled as the Miami headquarters for two convicted smugglers; VORTEX, an airplane leasing company whose vice president was a trafficker - turned DEA informant; and Frigorificos de Puntarenas, a

Costa Rican seafood company owned and operated by two convicted traffickers. Between January and August, 1986, the State Department paid the companies more than \$800,000 to provide services to the Contras.

During the same period, the State Department calmly assured Congress that a government probe into Contra drug smuggling revealed only a "limited number of incidents in which known drug traffickers tried to establish connections with Nicaraguan resistance groups." Individual members of the resistance may have dabbled in narcotics smuggling, the department stated, but they did so without the knowledge of Contra leaders. DEAs investigation was equally superficial, and like the State Department's probe, came in the wake of news accounts linking the Contras to narcotics.

On January 10, the investigators headed to El Salvador. They paid a courtesy visit to Corr, but had not planned to interview him. When they told Corr the purpose of their visit, he hurried to assure them everything El Salvador was running smoothly.

Then, the main event: An interview with the two informants who made the investigation possible. We walked into Aparecio's cafe, where Aparecio and Hugo waited. I made the introductions. When everyone settled into their chairs, the female investigator flipped to a fresh page and leaned toward Hugo. She asked him if my reports from Ilopango were accurate. Hugo took a deep breath and rattled off everything he witnessed at Ilopango throughout the previous year. For the next hour, he recounted every detail: The cocaine, the cash, the pilots, even the black X on the tails of the Contra planes. She chatted with him in rapid fire Spanish, stopping every few minutes to translate for Doug.

She interrupted Hugo several times during his narrative to ask if I was taking good care of him, paying him good money. The insinuations woven through her questions tested my patience, but Hugo came to my rescue. Yes, he was happy with our relationship. Aparecio spoke next, filling in the gaps from his own experience with the Contras and the Brasher raid. I held back the satisfied smile that wanted to spread across my face. Finally, the truth. Their accounts confirmed everything in my reports.

The analysts seemed unimpressed. The woman became excited only when Hugo revealed a shady airplane rental deal between Stia and Perez, who almost got me killed with his helicopter stunt in Cuilco. Hugo said Stia chipped in \$5,000 to buy a plane with Perez. Then the pair turned around and rented it to DEA, charging three times what we normally paid to lease planes from the Piper company. The woman furiously copied down every word. When Hugo returned to the Contras, her pen slowed to a crawl.

After three very similar days in Central America, the analysts returned to Washington and filed their report. Naturally, it echoed the government's well-rehearsed conclusions: Any narcotics trafficking by the Contras was the work of a few unorganized individuals, who snuck the contraband into the United States behind their leaders' backs. An angry Stia dropped the report on my desk,

cursing to himself. Despite his initial reluctance to pursue the investigation, Stia dutifully signed all my reports on the Contras. His signature meant he considered my reports valid; his reputation was tied to this investigation as well. He shot off an angry cable to headquarters, asking them how the hell two investigators could reach conclusions about such an expansive subject after only a few days in Central America. He never got a reply. I read the analysts' report slowly and sighed. My feeling of abandonment and betrayal was total. Once again, when the drug war hit politically sensitive targets, DEA blinked. Confirming my reports meant heaping more embarrassment on the Reagan Administration and making their "Just Say No" platitudes sound as completely hypocritical as they were. So DEA let me twist in the political winds. For the first time, I was ashamed of my own agency.

Shortly after the analysts left, Stia called me into his office to tell me the embassy wanted me to stay away from El Salvador. Stia said my Contra reports were stirring the waters in Washington. With Corr frequently out of the country as Iran-Contra sucked him into high - level Washington meetings, David Dlouhy the deputy chief of mission, stepped in to declare El Salvador off' limits to me. The country was too hot, with reporters nosing around everywhere asking about the Contras.

That was fine with me. With North's Contra base dismantled, my investigation was in limbo anyway. I could turn my attention back to Guatemala. I fished through my desk drawer, plucked out a manila folder, and spread the documents on my desk. My file on the Guatemalan government's drug ring was officially re-opened.

I needed a new angle on the case. Any hope of busting the drug -dealing diputado, Carlos Ramiro Garcia de Paz, vanished a few weeks earlier at a party thrown by the national police. When I walked into their headquarters, flanked by a group of embassy employees, Garcia de Paz's face jumped out at me from the huge crowd.

He sat at the front table next to Julio Caballeros, director of the national police. Garcia de Paz spotted me instantly and stared for a moment, puzzled, before wrapping an arm around Caballeros' shoulders and whispering a question into his ear. Caballeros glanced at me, then steered Garcia de Paz to a corner of the room for private consultation. I hoped Caballeros would not blow my cover. Then I watched the shock register on the diputado's face as Caballeros spoke. He scowled at me. I pointed my index finger at him like a gunbarrel and pulled the trigger. The

scowl deepened. I threw him my best cavalier smile. It was all I could think to do. My cover was blown.

In March, the investigation found a new breath of life when Col. Moran, the Guatemalan officer in charge Of President Cerezo's anti-corruption force, agreed to help. Short slim, and balding, Moran could have starred in any of those cheesy banana republic movies as the ramrod military dictator. But Moran was



connected. Unlike the conservatives in the Military, Moran was loyal to Cerezo. I prayed he was not part of the government's drug conspiracy as well. I had to trust him until he proved he could not

be trusted. With the president's weight behind him, Moran would be my hammer. Now we needed a wedge.

We found it in Derek Mata, a man with an interesting set of alliances. According to intelligence I received from G2 and their ubiquitous wiretaps, Mata frequently flew drug missions for the Medellin cartel. He worked for Garcia de Paz. And he was the half-brother of Gen. Roberto Enrique Mata-Galvez, the Guatemalan military's chief of staff and the head of security at the presidential palace.

Our first attempt to scare Mata into flipping to our side flopped. Mata agreed to meet with us in Moran's office, but when Moran and I tried to shake him with our knowledge of his criminal activities, he told us to go screw ourselves: His brother was the president's right hand man. Moran started to raise his voice, then thought better of it. He looked at me and shrugged. We needed a new approach.

Before I could gather any momentum, Stia and I came under DEA's internal affairs microscope. Less than a month before the Iran Contra hearings began, John Martsh, our Latin American chief, flew down from Washington on April 7, 1987 to conduct an OPR investigation of the Guatemala office. We expected an experience akin to a rectal exam. After grilling Stia about his questionable dealings with an informant, Martsh turned the microscope on me. Stia called me into his office soon after Martsh left: " Cele, they're coming after you because of the Contra thing and the reports you wrote. They're trying to get rid of you, but they're going to do it very discreetly."

Martsh was on a mission. He talked to Hugo. He interviewed Aparecio. He spent a day poking around the El Dorado Hotel, where one of my informants, a woman who worked at the desk, told me Martsh asked if we were having an affair. She blushed when she repeated his questions later, but assured me everyone I worked with in the hotel told Martsh I was clean. Her encouraging smile did not erase the ominous overtones of Martsh's visit. My head was on the chopping block. Sooner or later, I would duck too slowly to avoid the blade.

Martsh returned to Stia's office and dug through the files, asking if I ever paid Aparecio out of my personal funds. It was a calculated question. Paying informants out of pocket violated DEA policy, but the rule was routinely ignored on the front lines.

Out of sheer necessity, agents frequently opened their own wallets for informants. DEA funds came in quarterly installments. The money usually dried up in

October, and sometimes it was December or January before the next infusion. When the cash ran out, agents dug into their own pockets.

By the time Martsh got around to interviewing me, I knew what to expect. I answered each question knowing suspicious eyes in Washington would inspect every word later. Martsh looked like a disheveled high school teacher late for class, a heavy-set man wrapped in sloppy clothes peering through dark-rimmed glasses. He spoke with a cocky edge I instantly resented. He ticked off my misdeeds, passed along to him by the female analyst who visited two months earlier. Martsh said the female investigator was concerned with my relationship with Aparecio. He reminded me the line in the DEA manual stating "Social or business contacts are expressly prohibited. "

I know the damn manual, I thought bitterly. I wanted to grab Martsh by his thick neck and explain the realities of working alone in a hostile country. I swallowed my anger and answered: Yes, Aparecio and I were friends. With no other agents available, I explained, Aparecio served as my backup. In the process, we developed what DEA considered a prohibited relationship.

Martsh shifted his weight and changed topics. He wanted to know about Stia's involvement with the plane.

"As far as I know, the plane is under Perez's name, said. The day before my meeting with Martsh, Stia asked me not to say anything about the \$5,000 check he handed Perez to buy the plane. I promised to keep my mouth shut. My answer was truthful. Stia made sure the plane was registered in Perez's name. I told Martsh I heard rumors about Stia writing a check for the plane, but I never saw the check. Also true.

Martsh frowned.

"Have you been paying Luis Aparecio Out of your own pocket?" he asked, studying me over the top of his glasses.

I paused. "I know it's against the rules, but every agent has to do it, " I said.

Martsh puckered his lips as he jotted the answer. He cocked his head again, like a teacher about to discipline a disruptive student. "You should be more careful about how you conduct yourself with informants," he said.

"Well, then you need to send us more agents. The rules also say you're supposed to have two agents present every time you pay an informant. That's impossible in El Salvador. There's nobody but me. "

Three weeks later, Martsh ordered me to fly to Washington. He spread the written statements out before me and handed me a pen. I studied the neatly typed summary of our conversation, then signed. A warning light flashed, but I

overruled it. I had nothing to hide. Before I left, Martsh repeated his question about Stia's interest in the plane. I stuck to my previous answers. That seemed to trip his temper. He warned me again about my Contra reports. Reporters were asking questions, he said. I should keep my mouth shut.

In May, 1987, as the Iran-Contra hearings began flickering across American television sets, I retreated to the jungle, searching out opium fields anchored in the mountains.

With help from the Guardia de Hacienda, I began feeling productive again. Squirting herbicides on opium plants was concrete and satisfying. You find the poppies, you spray them, they die. For a while, it did not even matter that the mountain peasants replaced their crops as quickly as we could spray. I was doing something.

When weather and crosswinds permitted, we sprayed the poppies from the air. When flying was impossible, we called the Guardia de Hacienda and humped up the mountains on foot to knock down the fragile plants with sticks and machetes. The risk increased every kilometer we climbed. The mountain villagers in Guatemala were switching to poppies as rapidly as their counterparts in Peru switched to coca. In Peru, the military and Sendero Luminoso swatted away anti-narcotics efforts. Here, they used the Civilian Self-Defense Patrols, the paramilitary groups forcibly recruited from the villages as counterrevolutionaries.

Oscar Diaz's blood pressure rose so quickly it looked like his eyeballs would burst. Diaz, the fiery new leader of the Guardia de Hacienda, pushed morale among the Guardia's roughly 2,000 men to new highs with his John Wayne bravado and hands-on leadership. Now six of his men were dead, tortured and shot somewhere in the mountains near Cuilco. Their informants insisted the Civilian Self-Defense Patrol murdered them when they climbed too close to an opium plantation with their machetes. Diaz rounded up about 125 men in Cuilco, then charged up the mountain in the dark, with me bringing up the rear with my M-16.

The soldiers leading the column were natives of the area and scabbled up the mountains like goats. My legs cramped up after a few hours of marching uphill in the thin air, bringing a few snickers from the young recruits. I returned the chuckles a few hours later when they started cramping too. When I started spitting blood, I realized how out of shape I had become. But at daybreak, I was rewarded with a breathtaking view. They called this part of the mountains Las Nubes: The Clouds. White, misty masses drifted just below us, parting around the rocky barrier before melting together on the other side.

We met a small Civilian Patrol squad just after sunrise. The half-dozen armed peasants confronted Diaz, belligerently ordering him off their mountain. Diaz looked like he had been slapped. They argued for a few minutes, then Diaz ended the discussion by spraying the ground around their feet with his automatic. They retreated, leaving the panting invaders to push upward.

Those same lanky men were waiting when we reached the opium plantation. They lifted small flute-like instruments to their lips and blew a few shrill notes. Suddenly, we were surrounded by what looked like every villager on the mountain. Hundreds of Indians lined a nearby ridge like Apaches in a western, watching the Guardia chop down their poppies. The sniper fire began as we hacked down the stalks. I yelled into my walkie-talkie, trying to find a friendly voice with an aircraft. A CIA helicopter found us, spotted the Indians, then lifted to a safe altitude and watched the villagers chase us all the way down the mountain. We reached Cuilco after eight hours, carrying soldiers with broken ankles and fractured legs. I passed out on a sidewalk, exhausted. The villagers made it very clear: Unless we marched into their plantations with an army, they were kings of this mountain.

In the fall of 1987, something finally went right.

On September 25, G2 picked up a conversation on their illegal wiretap of Garcia de Paz's phone - The Colombians planned to fly to Puerto Barrios, a port on the Guatemala's eastern coast to drop off a large cocaine shipment.

The four-month investigation leading up to his point tested my patience at every turn. We got our first break when I bluffed Derek Mata by threatening to extradite him on conspiracy charges. He spent the next three days spilling everything he knew about drug smuggling within the Guatemalan government. He named more than a dozen officials dealing with the Colombian cartels, including Garcia de Paz. Mata claimed his high -ranking half-brother and President Cerezo knew about the trafficking, and allowed the narcotics to pass through Guatemala unmolested. Garcia de Paz, a number of other government officials, and several military officers loyal to Cerezo actually participated in the trafficking, Mata added.

The G2 stepped in soon after, unceremoniously ousting Col. Moran. They told me their wiretap on his phone confirmed their suspicions: Moran was feeding information about my investigation to Cerezo and Garcia de Paz. They also gave me a stem warning: The Colombians knew Derek Mata was an informant. I shook my head, suddenly depressed. Few investigations could survive one major security breach, much less two.

Throughout July and August, we watched and listened as the buyers and sellers came together. On July 22, a woman representing the Chicago buyers flew in for the first of several meetings with the Guatemalan minister of defense. I always suspected the military helped the traffickers. This seemed to confirm it. Cerezo's government, with their few loyal military officials, could not protect such a large trafficking operation. The dopers needed the more powerful right wing's cooperation as well.

Soon, the other side of the equation arrived: On July 27, three Colombians and a Mexican trafficker flew in to Guatemala to oversee a small cocaine shipment. We let it go through. It was a warm -up for the mother lode in September.

On September 25, everything was in place. Dozens of G2 soldiers crawled around the Puerto Barrios hotel where Garcia de Paz was staying with the Colombians and their Mexican partner.

The diputado arrived in his Mercedes. He was the middleman, personally ensuring the cocaine's smooth transfer from the Colombian sellers to the Chicago buyers. It was the most boring Friday night I could remember. I watched the hotel for hours, yawning and chatting with CIA agent Randy Capister as well as Derek Mata. The CIA sent Capister to get its new narcotics section's feet wet in Central America. G2 reluctantly agreed to allow Mata to come along only after I lobbied for him. He knew all the players and could identify them at critical points.

We settled in for a long night of surveillance. Close to 100 G2 troops lingered around the hotel and the port. G2 was convinced the cocaine would arrive by boat, so they placed most of their eyes on the piers. Someone forgot to bring radios, so runners flitted from group to group, passing messages down the line.

On Saturday morning, the Colombians disappeared. The G2 commander was livid, demanding to know how so many men could allow the traficantes to slip past their surveillance. His men scurried around Puerto Barrios like drunken rats, hunting for the Colombians. Capister and I had to laugh. It would be a miracle if this operation worked.

While they searched, the mother vessel Daring cruised into the quiet waters of Puerto Barrios. We suspected the Panamanian registered ship was our smuggler, but we could not be sure. We waited, listening to the scanner, hoping the Colombians would slip and reveal themselves. That night on the scanner, a voice gave an order in English: Turn the lights off, we're coming in. Suddenly, the Daring's lights clicked off, its darkened hull vanishing against the black water. "Probably loading the cocaine now," one of the G2 officers said. The G2 troops were ready to pounce. Most of the officers wanted to move in immediately, but their commander held up his hand. "Let's wait."

On Sunday, I peered through my binoculars and cursed to myself as Garcia de Paz hopped into his Mercedes and drove away, his job apparently done. Every time I got close to nailing the diputado, he wiggled away. It was like trying to catch a snake with chopsticks.

A G2 officer called to us, his eyes glued to the piers. The Colombians were back. Everything exploded. They swarmed the pier and the hotel, grabbing the Colombians, the Mexican

trafficker, and two young women. The girls identified themselves as the Mexican trafficker's daughters. Their father apparently brought them along as cover: Just a middle-class family on vacation in Guatemala. G2 threw the captives in a white van and whisked them to the airport. I turned my attention elsewhere, assuming they would be flown to Guatemala City for trial. G2 also grabbed a Guatemalan

air force reservist based in Puerto Barrios who served as the dopers' air traffic controller. We asked his commander to order him to the base. As soon as the reservist realized his interrogators were G2, he turned ashen, then revealed everything. He said he directed the Colombians to a tiny airstrip at a nearby banana plantation, where they landed with 3,000 kilos of cocaine. The G2 men asked where the Colombians went the day they disappeared. They were at the plantation, he said, loading the kilos on the small train used to shuttle bananas to the port. Then, under cover of darkness, they loaded the coke onto small inflatable powerboats and shuttled it to the Daring.

We had enough evidence to search the ship. Randy and I convinced a local judge to sign a search warrant, then commandeered a small boat. The G2 men were behind us, ready to crack heads.

Two dozen feet shuffled over the deck as we inspected the ship, poking our heads into every hatch. The boat was something to behold. Someone had remodeled the former Canadian coast guard cutter drug lord style. Rich wood paneling covered the walls. In the mess, we found freezers crammed with beef and a refrigerator full of beer. We heard voices. Two or three Americans stood near the bow, turning meat on a barbecue and swigging beer. "Narcotics agents," I barked in English, holding up the search warrant. They looked at me, dumbstruck, as the G2 troops took them into custody and rounded up their cohorts.

I could not believe how gently the troops treated the six Americans and one Canadian on board. They were a models of restraint, snapping on handcuffs and sitting their captives down without the aid of a gun butt. I know they were tempted to resort to their tried - and - true techniques when the norte americanos said they knew nothing about any cocaine. We started searching.

Randy, an expert at finding hidden drugs, soon reached his frustration threshold. He could not find the cocaine anywhere. Back on shore, the dopers were deep into negotiations with G2. The Colombians promised to tell them where they hid the cocaine, as long as G2 agreed to turn around and sell it back to them. The G2 officers were not accustomed to negotiating, especially with dopers. One of the officers later told me the Colombians were desperate to make a deal: "I'll have \$5 million for you - - just let me make a phone call. " The G2 officers consulted briefly, then agreed.

While Randy and I hunted for the hidden kilos, the G2 troops emerged with the Mexican trafficker in tow. He had obviously received the full treatment. He was stripped to his underwear, hogtied, bruised, and blindfolded. When they untied him, the Mexican rubbed his wrists for a minute, flinching every time anyone moved toward him. He led us into the hold and pointed to the spot where they bolted the cocaine into the ship's thick skin. One of the G2 men unbolted a 3 -foot square sheet of steel. We peered into the dark space with flashlights. Nylon bags packed with cocaine lay piled between the metal skins.

The rest of the G2 force came aboard and gleefully stripped the boat clean, taking everything that wasn't nailed down. Before they could finish, a

Guatemalan admiral from the Puerto Barrios naval station commandeered the boat, ordering everything pad locked. This was his boat now.

As the admiral surveyed his new toy, we piled the coke in a on the top deck. It looked like the world's largest collection of leftovers. Every kilo was carefully packaged in a tupperware container marked "oro." Gold. I picked up a container and struggled with the wrapping. The cocaine was compressed it into a brick, then wrapped in two layers of plastic with coffee grounds in between to throw off drug sniffing dogs. A thick skin of duct tape encased the package before it was sealed in the watertight containers.

We counted 2,404 kilos, more than two and a half tons of cocaine. The air force reservist we interrogated assured us the Colombians delivered 3,000 kilos on the nose. Almost 600 kilos were missing. I returned to the Daring to look for the rest. The admiral blocked my path to the hold.

"Everything is out of there," he said with a hard stare.

"I just want to look, " I said.

"No. Everyone's getting off my boat now."

G2 delivered the cocaine to the Guardia de Hacienda in Guatemala City. In the papers, the Guardia de Hacienda

received the credit for the Puerto Barrios bust, although they knew nothing about it before the cocaine appeared at their doorstep. G2 hated media attention.

Oscar Diaz took custody of the cocaine and happily burned it, tupperware and all. They checked every other container to make sure nobody tampered with the contraband between Puerto Barrios and Guatemala City. Amazingly, all the cocaine we found was still there.

For DEA, the Puerto Barrios raid was the largest bust ever in Central America. It was the fifth largest seizure in the world involving U. S. federal agents. It was also the first time since I had come to Central America that all the pieces fell together as they were supposed to. The bad guys were arrested; the drugs were seized; the good guys sent it up in smoke. As it turned out, the bust saved Stia's ass. He was suddenly a DEA hero, the brains behind a breakthrough seizure in Central America. The bust helped me as well. Some of the clouds hanging over me from the Contra investigation cleared. I thought I was out of the doghouse.

But in my mind, Puerto Barrios was not a complete success. In the aftermath of the raid, I learned of a dark secret the newspapers never discovered. As I prepared to leave Puerto Barrios that Sunday, a G2 lieutenant known as El Raton debriefed me. I never learned his real name - - G2 preferred aliases. El Raton told me they allowed one of the Colombians to place a phone call to his cartel bosses.

"A few hours later, a Learjet flew in with \$5 million in cash from Medellin," he said, his eyes widening with the word "cash."

G2, he said, promptly took the cash and the plane, raped the Mexican trafficker's daughters, then killed everyone. He described the carnage almost proudly, like a boss describing a job well done by his employees. The dismembered bodies, sealed in weighted 55-gallon drums, were dumped into the ocean. A couple of days later, the Colombians' car would be discovered at the Mexican border, planted to make it appear the dopers fled into Mexico.

I did not want to believe G2 slaughtered the traffickers, but long experience told me El Raton was telling the truth. The TV confirmed it. In the following weeks, I saw heart-wrenching ads on Guatemalan television. The traffickers' families appeared on the screen, pleading for the bodies of their loved ones. Their anguished faces interrupted the deodorant commercials and the daytime dramas for a few weeks, then disappeared.

On October 17, a sullen Garcia de Paz traveled to Costa Rica. He had a lot of explaining to do. The cartel wanted to know what happened to their product and their people. The G2 wiretaps picked up the conversation and called me immediately to pass on the news: Pablo Escobar himself was flying in to meet with Garcia de Paz and other cartel -corrupted government officials. The cocaine king was holding court.

G2's moles in Costa Rica called after the meeting to report their second-hand summary of Escobar's inquest. A furious Escobar held Garcia de Paz responsible for allowing the debacle at Puerto Barrios. Escobar paid a lot of protection money for that load. Someone was going to pay for this outrage.

When he returned to Colombia, Escobar sent a hit squad to assassinate anyone involved in the operation. I presumed that included me. As usual, G2 knew about it soon after the order left Escobar's lips. When the would-be assassins arrived in Guatemala, G2 hunted them one by one, leaving a lone survivor to give the boss all the gory details. It was their custom.

In July, after clicking off the Iran-Contra hearings in the middle of Oliver North's testimony, I picked up bits and pieces from the newspapers. The Congressional committees pulled witness after witness to the table, promising them immunity in exchange for their individual versions of the tangled events. North insisted he raised money for the Contras and guided the resupply operation with Poindexter's approval. Poindexter testified the buck stopped with him: He did not tell President Reagan that profits from the Iranian arms sales were used to help the Contras.

As the hearings wrapped up that summer, I slipped into despair. Poindexter's dramatic testimony in July drove Kerry's narcotics hearings to the back pages. Kerry's subcommittee hearings were overshadowed by Iran-Contra. When The New York Times ducked into the Dirksen Senate Office Building in Washington



to cover Morales' testimony, the paper all but wrote off the speedboat smuggler's allegations of a Contra drug

smuggling tie: "The charges have not been verified by any other people and have been vigorously denied by several Government agencies. " The third secret slipped out of the political spotlight as quickly as it appeared.

While the nation waited through the summer and fall of 1987 for the committees' final report, I received a call which told me the issue was far from dead.

On October 22, the call came in from DEA headquarters. A woman in our Freedom of Information department asked me to keep the file on the Contras open. I was puzzled. For months, the DEA brass urged me to close those files and bury them. The woman explained: If the file remained open, Walsh's Iran-Contra investigators could be denied access to my reports under the Freedom of Information Act.

I was torn between complying and telling her to go to hell. After a moment of twitching between the two, I agreed to keep the file open. I wanted to keep my job. And I was not ready to close the book on the Contras yet.

The slaughter at Puerto Barrios should have been an aberration. When I returned to busting everyday traffickers, I learned it was the standard in Guatemala.

In the first weeks of 1988, I hopped from informant to informant, gathering enough names and numbers to keep me busy for months. After Puerto Barrios, I wanted to distance myself from G2. I preferred to work with Oscar Diaz and his Guardia de Hacienda, but the spheres of influence were clearly marked: The Guardia helped with eradication and small raids. For large busts, the embassy wanted me to work with G2, who had the manpower, the money, and the power.

It was a terrible mistake.

I started at the bottom, meeting with small Guatemalan and Colombian cocaine suppliers looking for a Guatemalan buyer. They formed the conduit between the Colombian cocaine factories and the American consumers, using Central America as a sort of narcotics autobahn. If I busted enough of them, I knew they could give me enough evidence to build cases against the cartels. Few lived long enough to give me any information.

Every few weeks, I arranged a meeting with a doper, then called my G2 contacts to give them the time and place. The G2 commanders took down the information, thanked me, then promptly jumped the traffickers on their way to the rendezvous.

The first few times it happened, I found myself waiting at the meeting place like a confused tourist, checking my watch every few minutes as the scheduled meeting time drifted further and further behind the minute hand.

In January, 1988, I called G2 to pass along an informant's tip about a Colombian drug plane scheduled to land on a clandestine airstrip outside Guatemala City. The next day, the Colombians were found shot to death near the burned-out remains of their plane. G2 blamed the killings on the guerrillas. I knew better. I described the incident in my next report, shaking my head in disbelief. Six months later, on July 20, I gave them another tip, this time about a local judge - lawyer team who offered to sell me cocaine seized by the government. The next day, both were kidnapped and found dead. G2 told me the two got what they deserved. This isn't drug enforcement, I thought. It's a massacre.

The dopers were usually dumped on the streets, their blood - smeared faces gaping sightlessly as people hustled past the stiffening corpses. When I confronted the G2 commanders, they brazenly admitted to the murders. They made no effort to lie or conceal their grisly work. They were the predators here, roaming the streets with no natural enemies. When I insisted they stop ambushing my busts, they simply changed techniques. On the next bust, they staked out the meeting spot as planned, but when the dopers showed up, the G2 stormtroopers wrestled them into the trunk of a car and screeched away. I stood rooted to the spot for ten minutes, dumbfounded. They returned a short time later. The traficantes, they said coldly, had been eliminated.

With every killing, G2 took stacks of cash and bags of cocaine. In a faint nod to the law, they usually turned over a portion of the confiscated dope to beef up the country's drug war numbers. They sold the rest, or saved it to frame future victims.

Noe could sense something was wrong. She prodded me gently for the reason for my deepening gloom. She wanted to know why I was so distant, why we slept together less and less, why I spent my evenings in front of the television, if I came home

at all. She wanted to reach out. I recoiled. I tossed her the same answer every time: It's better if you don't know. I did not want her to worry, and if someone snatched her from the streets, anything I told her about my work could put her in greater danger.

I tried to keep my distance from the carnage. Then, in a tiny shack under a bridge, G2 dragged me into their nightmare.

My target was a high -level leftist politician from a small village near the Salvadoran border. He and his Guatemalan associates made arrangements for a group of Colombians to deliver 10 kilos of cocaine in front of a supermarket near Aurora. I almost choked when they gave me the location. I shopped at the Paiz supermarket regularly. The place was also a favorite with embassy staffers. I would have preferred another spot, but I hoped the high-profile location would keep the G2 operatives honest. With enough American eyes around, I felt certain they would follow procedure for once.

The operatives lingered around the front of the supermarket in street clothes, their eyes narrowing as the politico strolled up the sidewalk flanked by four men. The politician pumped my hand and flashed a polished smile as he checked his watch. The Colombians were due any minute with the cocaine. He did not bother making introductions - - not that it mattered. I could see the G2 team collecting behind them, reaching for their pistols. The action caught the attention of several shoppers, who lingered near the door to watch. I recognized a few embassy personnel among the onlookers. The nervous Guatemalans followed my eyes, turning just as a blanket of men jumped them.

I winced as they brought the butts of their guns down on the men's heads with a crack, right in front of the wide - eyed embassy people. A white panel van appeared a moment later, spilling G2 troops from its back doors.

I helped them load the dopers into the van. As I pushed the last one inside, I heard the doors shut with a metallic clang. Before I could protest, the driver shifted into gear and hit the accelerator.

Shit. The last place on earth I wanted to be was in that van. The commanding officer sensed my discomfort and assured me they were merely taking the Guatemalans in for questioning. The captives sat quietly, knowing a stray word could bring another crushing gun butt. I peered through the windshield every time the van turned. If the G2 officer planned to take these men to jail, they

were going the wrong direction.

The driver jerked the wheel, jumping the front tires onto a dirt road. He stopped the van momentarily while two uniformed G2 men scrambled out to stand guard. The road dropped into a ravine, its rocky walls filling the windshield as we descended. I knew this neighborhood. The bridge stretching over the ravine led to a posh neighborhood popular among Guatemalan military officers. This was a G2 nest.

The road curved under the bridge, where the overpass created a cave like gloom. As the van ground to a halt, I could see the faint outline of two small structures in the fading light. Two G2 men silently pushed open the van's back doors as their comrades shoved the prisoners headlong into the dirt, then picked them up roughly and pointed them toward the darkened structures.

Another white van and several jeeps and pickup trucks were parked haphazardly around two wooden shacks. Several men sat in the back of the other van, looking uneasily at the gun barrels pointed at them. The Colombians. The G2 troops ordered them out of the van and lined them up with the Guatemalans. They pulled five from the line: All three Colombians, the Guatemalan politician, and one of his lieutenants. The G2 men filed inside with their captives, followed by the commander and me. We barely fit. As I inspected the inside of the barren shack, a familiar smell filled my nostrils. My eyes adjusted to the dim interior, confirming what my nose did not want to acknowledge. Dark, rusty streaks and spatters covered the rough walls. Blood.

The captives smelled death. A low moan escaped one man's throat, then rose to a grunt as his captors ripped his shirt open, spraying buttons like birdshot. A few minutes later, the five men crouched naked in the center of the hut, their pleading eyes searching for a sympathetic face. I stared at the floor, afraid to look at them. The interrogation began.

The G2 squad took turns shouting questions at the cowering men, demanding the names of others in the politician's left-wing brood, the address of the place where they kept their cocaine, and where they hid their drug money. They punctuated each question with a two-by-four. At first, the dopers tried to take it. They clenched their teeth, their jaw muscles straining to hold back the screams. The board cracked ribs and arms, then the men cracked,

blurting out names, phone numbers, addresses. A G2 agent with a notebook jotted everything down as calmly as if he were taking notes in class. A half dozen of his comrades crouched along the walls like spectators at a grisly play. The door opened again. A young soldier carried a metal bucket filled with water in one hand, and in the other, a black length of rubber cut from a car inner tube.

The G2 torturers turned their rage on the politician and his companion, beating them mercilessly. They pulled the politician to his knees, a bare flashlight beam turning his face into an anguished mask. The lead interrogator wrapped the black strip around his head and pulled until his features emerged through the rubber. He twisted the rubber tighter, squeezing a muffled groan from the politician, then leaned toward suffocating man's ear and whispered, "You are going to die." I could see the rubber cave in as the captive desperately tried to draw air. When his body went limp, the interrogator released the mask. The politician flopped to the ground, his chest heaving.

A pair of hands pushed the second man's head into the bucket until the water churned with bubbles. They yanked him up by the hair, splashing my feet. He coughed water from his lungs, then spit out every detail of the cocaine operation he could think of. It didn't matter. The interrogator pulled his head back and repeated the sentence: "You're going to die."

"But why? I'm telling you everything," the man wailed, terror pinching his voice into a childlike squeak.

The agent, a dark-skinned man with vaguely oriental features, said, "Because you're a coward."

The men realized their lives were about to come to a violent end. They pleaded: We have wives, families. The G2 squad continued the torture, asking more questions. Their victims ran out of answers.

From the corner of my eye, I saw a glint of steel.

The interrogator lifted the machete and brought the razor edge down across the politician's shoulder blade, opening his back. It looked like a scene from a slaughterhouse. The politician let out a long, anguished scream. "Mamacita

linda, " he wailed, crying for a mother who could not hear. The blood sprayed the other men, driving home the certainty of their fate. Their eyes reflected a deep, profound horror. One of them immediately lost control of his bowels and defecated on the dirt floor. The G2 men crouched along the walls jumped to their feet, enraged. They flattened him with a board, then grabbed his legs, dragging him through his own filth while one of the soldiers fished through his uniform for a pair of pliers. Locking the sobbing man's foot under his armpit, the soldier locked the pliers on the man's toe and ripped his toenails out, exposing pearly flesh which immediately welled blood.

After a half dozen turns with the mask, the politician stopped moaning. Blood oozed from his mouth, his eyes dim from loss of blood and lack of oxygen. His tormenter again pulled the mask tight around his face. Suddenly, his legs thrashed out from under him, his hands struggling against the smothering blackness. The rubber mask heaved twice, then smoothed as his body fell limp. Two plainclothes G2 silently dragged his body outside where others waited with razor sharp machetes and several empty steel drums. I followed them out, took one look at the semi-circle of amateur butchers, then quickly ducked back inside.

The second captive stopped fighting against the hands. His head collapsed into the bucket. The interrogator grabbed a clump of wet hair and pulled. He was dead, drowned in a couple gallons of water. Two more men rose and dragged him outside. When the door opened, the wet sound of steel on flesh drifted in with the warm air. I wondered if the remaining dopers locked up in the vehicles could see what awaited them.

I had seen enough. I pushed my way outside and told the captain I needed to get back to the supermarket for my car. A few of the men with the machetes were smoking and chatting. They were done with the politician, whose components lay scattered in the dirt like a dismantled mannequin. Others were hacking the second man apart by flashlight. The bodies would never be found.

The G2 officer whistled to one of his men and ordered him to drive me back to town. "You know, we only found one kilo when we took the Colombians, " he said as I pulled myself into the seat. "The deal was for 10 kilos," I snapped.

The officer shrugged, then turned to watch his men leisurely toss arms and legs into the steel barrels. He turned to face me again. "Do not tell anyone what you saw here. " It was not a request. It was a cold threat.

"Do you think anyone would ever believe me?" I asked. The motor roared to life.

On the way back to the grocery, the driver smiled. "We really took 10 kilos. We need the other nine to plant on other people. " He laughed at his commander for his little lie. G2 answered to no one.

# Ten

## Backlash

### Guatemala City – 1988

After the Puerto Barrios bust, DEA rewarded us with more manpower in the form of agent Larry Holifield, whose slow Louisiana drawl disguised a quick mind, and agent Delphin Von Briesen Jr., a portly good old boy from Dallas. Larry immediately impressed me with his eagerness to learn the rhythms of Central America, despite his poor Spanish. Von Briesen, who everyone called Tuffy, was another story. He smothered his ignorance with a haughty attitude which set me instantly on edge. DEA, I thought, seemed intent on sending its Latin American offices a steady stream of mismatched agents.

Tuffy quickly alienated the locals, treating anyone who did not speak English as an inferior. He bulldozed his way through each day, an overweight, burr-haired giant in scuffed shoes and mismatched clothes. He barked at members of the Guardia de Hacienda and the National Police. Our informants complained he pretended to understand when he clearly did not follow. They did not trust him to get things right.

I tried to help them both to adjust as best I could. Larry branched out into Belize, a country we had virtually ignored, while Tuffy planted himself in Guatemala.

The arrival of two more bodies took some of the pressure off me. Unfortunately, I did not remember how to enjoy it. The stress weighed on me like layers of wet clothes: First, the Contras; then the G2 murders; then back-to-back investigations by my own agency. I knew from my encounter with Martsh OPR was watching, waiting for one misstep.

Instead of searching for some way to defuse the tension DEA surrounded me with, I buried myself deeper into my work. In addition to several major investigations, I worked countless small cases, playing my well-worn role in Guatemala City's bars and restaurants: Smile big; tell some jokes; gain their trust; seal the deal, then bust them. Move on to the next one. Often I worked until 2 a.m., dragged myself through the front door, then slipped into bed next to a sleeping Noe. She no longer waited up for me.

Noe told me I was killing myself for an ungrateful agency. I stopped listening. I did not want to hear the truth, particularly from my wife. For months, I drifted away from her, feeling the emotions that built our marriage crumble under the weight of a burden I could not voice to her. We did not talk much anymore I began sleeping in the guest bedroom. Somewhere along the way, I

stopped thinking of Noe as my wife, instead seeing her as the mother of my children.

After our El Salvador embassy declared the country forbidden ground, I was home more, but not as a father and a husband. After seven years of adrenaline overloads, I saw myself as the protector. I could never relax, not even during my son's second birthday party on September 19, 1987. We invited our friends from the embassy and barbecued while the kids whacked at a pinata. I bought C4 a pint sized bike with training wheels, which he mounted and zoomed off with Ana scrambling behind. She tracked him like a bloodhound, the portable alarm button in her hand. When an alarm sounded anywhere on the street, every guard in the neighborhood scrambled toward the sound, guns drawn. I hated knowing we could never let him play alone. I wondered what Guatemala was doing to him and to Crystal. I began to wonder if I could ever slow down and enjoy their childhood with them.

You're losing your family because of your job, " Noe told me. It turned out to be a prophetic statement. I mumbled some pathetic reply. I had a job to do.

By early 1988, my job seemed more at risk than ever. A letter arrived on April 7 from Richard G. Smith, chairman of DEA's Board of Professional Conduct. The board wanted to suspend me for five days for two charges of improper conduct. The first was improper association with a cooperating individual. Aparecio. The letter quoted passages from my statements to Marsh, including my admission that Aparecio and I loaned each other money for the FUCA unit's operational expenses. I was also admonished for staying overnight at Aparecio's house on numerous occasions, also a violation of the agency's "no social contact" rule.

The second charge surprised me: Possession of an unauthorized weapon; specifically, a Colt AR - 15 rifle I bought in New York and brought to Guatemala. No argument there. But the AR-15 was not on the list of DEA's authorized shoulder weapons.

The charges amazed me. Somewhere between Washington and the front lines, the rules often became counterproductive. I trusted Aparecio with my life. How could I avoid becoming friends with him? The weapons charge was even more ridiculous. I was a decorated Vietnam veteran. I would gladly prove my skill with an AR - 15 on the firing range.

Someone wanted to send me a message. After back-to -back investigations, I knew the backlash would follow sooner or later.

I typed my response, explaining my side of the story. The loans were for operations, not personal use. I stayed at Aparecio's house during the Contra investigation because I honestly felt safer there than at some hotel.

A DEA bureaucrat wrote back with the agency's ruling.

They dropped the weapons charge, but the improper association charge would stand. The suspension was reduced to three days, beginning August 1. I appealed it all the way to Administrator John Lawn's office, but Lawn sustained the suspension with a terse letter: My decision is final. I spent the first three days of August at home, brooding as Noe tried in vain to cheer me up. I was beyond consolation.

Aparecio felt the whip too. The national police, at the request of the embassy, stripped him of his advisor credentials, which cut him off from the FUCA unit he helped build. He remained a DEA informant. The embassy controlled our advisors, but they could not interfere with our informants.

Our FUCA recruits were bewildered when Aparecio said his goodbyes. They could not understand why the U.S. government gave them mentors, then yanked them away. The year before, Dr. Regalado was fired after Corr discovered he was on the U.S. government's blacklist of human rights violators. When Corr realized Regalado was giving shooting lessons to the FUCA unit,

he chewed me out and demanded I get rid of Regalado. I had not seen El Doctor in months. By August, 1988, Corr's term ran out and he left too, probably glad to escape the madness. I wondered how long I could last.

Stia tried to help. Two weeks before my suspension, Stia typed out a recommendation for my promotion from a level 12 agent to level 13. He included the highlights of my DEA career, including the Puerto Barrios bust, then brushed off the suspension, writing: "The charge is technical and nebulous and depending on the judgement (sic) of the Board could have been decided either way. These charges were brought about by S/A Castillo's having to work all alone under very adverse and dangerous conditions in a country torn apart with war and insurrectionism (sic) ... His dedication to DEA's mission under those conditions should be lauded by DEA Headquarters ... Instead of recognition for these efforts he was disciplined. "

The high-pitched buzz reached the G2 team's ears before the Cessna broke through the clouds. They followed the plane's downward trajectory, gripping their weapons tight in anticipation. On board, the Colombian pilot carried 356 kilos of high grade cocaine. If he hurried, he could drop the load, refuel, and get back to Colombia before dark. He spotted his destination, an out-of-the way airstrip the local crop dusters grudgingly shared with cartel pilots, and swooped low over Guatemala's flat coastal plain.

The G2 team was waiting at the airstrip. I was waiting next to the radio at the military base in Pueblo Nuevo Tiquisate, three miles away. When Larry, Tuffy, and I arrived with a new agent on TDY from Miami, G2 handed us a radio and ordered us to stay at the base until they called. Close to 30 of them piled into trucks and set out to meet the drug plane.

I closed my eyes and thought about the blood-stained shacks. Not again, I thought. It can't happen again.



After the grisly scene under the bridge, I tried quietly shifting my alliance to the Guardia de Hacienda and the national police, but every time we set up a bust, G2 showed up. Their wiretaps obviously were not limited to the dopers' phones. No one could cough in Guatemala without G2 hearing.

The fact that dopers were showing up dead after I gave their names to G2 did not impress my superiors. "The embassy wants us to work strictly with G2," Stia said after I reported the first killings. He was not about to argue with policy.

I tried taking my concerns to Ambassador Alberto Martinez Piedra, who agreed to a meeting. Piedra, a short, smooth-talking Cuban-American who was on his way out when the killings began, seemed mildly irritated after hearing my story, although I could not tell if he was angry at G2 for executing traffickers or annoyed with me for bringing it up.

"Did you see them killed?"

"No." I lied. I knew if I admitted witnessing anything like this, I would be kicked out of the country. My presence under the bridge broke every rule in the book, the least of which being the regulations forbidding DEA agents from participating in arrests and interrogations. I felt certain witnessing a foreign military force murdering civilians was probably against DEA rules as well. Washington was watching. I was not about to give them more ammunition.

Piedras complained to the CIA, who complained to G2, with little effect. The killings continued.

Whenever we opened a big case in Guatemala, the ambassador seemed to forget our conversation. Despite my earlier protests, he ordered us to continue working with G2, who the U.S. government had begun referring to as "D2."

Now here we were, sitting in our Toyota four-wheel-drive at the military base, watching the drug plane drop below the treeline and into the G2 team's jaws.

After a few long minutes, the radio crackled to life. They were ready for us. I had to give them credit for efficiency. The G2 men were cleaning up when we arrived a few minutes later. While part of their force apprehended the pilot, the rest ambushed the Colombians en route to the airstrip.

The Colombians, squatting on the floor of a hangar under a manned guard, looked like the losers of a whiskey brawl. The G2 guards told me to take my three companions to the other side of the hangar. I thought they were going to kill them right there. As we watched, they tossed their prisoners into the trunks of various cars and sped off toward the base, leaving us to unload the nylon bags of cocaine from the Cessna. When we caught up with them

at the base, only three prisoners remained. El Raton walked up to us with a smile. The two missing prisoners, he said, had been executed.

By the end of 1988, I realized how hopelessly tangled DEA, the CIA, and every other U.S. entity in Central America had become with the criminals. The lines that should have defined our ethical boundaries were stepped over and scuffed until they melted into nothingness. The Piper Co. in Guatemala City served as a perfect case study of how friends and enemies fuse together from sheer convenience.

Endnote coming to support this statement. G2 knew Gregorio Valdez had branched into drugs, as did many of our informants. Valdez, the young, Polo-clad owner of Piper, threw the best parties in town. His company, with its stockpile of planes and pilots, lived off CIA and DEA contracts. To show his appreciation, Valdez frequently filled his office with hookers and dancers, then invited his friends at the CIA, DEA, and the embassy over for booze-drenched parties.

The connections boggled my mind. I needed a flow chart to keep track of all the paths crossing at Piper. Among Valdez's flock of pilots were El Coyote, Reina's smuggler-informant, and several others who popped up in our computer as documented traffickers. Naturally, at least two of them - - Eduardo Ruiz and a pilot called "El Negro" Alvarado - - flew for the Contras before North pulled the plug on the resupply operation. The CIA frequently hired his pilots and hangars at Aurora airport. DEA stored helicopters there and used his planes exclusively until Perez and Stia purchased their plane, which was also stored at Piper.

When I ran Valdez's name in the computer, I found a case already open on him for financing a drug operation. I wondered why a man with such a solid lock on success would risk his business and reputation by working for the dopers. His father, who built the company and handed it down to his son, was a member of the respected elite. Valdez made good money from his legitimate contracts with the U.S. government.

But after a few days of surveillance, it was obvious Valdez wanted more. He was preparing to run a load of cocaine to Miami for the Colombians. When Larry and I confronted him with our evidence, he confessed immediately and signed a statement outlining his involvement with the cartel. Valdez said he was just in it for the thrill. Naturally, when I told Stia and the CIA we were renting documented drug pilots from a man who just admitted his ties with the cartels, nobody blinked. The CIA and DEA continued giving Valdez their business, and he continued giving us wild parties lasting until the wee hours. The lines were gone.

What the hell are we doing here? The question surfaced more and more as the locals manipulated us to settle scores, the traffickers used us to eliminate their competition, and the politicians coddled us to keep U.S. aid flowing.

In December, 1988, General Adolfo Blandón, the head of El Salvador's military chiefs of staff, dragged us into a political power struggle. As the military's inner circle prepared to choose someone for a cabinet position, Blandón decided to sic DEA on his chief rival, General Bustillo.

Blandón invited Stia and me to his home for a quiet luncheon. Elmore was there, with a colonel from the MilGroup. Blandón wasted no time getting to the point: He had evidence an officer at Ilopango was involved in cocaine smuggling. He wanted DEA to start an undercover investigation. Stia looked at me. I could tell what he was thinking: Get ready to go back into El Salvador, Cele.

I knew the officer's name well. Hugo mentioned it several times in his Contra reports. Hugo watched the suitcases pass between the Contra planes and the officer's Ilopango office for awhile, then asked the pilots what they were carrying. They answered openly: The suitcases held cash and cocaine. Of course, that was no revelation at Ilopango. Aparecio said his buddies in the Salvadoran air force knew about the officer's connection with the Colombians and the Contras.

Stia agreed to put me on the case, much to my chagrin. We should have nailed Bustillo's people two years earlier on drug running charges, but the general's support for the Contras made him untouchable. Obviously, Bustillo's sacred-cow designation disappeared after the Hasenfus plane went down. Blandón certainly saw the opportunity to exploit his rival's lost stature. He wanted the investigation kept quiet, but everyone knew how the military's inner circle would react when they inevitably

discovered one of Bustillo's men was the subject of a drug investigation. When word of our probe leaked to Bustillo, he flew into a rage, asking how the U.S. government could stab him in the back after what he did for the Contras. Our investigation ended before it could begin. But it was too late for Bustillo. Blandón got the cabinet post.

Omar Pira-Palma pushed open the door of the steakhouse in Guatemala City and found me in a booth along the wall. The young, flashy strawberry baron and businessman seemed nervous without a phalanx of guards around him. Good. When I asked him to meet me the day before, I told him to leave his goons at home. A member of his own family had turned on Pira-Palma, revealing he was using his personal armada of boats and planes to shuttle drugs into the United States for the Cali cartel. By the end of our lunch meeting, I would know whether Pira-Palma wanted to go to jail, or cooperate and help me gather evidence against the cartel.

I put on my best bad cop face and raked Pira-Palma with the evidence we had against him. When I told him his trafficking activities were listed in detail in our computer, Pira-Palma started sobbing. Losing his visa for drug trafficking seemed to alarm him more than the thought of going to jail. He immediately tried to strike a deal: "How about if I give you 1,000 kilos right now?" The cartel delivered the cocaine some time ago, he said, and he knew where it was stored. I was interested. A thousand kilos would put a good kink

in the cartel's bottom line that month.

"Let's see what you got," I replied.

The next day, Pira-Palma and I drove to Antigua Guatemala, an ancient city in the shadows of Guatemala's volcanoes. Guiding me to a small house in downtown Antigua, Pira-Palma took me to the front gate and pointed to a gasoline tanker truck parked within the concrete walls. The cocaine, he said, was inside. I could not go in without a search warrant or backup, so I rushed back to Guatemala City to give Stia the details.

Two days later, the quiet neighborhood looked like a war zone. A DEA helicopter circled overhead while two dozen Guardia de Hacienda lurched up to the front gate in pickups. For

once, Stia agreed to let us call in the Guardia: Pira-Palma refused to cooperate if G2 was involved. I watched the Guardia bash through the front gate, then emerge a few minutes later with an old woman and a cluster of frightened kids, who were released after they convinced the Guardia they knew nothing about any drugs.

After rounding up such a conspicuous display of firepower, I prayed the cocaine was where Pira-Palma said it would be. It looked like half the city was there, huddled across from the front gate for a peek inside. I heard excited voices from around the tanker. They had found the cocaine. The Guardia pulled 1,000 kilos from the tanker's empty belly, just a fraction of the coke Pira-Palma already smuggled for the cartel.

Pira-Palma agreed to cooperate, and sat down with me to explain how his system worked. It was ridiculously easy, he boasted. Sometimes, he used the cartels' planes to fly in the cocaine. He packed it into boats. He hired drivers to take over the Texas border in loads of towels. He even stuffed it in boxes and shipped it by air freight. Anyone with a taste for money and a little ingenuity could join the game. The powder flowed through America's porous border like sand through a sieve.

Back in Washington, the Senate Subcommittee on Terrorism, Narcotics and International Operations was reaching the same conclusion. After two years of witnesses, subpoenas, and stonewalling by government agencies, Sen. Kerry's subcommittee wrapped up its hearings at the end of 1988. The Subcommittee believes that this investigation has demonstrated that the drug cartels pose a continuing threat to national security at home and abroad, and that the United States has too often in the past allowed other foreign policy objectives to interfere with the war on drugs," the senators wrote.

The report contained a virtual roadmap of the connections between drug traffickers and the Contra operation. Unfortunately, many of their star witnesses were convicted felons like Morales, whose credibility came under scrutiny in the media. To this day, I wonder why they failed to call someone from DEA's Central American posts to testify.

Kerry's subcommittee never became more than an Iran Contra sideshow. The country's attention remained fixed on the fates of North, Poindexter, and Robert McFarlane, Poindexter's

predecessor, who were all indicted in March, 1988, for their role in Iran-Contra and the subsequent cover-up. Also indicted were Secord and his business partner, Albert Hakim, who each sucked about \$1.5 million from the Contra gravy train while serving as the Contras' chief arms brokers.

The subcommittee released the report in the middle of North's highly publicized Washington trial. The media paid little attention. The New York Times buried the story on page 8. Washington Post readers had to dig back to page 20 for a summary of the report, which highlighted the political bickering between Kerry and Sen. Mitch McConnell, the ranking Republican on the subcommittee. A belligerent McConnell boycotted Kerry's press conference, calling parts of the report "one - dimensional or one sided. " While America waited for the jury to decide North's guilt or innocence, the Contra drug scandal quietly died.

Pira-Palma called constantly to update me on the fallout from our 1,000-kilo seizure. To verify their cocaine was gone, the Cali cartel wanted Pira-Palma to send newspaper reports of the raid. Pira-Palma sent them the stories for their scrapbooks, then played dumb when they demanded to know how DEA sniffed out the cocaine in the red tanker. We had a goldmine, someone who could give us the names of the Cali's operatives throughout Central America. The roller coaster was lurching up again, carrying me out of my stress-induced gloom. But before I could gather momentum, a phone call in August, 1989, sent me plunging back into the darkness. The embassy wanted information on Col. Moran.

Moran's name had slipped out of my short-term memory, pushed away by the names and dates and events of the past two years. I had not heard a peep from the colonel since the day G2 yanked him off the Puerto Barrios investigation in 1987. The mere mention of his name made my skin crawl. After his security breach at Puerto Barrios, it was obvious Moran was part of Garcia de Paz's cocaine clique.

Months after Puerto Barrios, an immigration officer at Aurora arrested one of Moran's lieutenants slipping a suitcase full of cocaine on an Aviateca flight. The officer claimed Moran

frequently ordered him to stash cocaine on commercial planes, and then Moran arranged for the bags to slip past Customs. When the airport officials called in the national police, Moran tried to pin the blame on two American tourists. But the lieutenant wilted under interrogation, ensuring Moran's airport exploits would be added to his DEA file. But Moran's stature shielded him from criminal prosecution. Nobody was going to testify against him.

Now I learned the State Department had discovered the black marks on Moran's record and denied his request for a visa, snuffing his plans to travel to the States for military training. Moran complained to President Cerezo, who called the embassy, demanding an explanation. When Ambassador James Michel, newly posted to Guatemala, called looking for everything we had on Moran, I typed out a summary of DEA's encounters with the colonel, including his Aviateca smuggling game and the leaks in the early stages of the Puerto Barrios case. The ambassador sent a copy to Cerezo. A few days later, my phone rang.

"I want you to meet me at the El Dorado," Moran said. "Right now. "

I answered almost reflexively: "Okay. I'll be there in fifteen minutes. "

Before I set the phone back in the cradle, I decided I was not going anywhere near the El Dorado. Moran's voice sounded pinched, angry. I knew my name did not appear anywhere on the memo the ambassador sent to Cerezo, but the edge in Moran's voice told me he figured out the source.

After half an hour, the phone rang again. I reluctantly picked it up.

"Where the hell are you?" Moran demanded.

"I've been told not to have any contact with you, " I said, making things up as I went.

The line was silent for a moment, then Moran lowered his voice an octave and continued.

"Why did you give that letter to the president accusing me of those things?" he asked.

"Did you see my name on it?"

"No, but everything in there, you were involved in."

"I did not give that letter to the president," I shot back.

Moran was seething. "You have ruined my military career, " he hissed. "And you will answer to me later. "

I hung up with the threat lingering in the air. I thought back to the lieutenant arrested at the airport with the coke-filled suitcase. Soon after, the immigration official who apprehended the lieutenant was found shot to death. One of the national police agents involved in the investigation was also shot, but survived. They're biting back, I thought. That month, Danillo Barillas, a prominent Christian Democrat, was assassinated by unidentified gunmen when rumors circulated he was about to reveal narcotraffickers had penetrated the party. I could easily be next.

On September 13, 1989, Larry and I walked into Guatemala's presidential palace and handed \$10,000 worth of quetzales to Col. Francisco Ortega, the commander of G2.

The cash came from Pira-Palma, who wanted so desperately to distance himself from the cartel that when they gave him \$ 10,000 expense money for the next shipment, he dumped it on my desk and asked me to give it to G2. Pira-Palma wanted protection in case the cartel discovered his betrayal, and he knew a monetary tribute to G2 was the best way to keep the Colombians at bay. Stia had no objections to giving the cash to G2. He considered it a reward for their help with our drug cases.

When I turned the money over to Stia, he asked Tuffy to stash it in the office safe.

"Do you want me to write a report on it?" I asked Stia. It was procedure to report any drug money seized.

"No, I'll take care of it," Stia replied. I returned to my desk, glad to have one less piece of paper to worry about.

Pira-Palma did not trust anyone. He insisted on meeting Stia in front of the embassy to make sure the money reached its destination. "You got the money, right?" Pira-Palma asked. "Yeah, we got the \$10,000. It's in the office," Stia said. Pira-Palma looked satisfied.

The money sat in the safe for several months. After repeatedly asking Stia to file a report on the cash, I gave up and wrote it myself. By then, the dollars were gone, replaced by quetzales, the local currency. Stia dipped into the safe before his vacation to Europe, insisting he needed dollars for the trip. G2 would not know the difference.

When Larry and I gave the money to Col. Ortega, he assured us the money would be put to good use. New machetes, colonel? I thought contemptuously. With our errand done, I was glad to wash my hands of the cash. But the incident would come back to haunt me.

In December, three months after his thinly-veiled threat on my life, Moran sat in his office, explaining how he planned to repay me for ruining his career. He did not want to have me killed in Guatemala, where suspicion could fall on him. During one of my trips to El Salvador, Moran told the man sitting across from him, I would be ambushed on the highway. When my body was found, the murder would be blamed on the Salvadoran guerrillas.

The man listening to Moran's plot was a DEA informant from Houston, a Guatemalan whose concealed microphone picked up every word. He arranged the meeting to set up Moran. The informant wanted to arrange a cocaine delivery with the colonel. Instead, Moran launched into his plot to murder me. When the

informant took the tape to his contacts at the Houston DEA office, an agent called immediately to tell me about Moran's threat.

When I received copies of the tapes, I listened to Moran's menacing voice slowly spelling out my fate. I was slowly coming unhinged. After watching so many men die, the image of my own death had never seemed so real. I had to get out of Central America. I thought DEA would reassign me immediately, given the seriousness of the threat and the solid evidence backing it up. I waited for action from Washington, who responded with a disquieting silence.

When I took Noe and the kids home to McAllen for the holidays, I made an appointment with Armando Ramirez of DEA's Brownsville office. Noe and I met him for dinner, and for half an hour I sat stiffly next to my wife and sketched the details of my predicament in Guatemala, finishing with Moran's taped assassination plot. I wanted to come back to the Valley, and I needed Ramirez's help. I could almost feel Noe's excitement when Ramirez told me he had a position open in Brownsville, then

promised to send his recommendation to headquarters. In the weeks ahead, I clung to that promise like a life preserver. I did not tell Ramirez my sanity and my marriage depended on it.

My parents knew something was wrong as we sat down to Christmas dinner at their house. Noe and I were not talking much. They could feel the tension, and I caught a few nervous glances passing between them. My mother took me aside and asked what was wrong. I pressed my lips together, holding back the words trying to burst through: Noe and I haven't slept together in more than a year. I'm so busy trying to stay alive I can't think straight, and I don't know what to do.

I pushed the jumbled thoughts aside and mumbled, "We're okay, mom."

When we returned to Guatemala, I dipped into my savings to hire two more guards for the house. I told Ana to keep the kids inside. Our "home" became a maximum security prison. I gave Noe a .22 pistol to carry in the car and lectured her on how to protect herself while driving. Everywhere Noe went, she carried a hand-held radio with a direct frequency to the embassy.

Stia walked into the office shortly after my return with another assignment. Newly-elected Salvadoran President Alfredo Cristiani, a member of D'Aubisson's ARENA party, wanted DEA's help. Cristiani suspected military officers were seizing weapons from the guerrillas, then selling them to the cartels. Stia asked when I could start an investigation. I bolted from my chair, feeling the blood rush to my head.

"What the hell are you talking about? Don't you remember what Moran said on that tape? The next time I set foot in El Salvador, he's going to have me whacked," I said, my voice rising in the small room.



Stia said he remembered the tape. Nobody else could work El Salvador, he added firmly.

Now I know how Jimmy Hoffa felt before they grabbed him, I thought grimly as I pushed the car toward the Salvadoran border. I scoured every inch of highway 8 between Guatemala City and San Salvador, pumping the accelerator at the slightest movement. Shrubs became crouching men. Tree branches were sniper rifles. I felt as if someone had painted a bullseye on the back

of my head. As I watched my back, I caught my own sunken eyes reflected back in the rearview mirror.

DEA could not spare another agent to back me up, despite the death threat. I drafted a woman from the FUCA unit to pose as my girlfriend during the undercover meetings with the middle man, while Aparecio and another FUCA recruit watched from nearby cars. I chose open-air restaurants so we could spot anyone suspicious approaching from the street. My nerves, stretched to the snapping point, tripped off my internal alarm whenever a bypasser glanced my way. I no longer trusted my instincts. I prayed Aparecio was watching carefully. While we watched for Moran's hit men, Moran was looking for other ways to strike.

On February 12, Stia appeared at my office door, looking solemn.

"Cele, Moran just took off to Costa Rica to meet with OPR. They're going to try to do you again. "

I could not take much more of this. First Moran wants to kill me. Now he was meeting with our Gestapo.

"Goddamn," I muttered. "Again?"

"This time," Stia said, "they're trying to get you for murder. "

OPR called looking for the Puerto Barrios file. While I was in El Salvador, Stia took the file to Miami and met with the investigators, who repeated Moran's story. The colonel, Stia told me, accused me of executing the traffickers captured during the Puerto Barrios raid. Stia repeated to me the scenario Moran concocted: While the captives knelt in a row, Moran said I walked behind them, firing the tiro de gracia into the backs of their heads while declaring vengeance for another agent's murder.

I sat quietly, letting the story soak in. I could picture Moran spinning his tales to an eager OPR audience. A congress of vultures. I tried to laugh at the ridiculousness of it all. Instead, I braced myself for the next onslaught.

At the end of February, 1989, Stia finally typed a cable to Washington about Moran's death threat, a full two months after we received the tapes from the Houston office. I asked him why it took so long. Stia sounded defensive. "We had to verify everything. "

I exploded. "You had the fucking tapes right here!

Stia threw me a I'm-just-following-procedure shrug. I stalked out of the office, wondering if I could trust anyone anymore. When I pulled into the driveway that evening, I called to Noe and told her to start packing. We were getting the hell out of Guatemala.

# Eleven

## Post-Guatemalan Stress Disorder

### Guatemala City - February, 1990

What was left of my marriage disintegrated during our hasty escape from Guatemala. While headquarters worked on how to react to Moran's death threat, I used up my savings and evacuated my family. On February 24, I drove Noe, Crystal, and C4 to the airport and put them on a plane to Texas. Noe and I did not talk much. I kissed her and said I would follow as soon as I could tie up a few loose ends.

First, I had to take care of Ana. During Moran's conversation with the DEA informant, he talked of grabbing our maid to squeeze her for information. If I left Ana behind, I was afraid Moran would turn his wrath on her. Ana watched, forlorn, as I packed my bags. I told her to stay put until the movers arrived, then I drove to the embassy to apply for a passport and a tourist visa for her. As soon as the visa was approved, she could stay in McAllen with Noe until we figured out what to do.

Ten days later, I joined Noe and the kids in the apartment she rented in McAllen. I tried spending a night with Noe, hoping the change in surroundings would spark a healing process. It was futile. The next day, I snapped my suitcase closed and trudged to my parents' house, where I slept in my old bed for the next week. Noe called several times to ask if we could talk things over. I let the opportunity slip by. I told her I had too many things on my mind.

I still believed I could straighten everything out. As soon as DEA approved my transfer to Brownsville, I could slow down, defuse, relax, then rebuild my marriage and my family. The agency crushed that faint hope with one phone call. A disembodied

voice from headquarters told me the only openings were in New York City or San Francisco. The Brownsville job, the voice said perfunctorily, was closed. I would be assigned to temporary duty in San Diego until they could figure out where to banish me. Noe, not surprisingly, decided to keep the apartment in McAllen and stay behind with the kids. It was over, and it was my fault.

The two suitcases I lugged aboard the plane for San Diego contained the remains of my life. I reported to the DEA office and tried to concentrate on the assignments they happily piled on me. My tension increased with the workload. My kids, the two people in the entire world who truly made me

happy, were hundreds of miles away. My marriage was over, and my career, the other pillar of my sanity, was shuddering badly.

Two weeks after I arrived, Stia called to inform me of OPR's latest move.

"Cele, my hands are tied. They're coming after you with both barrels."

"Why?" After being under OPR's microscope for three years, I wondered what they could possibly come up with next.

"Omar made some new allegations. "

Now what? First, Moran accused me of murder, now Pira-Palma was pouring more gas on OPR's bonfire. According to Stia, Pira-Palma told OPR he gave me \$25,000, not \$10,000, then claimed I skimmed the difference off the top. I took a deep breath, fuming at the lie. You can handle this, I told myself. I was confident I could counter Pira-Palma's accusations. He was an admitted trafficker with a grudge against me. Several friends warned me Pira-Palma wanted to humiliate me after our first meeting. When I made him break down in the restaurant, I stripped him of his machismo in public, a mortal sin to a Latin American man. He planned to return the favor by helping OPR strip me of my job.

DEA wanted more evidence against me. In early April, OPR sent two agents to rifle through our house in Guatemala. A friend called one night to warn me about the search. "They found a whole bunch of shit in your house, and they're taking it to OPR, he said.

I quickly dialed the familiar phone number. As the line buzzed, I tried to organize my thoughts. Why would they search my house?

When Maria finally answered the phone, she sounded out of breath and upset.

"He forced me to unlock the closet," she said, breaking into a string of apologies. She was referring to my gun closet, where I stored my rifles, pistols, ammunition, and a handful of grenades I borrowed from FUCA after Moran's death threat. I kept the closet under lock and key so the kids could not stumble onto the weapons.

"Who forced you?" I interrupted.

"Senor Toofie. " She mangled the name, spitting it out like a curse. I mentally moved Tuffy on the enemies list. My friends list was almost empty. I told her to keep the house locked up tight until I returned to pack our belongings.

I hung up and dialed Stia's number, praying he was not involved as well. I needed answers. They had no right to enter my house. Even in Guatemala, you needed a warrant to search a residence. Someone wanted to set me up. When Stia picked up, I heard my voice rise sharply.

"Who gave the order to search my place?"

Stia said the search order came from Anthony Ricevuto, one of OPR's senior inspectors. Another name for the enemies list.

There was more. After seizing my AR-15 - - the same rifle DEA tried, unsuccessfully, to add to my list of sins in the previous investigation - - someone in DEA had it altered from semiautomatic to fully automatic. Now it was not merely an unapproved rifle. It was an unapproved automatic rifle. This time, they planned to make sure the charge stuck.

I slammed down the phone and collapsed on my small bed, my mind whirling. Stia's back was clearly against the wall. If he did not cooperate, they could turn the spotlight on him in an instant. He obviously planned to play both sides, helping OPR bury me while whispering their game plan in my ear to keep me happy. He knew OPR would summon me soon enough, and I could make his life hell if I told them everything I knew about his questionable airplane investment. "Don't fuck me over," he said during our conversation. I did not know how to respond. Everything was becoming too complicated.

In mid-April, DEA decided on a new home for me. As soon as the paperwork came through, I was to report to the San Francisco office. I spent a long night wandering San Diego,

restlessly weighing my options. I wanted to return home, but that was impossible. "I don't know, but they don't want you to come to Texas," Ramirez told me when I reached him in Brownsville a few days earlier. Word of my impending fall was all over the grapevine. "They're going to do you, man," he said.

"No shit," I said to no one in particular as I punched the crosswalk button at another strange intersection. I marched blindly, turning comers until the streets swallowed me. I did not want to live in San Francisco. More than anything, I wanted to see my kids. Separation from Crystal and C4 cut deeper than wounds OPR could inflict.

I stepped into an all-night diner to get a cup of coffee. Two voices dueled in my head, one telling me to cut my losses and go home, the other urging me to dig in and fight. I could hear my father: Whatever you do, do it right. After ten years with DEA, I could not fold now. The Contra investigation got me into this morass, and it was also the trump card that could get me out. Playing it would mean the end of my career, or what was left of it. That was fine. I was prepared to surrender my small role in the great "drug war," but not before I had a chance to clear my name. The decision made, I tossed two quarters on the table and tried to figure out where the hell I was.

In early May, Stia called again with my regular dose of bad news: Ricevuto was in Guatemala City to request a visa for Moran. The Justice Department wanted Moran to contribute to the government's growing money laundering and bribery

case against the Bank of Credit and Commerce International. Moran's anti - corruption squad once investigated BCCI's Guatemala City branch, and Uncle Sam wanted to hear Moran's story.

I can't believe this, I thought, shaking my head as Stia's voice faded into an indistinct murmur. Moran threatens to assassinate me; a few months later, my own agency wants to invite him into United States. Maybe they can give him a pistol and my home address while they're at it.

The ambassador, Stia said, promptly refused the visa request, as flabbergasted as I was.

On May 28, when I returned to Guatemala City to oversee the packing of our household, Stia met me at the house.

"Cele, they got you, man. "

:"What do you mean, they got me?"

'They found Omar's MAC-10 in the closet.

I bounded up the stairs, with Maria firing exclamations after me. I stood in front of the empty gun closet and cursed to myself. The MAC-10, my Colt AR-15, the grenades, everything was gone.

I had taken the MAC-10 from Pira-Palma shortly after he became an informant. DEA rules prohibited informants from carrying weapons without a permit. Pira-Palma had reluctantly parted with the rifle, which was a gift from the Cali cartel. He said a friend in the military would give him a permit for the rifle. I was skeptical. The rules also said I should have put the gun in the office safe, but the safe was jammed with ammunition from a recent restocking, so rather than keep it in an unsecured locker, I told Stia I would store it in my gun closet at home until Pira-Palma received a permit. Stia had agreed. Now he was telling me DEA seized the gun as evidence.

"You knew about the gun," I said without bothering to conceal my disgust. Stia shrugged.

I called Aparecio while the movers packed our furniture for shipping. Ricevuto had come calling, he said. After the ambassador refused to give Moran a visa, Ricevuto used his remaining time in Guatemala to grill my informants. Aparecio sounded slightly amused at the sight of yet another DEA investigator coming to him for incriminating evidence against me. "I told him you were clean, " Aparecio said with his usual stoicism.

Stia told me OPR wanted a written statement explaining the items seized from my home. I angrily scribbled a handwritten reply and tossed it on his desk. At least now I could see a few of OPR's cards. They obviously wanted to beat me over the head with weapons violations again. I boarded the plane to California more determined to match them charge for charge. When they brought up the

weapons, I would counter with this illegal search and seizure. I knew plenty about wars of attrition, and I planned to wear them down to a stalemate.

I arrived in San Francisco July 12. After more than five years in Peru and Central America, walking through San Francisco's tilting streets brought back the sensory overload I felt during my first days in Manhattan. My last assignment for DEA was beginning much like my first: Alone in a strange city, filled with an overpowering sense of foreboding.

I walked into the office with a dark cloud over my head. I could see the discomfort in the eyes of the other agents as I introduced myself. I felt as if someone had branded an "OPR" stigmata into my cheek. I was assigned to Enforcement Group 6, a flock of young agents led by Richard Oakley, whose work I knew well from my days in Manhattan. He became something of a DEA legend in New Jersey, where he busted heroin and cocaine rings with uncanny undercover skills. Oakley introduced himself with a warm smile. With his light build and dark mustache, Oakley could have passed for comedian Richard Pryor. But his eyes broadcast the cool confidence of a man who had proven himself in the trenches.

Oakley did not dwell on my OPR problems. He was accustomed to working with agents under suspicion. The San Francisco office was the catch basin for DEA's outcasts and troublemakers. Several agents in Group 6 were survivors of OPR inquests, who spoke of their experiences in sour tones, like people who all got food poisoning at the same restaurant. Oakley did not let me dwell on the OPR probe. He put me to work immediately, filling my days with undercover cases. He needed a Spanish speaker badly.

The inevitable call came at the end of July. Ricevuto wanted me to fly to Washington for an interview. This would be my opportunity to respond to the charges they were gathering against me. On the last day of July, I packed a bag and drove to the airport, feeling like the proverbial fly invited into the spiders' parlor.

When I arrived at DEA headquarters the next morning with three cups of coffee tingling through my brain, a bored receptionist guided me to the interview room.

Ricevuto chugged through the door and greeted me with a warm smile. "You must be Castillo." Short and dark-skinned, with black kinky hair twirling from the sides of his balding head, Ricevuto projected the air of someone trying to pack Cary Grant's charm into Danny DeVito's body. He led me to the interview room and offered me a chair. The second member of the investigative team, a tall, thin man wearing glasses, pushed a thin hand from his suit sleeve and introduced himself as Donald Petty.

Ricevuto's disposition darkened slightly when the door closed. He recited my administrative rights, then told me I was now required to answer any and all questions. The room seemed to close in around me.

The inquest lasted all day. Playing good cop-bad cop, Ricevuto and Petty tried to push words into my mouth, starting

sentences with, "Isn't it true that As expected, they pressed

accusations of embezzlement on me, then asked about the weapons found at my residence. They repeated Moran's murder accusations, and jotted copious notes as I reconstructed the Puerto

Barrios raid. Obviously, Moran's death threat did not rule him out

in their eyes as a credible witness against me.

They came armed with a list of accusations leveled by Tuffy, Pira-Palma, and El Coyote. When I denied skimming \$15,000 from the money Pira-Palma gave me, they scoffed, asking why I waited so long to report the transaction. I put a silent curse on Stia for procrastinating. I would curse his name several more times as the morning dragged into the afternoon.

Ricevuto said El Coyote told them he bought a DEA commemorative pistol from me. I remembered the gun. Montoya was a huge gun buff, I explained, and since I had no need for the .45 I bought in 1980 from a retired agent who needed cash for his daughter's wedding, I sold it to El Coyote. They were digging deep for their mud. I sold Montoya the pistol when we first met, before I knew he was an informant. It was a bad idea, I admitted, but it was a sin committed by U.S. agents and military personnel everywhere. Selling a firearm overseas was against DEA regulations, but the rule was routinely ignored. Guns passed from hand to hand like small change.

El Coyote had inflated the purchase price by \$2,000. Reina claimed I knew Montoya was an informant when I sold the gun. Not true, I told Ricevuto. I wanted to take my lumps for my mistakes, but I refused to admit to false charges.

When they brought up the MAC-10, Ricevuto stunned me again, telling me Stia claimed he never laid eyes on the rifle. I shook my head vigorously and repeated my explanation: When I took the gun from Pira-Palma, Stia gave me the okay to take it

to my house for safekeeping because our gun safe was full. I checked my watch for the hundredth time, wondering when they would run out of accusations.

Ricevuto wanted to know why I kept a fully automatic Colt AR15 in my house.

"First of all, I did not alter that rifle," I said. "Second, why would I bother? We had six M-16s in the office, all fully automatic. " Ricevuto and Petty glanced at each other.

As their questions petered out, I asked Ricevuto why the Brownsville position suddenly closed. Ricevuto said OPR quashed the transfer request because of



the "poor judgment" admonishment I received during my first days with DEA. I was floored. They were talking about my investigation of Noe's stepfather in 1980.

That's justification for separating me from my family? I thought, glaring at Ricevuto. It was the ultimate irony. They were using my relationship with Noe a decade before to separate me from my family now.

Before I could leave, Ricevuto wanted me to visit Yvonne Conner in employee relations for some sort of psychological evaluation. I was tempted to tell him to go to hell, along with the whole damn agency. If I had had a baseball bat handy, I would have broken his knees. I stalked out of the interview room to search out Conner, leaving a trail of muttered curses behind me. I found her office, banged on the door, and found myself scowling at a tall black woman whose smile refused to wilt despite my obvious anger. She motioned to a chair, where I spent the next several hours spewing my troubles like a broken hydrant. I left Conner's office a different man than when I entered. She was the kindest, most patient person I'd met in all my dealings with headquarters. She seemed genuinely interested in my side of the OPR inquest. Before I knew it, I was telling her about Vietnam, Harlem, the Contras, the G2 murders, and all the other searing memories I had bottled up and carried around like rough stones for the past twenty years. Under her calm gaze, I revealed memories I refused to bare to my wife, my family, even myself. The rage I brought into her office flared, ebbed, then died.

"It sounds like post-traumatic stress disorder," she said, nodding to herself and jotting a few more lines in her notebook. "Look, I can handle it," I replied, pulling my hard veneer back into place. Conner ignored me.

"I'm going to recommend you be taken off the streets. I'll send the paperwork to San Francisco. In the meantime, when you get back there, I want you to visit Verona Fonte. "

A week later, in Berkeley, I sat in another chair across from Dr. Verona Fonte, a DEA -contracted psychologist who examined a lot of agents. Fonte walked me over the same ground Conner had patiently exposed, but she seemed more interested in the clock. A typical Berkeley liberal, she only perked up when I brought up the Contra investigation. She seemed fascinated by the scandalous possibilities. When I switched to the more mundane stuff of my nightmares, her eyebrows dropped again.

I returned to work, wondering when Conner's recommendation would reach my boss. Before I left Washington, she said she might be able to pull some strings and help me transfer to a desk job in El Paso. I would still be more than 700 miles from home, but that was close enough to give me hope.

I was soon too caught up in my work to think about El Paso. The cases piled up, one running into another, with every group in San Francisco calling my name to help them infiltrate Latino drug networks. I never felt so popular. Out of perhaps 75

agents, nobody spoke Spanish, so it came as no surprise when busts often turned into deadly ad-libbed escapes. It was the Drug War Follies all over again.

During one bust, a trafficker handed me 10 ounces of heroin, then I gave the bust signal: "Excelente. " Nothing happened. I smiled at the man, hefted the package, and repeated the word a little louder, wondering if the microphone taped to my skin was working properly. He wanted to see the money. Shit shit shit where are they? The duffel bag I brought along was purely for show. There was no money, only a loaded pistol I kept in the trunk as insurance. I watched the trafficker's hand drift toward his waist, where a brown pistol grip poked from his belt. I gave the signal again, praying hard as I reached into the bag and cocked the pistol. We were about to play out a quick-draw scene from some Western, and I planned to pull the trigger first. My backup arrived a moment later and arrested the stunned trafficker. I did not waste my breath screaming at them. I slammed the trunk shut and screeched away.

In late September, I prepared for another trip to Washington, where Ricevuto waited with written statements from our August session. On September 26, I arrived at the airport early enough to call my mother, yearning for a reassuring voice. She picked up the phone on the first ring.

"Thank God it's you," she said. "DEA and the Border Patrol are at Noe's apartment. They're looking for Ana and searching the apartment. "

Shit. As my mother repeated fragmented bits of the story, my fist clenched around the phone. While Noe was gone, she said, a group of men barged into the apartment and began interrogating Ana. My mother immediately had immediately called my sister Diana, at the McAllen Police Department, where she worked; she was on her way to investigate. I looked at my watch. My plane was about to leave.

The flight from San Francisco to Washington pulled me through four time zones and a million emotions. I slumped in my seat, ignoring the conversational overtures of the woman next to me, and dwelled on my helplessness. When the plane landed, I rushed to the hotel to call Diana at the police department, where she was the teen court coordinator. Diana said when she reached Noe's apartment, the kids ran to her, crying. Two men stood in the bedroom, pulling open dresser drawers. Two others questioned the maid. Ana later said they were searching for weapons. When Diana confronted them, demanding their names and their search warrant, an agent from the McAllen DEA office gave her a bogus name and snarled at her: "Listen here, we are here on official business and don't have to take any shit from you. " Diana maintained her poise and took down the name of the immigration official and two men who identified themselves as DEA investigators. One was Tony Ricevuto. The other was Donald Petty. They

took Ana into custody as an illegal alien, and Diana scooped up the kids and called her friends at the police department to report the illegal search.

Later, I discovered Ana's visa was confiscated at the border when she tried to cross into Texas. The papers were approved after I left Guatemala, but Stia

scribbled "for employment with the Castillo's in Texas" at the bottom of the tourist visa, which set off alarm bells at Customs. When they turned her away, Noe made arrangements to sneak Ana across the river. OPR got wind of it and pounced. They obviously wanted to add smuggling an illegal alien to their list of charges against me.

They did not count on my sister appearing. When DEA discovered Diana worked for the police department, the man who snapped at her backpedaled furiously, calling to offer his "sincere apologies. "

When Noe found out about the search, she called the McAllen DEA office immediately to find out what happened to Ana. They passed her call to Ricevuto, who asked her to come in and answer a few questions. When I spoke to Noe after her session with Ricevuto, she said the investigator asked a few cursory questions about Ana, then focused on me: Did Cele have a lot of money put away? Was he into anything illegal? Noe was bitter about our broken marriage, but she coolly told Ricevuto as far as she knew, I had broken no laws. I thanked her and hung up, releasing a long sigh. Noe was still on my side.

I flopped on the hard hotel bed, exhausted. I felt like a marathon runner at the end of a race, praying for a second wind that refused to arrive. I tried to clear my mind, then gave up and stood with a grunt. The digital clock on the nightstand glowed a dull red. Midnight. I flipped through a magazine, then walked to the window and stared at traffic crawling through the dark streets below. I trudged to the bathroom and splashed water on my face. The man staring back in the mirror looked gaunt and lost. In a little over a month, my body had withered from 175 pounds to 145. My clothes hung on me like a scarecrow. I could hardly eat or sleep. Nausea hammered my stomach without release. Only my anger gave me focus. Ricevuto had crossed every line by dragging my family into this inquisition.

The receptionist with the bored stare told me Ricevuto was out. An hour later, as I sat listlessly in the interview room, he appeared in the doorway and silently took a seat across from me.

"We heard you were involved with smuggling the maid into the country, " he said jovially, "but don't worry, we checked it out and found out you had nothing to do with it. "

I stared at him coldly, picturing my kids crying on the floor while he dug through their home. For the first time in my adult life, I erupted.

"Ricevuto, if you have something against me, you come after me, but don't hurt my family, " I shouted. "Because if you hurt my family, the gloves are coming off."

Ricevuto retreated, caught off guard by my outburst. He tried to explain why he searched my wife's house, but I was not listening any more.

"It's fucking wrong what you guys are doing, " I growled. "It's wrong. " I barely read the stack of written statements before scrawling my name at the bottom. When I left the room, I knew my career was over.

The end came slowly. Autumn and winter slipped by in a hazy blur, pushing me reluctantly into 1991. George Bush, half way through his term, stubbornly clung to the ideals of the Reagan "drug war. " Interdiction remained the name of the game. It still didn't work. Every bag of heroin or cocaine I took off the streets had about the same impact as removing a cup of sand from a desert. Black tar heroin, crack, pills, blotter acid, you could get it all any time of the day or night in San Francisco.

When an undercover police officer from Eureka called asking for help with a case, I'm not sure what made me say yes. Probably nothing more than loneliness. Every time I slowed down enough to think, my depression returned. I spent my nights falling asleep in front of the TV. Weekends became two - day purgatories. I still called Noe almost every day to share a few idle words before she turned the phone over to the kids. Only their excited voices could reach through my numbness. It broke my heart knowing they did not consider my extended absence unusual. When Noe and I finally decided to divorce in March, it was several months before we could bring ourselves to tell them the separation was not just part of Daddy's job. It was permanent.

I worked my tail off throughout the week, then drove five hours north to Eureka every weekend to help the police there infiltrate a cocaine and heroin ring feeding off the illegal aliens who worked in the lumber mills.

In late April, 1991, a letter arrived from Washington. Four years after my Contra investigation, the hammer was falling.

Dear Mr. Castillo: This letter is notice of an action which is proposed to be taken in accordance with Chapter 752, Office of Personnel Management Regulations, and the authority vested in me by DF4 directives. Based on the charges of Improper Association With an Informant, Receiving Soliciting Gifts, Misappropriation of Government Property, Violations of Regulations Relating to the Export and Sale of Firearms, Failure to Follow Written Instructions, Poor Judgment and Making a False Statement, the reasons for which are set forth below, I propose to suspend you from your position of Criminal Investigator, for 35 days...

The dry bureaucratic prose ran twelve pages and ended with the signature of Calvin G. McFarland, Jr., chairman of the Board of Professional Conduct. I read it three times. Everything from Ricevuto's rambling investigation was there, and more: The money Pira-Palma gave me to give to G2 was considered improper association with an informant and poor judgment; the MAC - 10 I took from him was now an unauthorized gift; the pistol I sold El Coyote brought charges for an unauthorized weapons sale and making a false statement ("that you didn't know Luis Montoya was an informant when you sold him a .45 caliber pistol "); possession of the MAC-10 and the AR-15 constituted failing to follow

written instructions, since Stia "was not aware that you were in possession of either of these weapons. "

Charge number three came from nowhere: OPR accused me of misappropriating government property, namely, a shortwave radio I gave Pira-Palma for our operation. Larry had seized the radio from a trafficker, then stored it at the office for general use. I gave it to Pira-Palma to set up a communications link between himself and the cartel, a direct line I planned to tap for leads. The radio was never given the serial number and inventory card needed to make it government property. According to OPR, I told Pira-Palma to charge the Colombians \$15,000 for the radio, then give me the money.

I almost laughed. Pira-Palma was already under suspicion by the cartel for losing 1,000 kilos of their precious cocaine. They would undoubtedly become even more suspicious if he returned for an advance on his allowance.

They lined up everyone to testify against me. Statements from Stia, Reina, and Larry peppered the letter, but the bulk of the accusations came from Pira-Palma. I knew I could no longer trust anyone. I was alone, but I was going to fight the suspension. I found a lawyer in San Francisco and began writing my appeal.

My life was spinning in a tightening downward spiral, threatening to hurl me into the abyss. I prepared myself for a showdown. In their zeal to take me down, DEA conducted two illegal searches, harassed my friends and family, and cozied up to a man who wanted me killed. The gloves were off.

After five years of almost continuous investigations, the best they could come up with was a 35 -day suspension? In my appeal letter, I told headquarters I felt my aggressiveness in Central America was the reason for OPR's dogged pursuit of me. If DEA wanted to fight dirty, I told my fellow agents, I could fight dirty too. I toyed out loud with the idea of calling a press conference and blowing the whole Contra drug scandal into the limelight.

My lawyer called in September, 1991, and asked me to come to his office: Walsh's people wanted to meet me.

On September 20, I walked into his office and shook hands with Mike Foster, an FBI agent on loan to Walsh's prosecution team. Foster spoke with a pronounced eastern accent. He seemed exhausted. For the next six hours, I took him through every step of my investigation of North's Contra operation, the support it received from the CIA and the MilGroup, the visas the CIA obtained for drug pilots, and the money flowing to the Contras from drug sales. Foster flipped through the copies I had made of my reports, scribbling notes on a legal pad.

Foster shook his head incredulously. When Walsh's office asked DEA for documents referring to the Contras, he said, DEA told the prosecutors there were

none. "Cele, if we can prove the Contras were involved in narcotics trafficking, it would be a grand slam home run," he said.

They needed to halt their losing streak. Four days earlier, on September 16, North's conviction on three felony counts - obstructing Congress, destroying documents, and accepting illegal gratuities - were overturned on a technicality, stemming from his high -profile testimony before Congress. North, America's newly- christened icon, was just one who slipped through the system virtually unscathed. A month later, a judicial panel overturned Poindexter's three-count felony conviction because of the same technicality.

Secord, facing 12 felony charges, including theft, conspiracy to defraud the government, obstruction of Congress, and perjury, decided to plea bargain and cooperate with Walsh's investigators. On November 8, 1989, he pleaded guilty to one charge of lying to Congress and received a slap on the wrist: Two years of probation. Hakim was charged with five felonies, including offering North illegal gratuities. Two weeks after Secord's sentencing, Hakim pleaded guilty to one count of supplementing North's salary, paid his \$5,000 fine, and took two years' probation. One by one, convictions were reversed, punished with mere probation, or erased when President George Bush pardoned six of the remaining conspirators on Christmas Eve, 1992, because their motives were "patriotism. "

I wanted to help bring the government's drug connections to light, hoping some of those responsible for selling out the drug war would go to jail where they belonged. Foster wanted leads. I gave him the names of everyone who knew about the Contras' drug running: Aparecio, Adame, Hugo, Elmore. I also gave him copies of my reports. He closed his notebook and shook my hand again, promising my information would be included in his report.

Foster and I spoke by phone several times after our meeting. He wanted me to arrange for Aparecio and his girlfriend to fly to the U.S. for an interview. He also said he planned to fly to El Salvador to talk to Hugo. The interviews never occurred.

When Walsh released his three -volume, 2,500 -page report almost two years later, the narcotics issue was nowhere to be found. The third secret would remain a vague footnote to the Iran- Contra Affair, the revelation our government could never afford to acknowledge.

I returned to Fonte's office several times for analysis. In her final report, Fonte called me "a warrior who had been grounded without an adequate transition or support" and diagnosed post-traumatic stress disorder. She referred me to a Berkeley psychiatrist, Dr. Donald Goldmacher, who agreed: "As a result of chronic exposure to psychologically traumatic events, Mr. Castillo developed post-traumatic stress disorder. He continues to experience significant psychological symptomology as a result of this disorder. And, in my opinion, is totally and permanently disabled from performing his usual duties with the DEA. "

DEA finally took me off the streets in late 1991. I was banished to internal exile, shuffled from job to job. They did not bother training me for my new duties. I worked as a training officer for a few weeks, then a dispatcher, then, in the ultimate irony, a DEA recruiter. The agency wanted to bring more Hispanics into the fold, so they sent me to college job fairs across the state to sign up eager young men and women to fight the drug war.

I was done fighting. On December 6, 1991, I left San Francisco for McAllen on sick leave, an absence from which I would never return. Six more months would pass before DEA and my attorney struck a deal: If I accepted a disability retirement, they would pay me 40 percent of my current salary and forget about the proposed suspension. I signed in a heartbeat.

During my time as a recruiter, I passed out DEA literature from my booth, recited the agency line, and smiled at the energetic faces streaming past. When a young man or woman asked me what working for DEA was like, I smiled again and did my best to scare the hell out of them. I described the grinding frustration of the drug war, hit them with some of my personal heartaches, then watched, satisfied, as their enthusiasm faded like a forgotten dream.

"I'm telling you what it's really like, " I said as they quietly dropped the literature back on the table. "Man, the worst thing you can do is join DEA. "

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"Is There a Contra Drug Connection?" Newsweek, January 26, 1987, p. 26.

"Cache of 2 1/2 tons of cocaine seized on boat in Guatemalan port," Miami Herald (international edition), October 2, 1987. (Puerto Barrios raid).

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The Kerry subcommittee report, pp 39-43.

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## Chapter 10

Final Report of the Independent Counsel for Iran/Contra Matters, August 4, 1993, vol. 1, p. 162. (Secord and Hakim's Contra profits).

Tom Barry, Inside Guatemala, The Inter- Hemispheric Education Resource Center, Albuquerque, New Mexico, 1992, p. 20. (Barillas assassination).

Moran's death threat was documented in DEA file #M3 900053 FAI-CL.

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"Reagan Aides Accused of Hampering Drug War," Washington Post, April 14, 1989, p. A20. (Kerry report).

## Chapter 11

Notarized affidavit given by Diana Ramos, September 26, 1990 in Hidalgo County, Texas. (Search of Noe's apartment).

Author's interview with Noelia Castillo, June 1, 1994. (Interview with Ricevuto).

# Powderburns

## COCAINE, CONTRAS & THE DRUG WAR

Celerino Castillo III  
and Dave Harmon

*The truth about the remaining dark secret of the Iran-Contra scandal - the United States government's collaboration with drug smugglers.*

Congressional committees have established a link between American agencies and known drug traffickers. In POWDERBURNS, for the first time, a DEA agent goes public with detailed information about U.S. links to drug trafficking in Central America.

POWDERBURNS is the story of Celerino Castillo III who spent 12 years in the Drug Enforcement Administration. During that time, he built cases against organized drug rings in Manhattan, raided jungle cocaine labs in the Amazon, conducted aerial eradication operations in Guatemala, and assembled and trained anti-narcotics units in several countries.

The eerie climax of Agent Castillo's career with the DEA took place in El Salvador. One day, he received a cable from a fellow agent. He was told to investigate possible drug smuggling by Nicaraguan Contras operating from the Ilopango air force base.

*Castillo quickly discovered that Contra pilots were, indeed, smuggling narcotics back into the United States - using the same pilots, planes, and hangars that the Central Intelligence Agency and the National Security Council, under the Direction of Lt. Col. Oliver North, used to maintain their covert supply operation to the Contras.*

*Sandral*  
an imprint of  
Mosaic Press, Publishers  
Cover Design by Susan Parker

ISBN: 0-88962-578-6



## The Aftermath:

CIA Inspector General Frederick P. Hitz conducted an investigation and released the following information after a huge controversy erupted over Gary Webb's 1996 "Dark Alliance" series:

- On January 29, 1998, Hitz published Volume One of his internal investigation. This was the first of two CIA reports that eventually substantiated many of Webb's claims about cocaine smugglers, the Nicaraguan contra movement, and their ability to freely operate without the threat of law enforcement.<sup>[21]</sup>
- On March 16, 1998, Hitz admitted that the CIA had maintained relationships with companies and individuals the CIA knew were involved in the drug business. Hitz told the House Permanent Select Committee on Intelligence that "there are instances where CIA did not, in an expeditious or consistent fashion, cut off relationships with individuals supporting the Contra program who were alleged to have engaged in drug-trafficking activity or take action to resolve the allegations."<sup>[22]</sup> Senator [John Kerry](#) reached similar conclusions a decade earlier in 1987. (See:<sup>[5]</sup>)
- On May 7, 1998, Rep. [Maxine Waters](#), revealed a [memorandum of understanding](#) between the CIA and the Justice Department from 1982, which was entered into the [Congressional Record](#). This letter had freed the CIA from legally reporting drug smuggling by CIA assets, a provision that covered the Nicaraguan Contras and the Afghan rebels.<sup>[3]</sup>
- On July 23, 1998, the [Justice Department](#) released a report by its Inspector General, [Michael R. Bromwich](#). The Bromwich report claimed that the Reagan-Bush administration was aware of cocaine traffickers in the Contra movement and did nothing to stop the criminal activity. The report also alleged a pattern of discarded leads and witnesses, sabotaged investigations, instances of the CIA working with drug traffickers, and the discouragement of [DEA](#) investigations into Contra-cocaine shipments. The CIA's refusal to share information about Contra drug trafficking with law-enforcement agencies was also documented. The Bromwich report corroborated Webb's investigation into [Norwin Meneses](#), a Nicaraguan drug smuggler.
- On October 8, 1998, CIA I.G. Hitz published Volume Two of his internal investigation. The report described how the Reagan-Bush administration had protected more than 50 Contras and other drug traffickers, and by so doing thwarted federal investigations into drug crimes. Hitz published evidence that drug trafficking and money laundering had made its way into Reagan's [National Security Council](#) where [Oliver North](#) oversaw the operations of the Contras.<sup>[4]</sup> According to the report, the Contra war took precedence over law enforcement. To that end, the internal investigation revealed that the CIA routinely withheld evidence of Contra crimes from the Justice Department, Congress and even the analytical division of the CIA itself. Further, the report confirmed Webb's claims regarding the origins and the relationship of Contra fundraising and drug trafficking. The report also included information about CIA ties to other drug traffickers not discussed in the Webb series, including [Moises Nunez](#) and [Ivan Gomez](#). More importantly, the internal CIA report documented a cover-up of evidence which had led to false intelligence assessments.

See Hitz's interview: <http://www.pbs.org/wgbh/pages/frontline/shows/drugs/special/hitz.html>

## Where to get more information

[www.powderburns.org](http://www.powderburns.org) - The website of the author. Contact Cele at [powderburns013@yahoo.com](mailto:powderburns013@yahoo.com) or 956-345-5770  
The author is available for lectures, to answer questions and as an expert court witness. Celerino Castillo III lectures regularly on topics such as U.S. Foreign Policy, law enforcement, military, and intelligence matters.

<http://www.freecelecastillo.com/free-archives.html> - Contra-Drug War Videos are located here.

<http://mediafilter.org/MFF/DEA.35.html> -Photographs and additional notes from Castillo's career.

<http://narconews.com/darkalliance/> - Gary Webb's original Dark Alliance series. Hosted by Bill Conroy's Narco News site. Bill has continued on with much of Gary Webb's research located here: [www.narconews.com](http://www.narconews.com)

**Webb, Gary** (1998). *Dark Alliance: The CIA, the Contras, and the crack cocaine explosion*. Seven Stories Press.

**ISBN 1-888363-68-1**. (Forward written by Congresswoman Maxine Waters D-CA) Free online copy:

<http://www.scribd.com/doc/98863510/The-CIA-The-Contras-And-the-Crack-Cocaine-Explosion-by-Gary-Webb-amp-Maxine-Waters>

US Congresswoman Maxine Waters reviews the LASD, CIA, DOJ reports clearing themselves and finds that the summary of the misleading reports contradict the content in the body of the report. Congresswoman Waters was also notified by a source on the HPSCI that a CIA Officer was found to be directly involved in drug trafficking, but that portion of the classified report was removed before release.

<http://www.scribd.com/doc/117070568/Waters-1998-Review-of-Reports>

**The Oliver North File: His Diaries, E-Mail, and Memos on the Kerry Report, Contras and Drugs National Security Archive Electronic Briefing Book No. 113 February 26, 2004 For further information Contact Peter Kornbluh: 202-994-7116. From *United States v. Oliver L. North*, Office of the Independent Counsel (OIC) Papers, National Archives & Records Administration, College Park, Maryland.**

<http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB113/index.htm>

**The Expert Witness Radio Show** <http://www.expertwitnessradio.org> – Website of Retired DEA agent Mike Levine. Levine also had similar experiences when he found that in all of his major cases, the targets of his investigations worked for the CIA. He has posted radio shows and essays here documenting what happened when he went after the CIA assets during drug investigations.

<http://www.youtube.com/user/michaellevine53/videos> Mike Levine's youtube channel.

**Mainstream Media: The Drug War Shills by Michael Levine -- October 28, 2009**

<http://expertwitnessradio.org/site/mainstream-media-the-drug-war-shills/>

I Volunteer to Kidnap Oliver North by Michael Levine <http://ciadrugs.homestead.com/files/ml-kiki-north.html>

<http://www.pbs.org/wgbh/pages/frontline/shows/drugs/archive/gunsdrugscia.html> - PBS Frontline Special on Drugs. **#613 Original Air Date: May 17, 1988 Produced and Written by Andrew and Leslie Cockburn.** Includes an interview with legendary Intelligence officer Tony ("Tony Poe") Poshepny. [https://en.wikipedia.org/wiki/Anthony\\_Poshepny](https://en.wikipedia.org/wiki/Anthony_Poshepny) Poe admits that he was the handler for the Opium Warlord Vang Pao who made millions from the opium trade through the airline Air America. Pao was later allowed to immigrate to the United States, and upon his death, it was suggested that he be allowed burial in Arlington National Cemetery!

"Freeway" Ricky Ross' legal case sparked the "Dark Alliance" series. Ross was released from prison on September 29, 2009. <http://www.freewayrick.com/>

[http://www.youtube.com/watch?v=5\\_UbAmRGSYw](http://www.youtube.com/watch?v=5_UbAmRGSYw) "CIA are drug smugglers" Robert Bonner, DEA Administrator, - **Federal Judge Bonner, head of DEA on 60 Minutes video-You don't get better proof than this (Posted by Mike Levine )** <http://www.prweb.com/releases/2011/03/prweb5135164.htm>

<http://www.thememoryhole.org/kerry/index.htm> - **Senate Subcommittee Report on Drugs, Law Enforcement and Foreign Policy (Kerry Committee Report) - a/k/a the Kerry Report Transcripts-** hearings chaired by Senator John Kerry which found the United States Department of State had paid drug traffickers. Some of these payments were after the traffickers had been indicted by federal law enforcement agencies on drug charges or while traffickers were under active investigation by these same agencies. The Kerry investigation lasted two and a half years and heard scores of witnesses; its report was released on April 13, 1989. The final report was 400 pages, with an additional 600 page appendix. The committee stated "It is clear that individuals who provided support for the Contras were involved in drug trafficking...and elements of the Contras themselves knowingly received financial and material assistance from drug traffickers."A Summary is located at National Security Archives:

<http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB113/north06.pdf>



**The BCCI Affair -- A Report to the Committee on Foreign Relations  
United States Senate  
by Senator John Kerry and Senator Hank Brown, December 1992  
102d Congress 2d Session Senate Print 102-140**

[http://www.globalsecurity.org/intell/library/congress/1992\\_rpt/bcci/](http://www.globalsecurity.org/intell/library/congress/1992_rpt/bcci/)

**October 23, 1996** Testimony of Jack Blum – (This was his actual testimony under oath)  
**Transcript of hearing of the Senate Select Intelligence Committee on alleged CIA drug trafficking to fund Nicaraguan Contras in the 1980s --** Chaired by: Senator Arlen Specter (R-PA)  
Witnesses: **Jack Blum**, former special counsel to the Senate Foreign Relations Committee, Subcommittee on Terrorism, Narcotics and International Operations; Frederick Hitz, CIA Inspector General; and Michael Bromwich, Justice Department Inspector General  
216 Hart Office Building, Washington, DC  
<http://ciadrugs.homestead.com/files/blumlive.html>

Statement of Jack A. Blum, Esq. Former Special Counsel (This was his prepared statement)  
Senate Foreign Relations Committee  
Before the Senate Select Committee on Intelligence on Drug Trafficking and the Contra War  
October 23, 1996  
<http://ciadrugs.homestead.com/files/blumprep.html>

**Contra Crack Series-** Complete coverage by Former Associated Press & Newsweek writer **Robert Parry** who originally broke the Contra Drug story a decade before Gary Webb. [https://en.wikipedia.org/wiki/Robert\\_Parry](https://en.wikipedia.org/wiki/Robert_Parry)  
<http://www.consortiumnews.com/archive/crack.html>  
<http://consortiumnews.com/2011/12/09/the-warning-in-gary-webbs-death/> December 11, 2011

**Hitler's Shadow Reaches toward Today** <http://baltimorechronicle.com/2010/12/17/10Parry.shtml>  
describes Bolivia's cocaine coup and state sponsored drug dealing in Latin America. 17 December 2010.

Gary Webb's Enduring Legacy by Robert Parry <http://www.consortiumnews.com/2007/12/1007.html>  
**How John Kerry exposed the Contra-cocaine scandal** By [Robert Parry](#) Monday, Oct 25, 2004  
<http://www.salon.com/2004/10/25/contra/>

<http://www.counterpunch.org/> - Website of the late Alexander Cockburn and Bill St. Clair, authors of "Whiteout" Which examined links between the Central Intelligence Agency, the Nicaraguan Contras, and the Los Angeles crack trade. This book covers all original material unrelated to the Gary Webb story.  
[www.amazon.com/Whiteout-The-Cia-Drugs-Press/dp/1859841392](http://www.amazon.com/Whiteout-The-Cia-Drugs-Press/dp/1859841392)  
<http://ciadrugs.homestead.com/files/> Narco Colonialism in the Twentieth Century

In 1986, Lieutenant Colonel James "Bo" Gritz (U.S. Army-Retired) travelled to South East Asia seeking to rescue prisoners of war held since the Vietnam War. During his search, he met with infamous drug lord Khun Sa and filmed 40 hours of video of the drug lord explaining who his customers were. An extensive campaign to discredit Gritz ensued and former members of his team were arrested on fabricated charges.  
<http://www.supremelaw.org/authors/gritz/index.htm> Transcript of Gritz' Video "A Nation Betrayed" and a June, 1990 speech by Gritz in San Francisco.

<http://www.ncoic.com/heroin-4.htm> Copy of Gritz Congressional Testimony dated **30 June 1987**

<http://www.apfn.net/dcia/trimmer.html> Letter sent by Lance Trimmer as part of a "Citizen Complaint of Wrongdoing by Federal Officers" dated September 17, 1987. The letter mentions Scott Weekly as a member of his team. Weekly would later turn up in Gary Webb's Dark Alliance series.

<http://www.serendipity.li/cia/gritz1.htm> Letter sent by Gritz to the President, dated 1 February 1988.

<http://www.apfn.net/dcia/khun-sa.html> June 27, 1987 Letter sent by Khun Sa to DOJ offering to help end drug trafficking.

[https://en.wikipedia.org/wiki/Khun\\_Sa](https://en.wikipedia.org/wiki/Khun_Sa)

<http://www.apfn.net/dcia/smith.html> June 15, 1987 letter by Major (Ret) Mark A. Smith to Congressman Brian Bilbray stating that Gritz was on a government sanctioned mission. Smith states that he reported in to HQ DIA during the three year period on Gritz' mission and activities.

Costa Rican Legislative Assembly Special Commission July 10, 1989 <http://www.apfn.net/dcia/lapenca.html>

**An American Contra : The Confused Life and Mysterious Death of Steven Carr**

[May 31, 1987](#) MICHAEL FESSIER JR

[http://articles.latimes.com/1987-05-31/magazine/tm-9128\\_1\\_steven-carr](http://articles.latimes.com/1987-05-31/magazine/tm-9128_1_steven-carr)

<http://www.scoop.co.nz/stories/HL0202/S00069.htm> 18 February 2002, "The Ultimate New Business Cold Call" –On June 27, 1999, the AP reported that NYSE Chairman Richard Grasso visited Colombia to meet with the FARC guerillas.

Grasso tells the Associated Press he is making "cold calls" "to bring a message of cooperation from U.S. financial services" and to discuss foreign investment and the future role of U.S. businesses in Colombia. "I invite members of the FARC to visit the New York Stock Exchange so that they can get to know the market personally." (Photo: NYSE Chairman Richard Grasso Embracing FARC Commander Raul Reyes) FARC is considered a terrorist organization by the U.S. State Department. <http://articles.latimes.com/1999/jun/27/news/mn-50699>

### **Drug money saved banks in global crisis, claims UN advisor— Sunday 13 December 2009**

#### **Drugs and crime chief says \$352bn in criminal proceeds was effectively laundered by financial institutions**

Drugs money worth billions of dollars kept the financial system afloat at the height of the global crisis, the United Nations' drugs and crime tsar has told the Observer. Antonio Maria Costa, head of the UN Office on Drugs and Crime, said he has seen evidence that the proceeds of organised crime were "the only liquid investment capital" available to some banks on the brink of collapse last year. <http://www.guardian.co.uk/global/2009/dec/13/drug-money-banks-saved-un-chief-claims>  
<https://www.youtube.com/watch?v=KiK9ht9HwdA>

#### **Cocaine Politics: Drugs, Armies, and the CIA in Central America, Updated Edition [Peter Dale Scott](#) (Author), [Jonathan Marshall](#) (Author) 279 pages Publisher: University of California Press (April 10, 1998)**

This important, explosive report forcefully argues that the "war on drugs" is largely a sham, as the U.S. government is one of the world's largest drug traffickers. The authors unearth close links between the CIA and Latin American drug networks which provide U.S. covert operations with financing, political leverage and intelligence. CIA-protected Panamanian ruler Manuel Noriega supplied drugs, pilots and banking services to Honduran and Costa Rican cocaine smugglers who were partners in Reagan's support program for Nicaragua's Contras. Together, Honduran and Costa Rican traffickers supplied one-third of the cocaine smuggled into the U.S. in the 1980s. The Bush administration showers hundreds of millions of dollars on Latin American military elites in Guatemala, Colombia, etc. to enlist them in the "war on drugs, empowering the very forces that protect drugtraffickers. The U.S. also gave covert aid to Afghan guerrillas who smuggled drugs in concert with Pakistan's military--an operation that produced half of the heroin consumed in the U.S. during the 1980s. Scott, a professor at UC-Berkeley, and San Francisco Chronicle economics editor Marshall carefully document Washington's complicity.

#### **Down by the River : Drugs, Money, Murder, and Family by Charles Bowden, Simon & Schuster, October 29, 2002.**

Lionel Bruno Jordan was murdered on January 20, 1995, in an El Paso parking lot. His brother Phil Jordan, was head of DEA's El Paso Intelligence Center (EPIC). The book documents the Jordan family's attempts to solve the murder case and get justice for their son. Bowden interviews several Mexican officials who have fled the country for their lives. The Mexican government was implicated in the drug trade all the way up to the office of then-president Carlos Salinas. Interestingly, Phil Jordan mentions a case where he intercepted a money courier working for the BCCI bank with \$18.8 million dollars in cash. Jordan states that he "received a call from a high level DOJ official" who ordered him to release the man and return his money.

## National Security Archives:

#### **The Contras, Cocaine, and Covert Operations -- Documentation of Official U.S. Knowledge of Drug Trafficking and the Contras**

This electronic briefing book is compiled from declassified documents obtained by the National Security Archive, including the notebooks kept by NSC aide and Iran-contra figure Oliver North, electronic mail messages written by high-ranking Reagan administration officials, memos detailing the contra war effort, and FBI and DEA reports. The documents demonstrate official knowledge of drug operations, and collaboration with and protection of known drug traffickers. Court and hearing transcripts are also included. <http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB2/nsaebb2.htm>

#### **The Iran Contra Affair 20 Years On.** Convicted (and pardoned) Iran Contra veterans return to power under George W. Bush.

<http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB210/index.htm>

#### **Iran Contra 25 years on-** "Memoranda on Criminal Liability of Former President Reagan and of President Bush" Show Reagan briefed before each missile shipment to Iran, Bush chaired meetings authorizing the mining of Nicaraguan harbors.

<http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB365/index.htm>

#### **Testimony of Peter Kornbluh, Senior Analyst, National Security Archive October 19, 1996** (Includes declassified documents)

"..I can and will address the central premise of the story: that the U.S. government tolerated the trafficking of narcotics into this country by individuals involved in the contra war. To summarize: there is concrete evidence that U.S. officials-- White House, NSC and CIA--not only knew about and condoned drug smuggling in and around the contra war, but in some cases collaborated with, protected, and even paid known drug smugglers"

"..Mr. North called a press conference where he was joined by Duane Clarridge, the CIA official who ran the contra operations from 1981 through mid 1984, and the former attorney general of the United States, Edwin Meese III. Mr. North called it a "cheap political trick...to even suggest that I or anyone in the Reagan administration, in any way, shape or form, ever tolerated the trafficking of illegal substances." Mr. Clarridge claimed that it was a "moral outrage" to suggest that a Reagan Administration official "would have countenanced" drug trafficking. And Mr. Meese stated that no "Reagan administration official would have ever looked the other way at such activity."

The documentation, in which Mr. North, Mr. Clarridge and Mr. Meese all appear, suggests the opposite. Let me review it here briefly:

<http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB2/pktstmny.htm>

#### **The Storm over "Dark Alliance" by Peter Kornbluh, From *Columbia Journalism Review* (January/February 1997)**

<http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB2/storm.htm>

<http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB131/> The President of Colombia, Alvaro Uribe was considered "One of the most important drug traffickers in the country" in 1991 Intelligence reports. Then-Senator Uribe was "Dedicated to collaboration with the Medellin cartel at high government levels." [https://en.wikipedia.org/wiki/%C3%81lvaro\\_Uribe](https://en.wikipedia.org/wiki/%C3%81lvaro_Uribe)

<http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB37/index.html> -- **Vladimiro Ilyich Montesinos Torres** (born May 20, 1945) was the long-standing head of [Peru's intelligence](#) service. He amassed a huge fortune through graft and drug and gun running in South America while on the payroll of the U.S. Government. <http://ciadrugs.homestead.com/files/peru01.html>

<http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB334/> Luis Posada Carriles [https://en.wikipedia.org/wiki/Luis\\_Posada\\_Carriles](https://en.wikipedia.org/wiki/Luis_Posada_Carriles) and Orlando Bosch [https://en.wikipedia.org/wiki/Orlando\\_Bosch](https://en.wikipedia.org/wiki/Orlando_Bosch) resided openly in the United States despite committing multiple terrorist acts and are protected by the US government. Posada is an assassin and drug trafficker observed by Castillo at Ilopango running the Contra operations. In 1976, 73 civilians were blown up by the men in the only mid air bombing attack in history in the western hemisphere. Posada boasted in interviews that he masterminded a series of bombings in Havana nightclubs designed to scare tourists from Cuba's tourism industry. One Italian tourist was killed and 11 wounded in the 1997 bombings. Posada was arrested and later pardoned for the 2000 assassination attempt of Fidel Castro at a university in Panama City using 33 pounds of c-4 explosives. He has never faced charges for terrorism in the US.

**Former CIA Asset Luis Posada Goes to Trial** Peter Kornbluh **January 5, 2011**

<http://www.thenation.com/article/157510/former-cia-asset-luis-posada-goes-trial>

<http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB157/index.htm> The Posada File Part II

<http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB153/index.htm> The Posada File I

Atlantic Monthly story by Ann Louise Bardach on Posada and Bosch

<http://www.theatlantic.com/magazine/archive/2006/11/twilight-of-the-assassins/305291/>

**A Startling Tale of U.S. Complicity** July 14, 1998 by **ROBERT SCHEER** <http://articles.latimes.com/1998/jul/14/local/me-3470>

**Our Man's in Miami. Patriot or Terrorist? April 2005 - Summary of Posada's Career** by Ann Louise Bardach

<http://www.washingtonpost.com/wp-dyn/articles/A58297-2005Apr16.html>

**Amid Cheers, Terrorists Have Landed in the U.S. -- To curry favor with Cuban Americans, Bush turns a blind eye.** September 12, 2004 -- Julia E. Sweig and Peter Kornbluh | Julia E. Sweig is senior fellow at the Council on Foreign Relations and author of "Inside the Cuban Revolution." Peter Kornbluh is the author of "Bay of Pigs Declassified." <http://articles.latimes.com/2004/sep/12/opinion/op-sweig12>

<http://ciadrugs.homestead.com/files/alfredmccoy.html> - Interview with Professor Alfred McCoy, author of *The Politics of Heroin in Southeast Asia. CIA complicity in the global drug trade* McCoy has since stated that this pattern of smuggling in SE Asia continued in Latin America and Afghanistan wars.

The Politics of Heroin: CIA Complicity in the Global Drug Trade – This is an update to the original classic. Revised in 2003.

Alfred W. McCoy, <http://www.amazon.com/dp/1556524838/?tag=theaspacjo0b-20>

"Can Anyone Pacify the World's Number One Narco-State?" *The Opium Wars in Afghanistan*, *The Asia-Pacific Journal*, 14-4-10, April 5, 2010 [http://japanfocus.org/-Alfred\\_W\\_McCoy/3339](http://japanfocus.org/-Alfred_W_McCoy/3339)

[https://en.wikipedia.org/wiki/Alfred\\_W.\\_McCoy](https://en.wikipedia.org/wiki/Alfred_W._McCoy)

Professor McCoy's home page. <http://history.wisc.edu/people/faculty/mccoy.htm>

Former Canadian Diplomat and UC Berkley Professor Peter Dale Scott, "Can the US Triumph in the Drug-Addicted War in Afghanistan? Opium, the CIA and the Karzai Administration" *The Asia-Pacific Journal*, 14-5-10, April 5, 2010.

[http://japanfocus.org/-Peter\\_Dale-Scott/3340](http://japanfocus.org/-Peter_Dale-Scott/3340)

**America's Afghanistan: The National Security and a Heroin-Ravaged State** May 18, 2009

[http://www.japanfocus.org/-Peter\\_Dale-Scott/3145](http://www.japanfocus.org/-Peter_Dale-Scott/3145)

[https://en.wikipedia.org/wiki/Peter\\_Dale\\_Scott](https://en.wikipedia.org/wiki/Peter_Dale_Scott)

a complete archive of PDS Works is here:

<http://www.peterdalescott.net/q.html>

CIA complicity in the global drug trade 9/19/2011

Peter Dale Scott and Alfred McCoy, two of the leading experts on CIA drugs together on the same radio show.

<http://www.radio4all.net/index.php/program/54741&75267>

**In Memoriam Gary Webb**

**On March 16, 1998, in response to Webb's allegations, the CIA Inspector-General admitted that in early 1982 the CIA secured permission from Attorney General William French Smith not to report on the drug activities of CIA agents, assets and contract employees. This agreement was not fully rescinded until 1995, when Webb began his investigations. Here is the true CIA responsibility for our drug plague: not by giving an 'order', but by condoning the traffic, protecting it, obstructing the efforts of those who tried to combat it and helping to force honest journalists like Webb who reported it out of jobs.**

From this 1982 agreement apparently flowed even more bizarre drug aspects of Iran-Contra: special freedom of movement for indicted drug traffickers into and out of the United States, sometimes without having to clear Customs; similar privileges for their trafficking air planes; federal intervention to stop domestic drug cases, or seal or even destroy evidence; a government-protected air base for traffickers in El Salvador (Ilopango) that a DEA agent could not visit; and even CIA-DEA plotting to smuggle wanted or convicted drug traffickers away from Central American law enforcement. None of these serious allegations has ever been properly investigated. Until they are, it will appear that in the real drug war -- the one between key protected traffickers and the American people -- some parts of the U.S. government are on the wrong side.

If this impression is mistaken, there is an easy way to dispel it. Readers of this pivotal and challenging book should demand that the still-classified studies of Webb's charges (two by the CIA, one by the Justice Department) be released, along with all the still-withheld files on Meneses and Blandon.

[Note: Eventually the Bromwich Justice Report and Hitz CIA Inspector General's Reports were released. They corroborated Webb in part, and added much significant new information. See my *Drugs, Contras and the CIA: Government Policies and the Cocaine Economy. An Analysis of Media and Government Response to the Gary Webb Stories in the San Jose Mercury News (1996-2000)*. Los Angeles: From the Wilderness Publications, 2000. Pp. 50.]

<http://www.peterdalescott.net/webb.html>

Peter Dale Scott can be contacted at: <http://www.facebook.com/peter.d.scott.9>  
[pdscottweb@hotmail.com](mailto:pdscottweb@hotmail.com)

Testimony of IRS investigator William C. Duncan June 21, 1991 before the committee chaired by Rep. Bill Alexander (D-Ark.) Duncan describes how the Justice Department asked him to perjure himself before a grand jury. <http://www.idfiles.com/duncan.htm>  
Arkansas State Police officer Russell Welch testimony before the Alexander Committee. <http://www.idfiles.com/rwdepo1.htm>

**Kerry: CIA Lied About Contra-Cocaine Connections Posted: 06/21/09 Updated: 05/25/11**

[http://www.huffingtonpost.com/2009/05/21/kerry-cia-lied-about-cont\\_n\\_206423.html](http://www.huffingtonpost.com/2009/05/21/kerry-cia-lied-about-cont_n_206423.html)

**The Senator Who Exposed The Criminal Bankers** <http://www.albionmonitor.com/0411a/kerrybcc.html>

1992 Congressional Report on BCCI [https://www.fas.org/irp/congress/1992\\_rpt/bcci/13clifford.htm](https://www.fas.org/irp/congress/1992_rpt/bcci/13clifford.htm)

**Kerry's Contra Cocaine Investigation** <http://www.albionmonitor.com/0411a/kerrycontracocaine.html>

Interview with Jonathan Winer-- A lawyer and former State Department official, **Jonathan Winer** was a counselor to Kerry from 1983 to 1997. He served as U.S. Deputy Ass't Secretary of State for International Narcotics Matters 1994-1999 under the Clinton Administration. <http://www.pbs.org/wgbh/pages/frontline/shows/choice2004/interviews/winer.html>  
Drug War interview of Jonathan Winer on PBS Frontline <http://www.pbs.org/wgbh/pages/frontline/shows/drugs/special/winer.html>

## The Iran Contra Affair:

**Final Report of the Independent Counsel for Iran/Contra Matters (Walsh Report)**

<https://www.fas.org/irp/offdocs/walsh/>

Walsh Investigation Outline at U.S. Archives <http://www.archives.gov/research/investigations/walsh.html>

[Report of the Congressional Committees Investigating the Iran-Contra Affair \(S. Rep. No. 216, H.R. Rep. No. 433, 100th Cong., 1st Sess.\)](#). United States [Government Printing Office](#), via Google Books. November 11, 1987.

**Summary of the Walsh Report** <https://www.nytimes.com/books/97/06/29/reviews/iran-transcript.html>

## News Media Cover-up

**FAIR covers the media cover-up of the Contra-Crack Controversy** <http://www.fair.org/issues-news/contra-crack.html>

**Professor Peter Dale Scott addresses the Media cover-up** <http://www.copi.com/articles/darker.html>

**American Drug War: The Last White Hope** is a 2007 documentary by writer/ director Kevin Booth about the War on Drugs in the United States. Includes interviews with former law enforcement officials. The full two hour film is here: [http://www.youtube.com/watch?v=6CyuBuT\\_714](http://www.youtube.com/watch?v=6CyuBuT_714)  
Read the wiki here: [https://en.wikipedia.org/wiki/American\\_Drug\\_War:\\_The\\_Last\\_White\\_Hope](https://en.wikipedia.org/wiki/American_Drug_War:_The_Last_White_Hope)

**Freeway Ricky Ross - complete episode on BET Channel's "American Gangster" series: (6/6/2009)**  
<http://watchamericangangster.com/american-gangster-season-1-episode-2-freeway-ricky-ross/>

Robert Knight and Dennis Bernstein articles on drugs and the Iran-Contra affair.

<http://intelligent-designs.biz/wbai/Earthwatch/www/crackwatch.html#pubs>  
<http://www.albionmonitor.com/9612a/ciacontra.html>

In June 6, 2007 email, titled "RE: Humint - Afghanistan - Karzai (Strictly Protect - Confidential," Stratfor vice president of intelligence Fred Burton wrote: The brother of President Karzai of Afghanistan is under investigation by DEA as a major narcotics trafficker. For political reasons, DEA has been told to backoff [sic] by the White House and CIA. DEA is seeing a direct nexus between terrorism and narcotics in Afghanistan with narcotics sales being used to fund jihadist operations

2011 hack of 2007 Stratfor email: "CIA and White House told DEA to back off investigation" of Ahmed Wali Karzai, brother of the President, Hamid Karzai. AWK was named as a major trafficker and on US payroll since 2001.

[http://wikileaks.org/qifiles/docs/5522439\\_re-humint-afghanistan-karzai-strictly-protect-confidential-.html](http://wikileaks.org/qifiles/docs/5522439_re-humint-afghanistan-karzai-strictly-protect-confidential-.html)  
<http://www.businessinsider.com/hacked-stratfor-emails-dea-told-to-back-off-from-the-brother-of-afghan-president-hamid-karzai-2012-9#ixzz26t3ZkYIE>

**Brother of Afghan Leader Said to Be Paid by C.I.A.**

[https://www.nytimes.com/2009/10/28/world/asia/28intel.html?pagewanted=all&\\_r=0](https://www.nytimes.com/2009/10/28/world/asia/28intel.html?pagewanted=all&_r=0)

**19 October 2009 Classified Embassy Cable:** Afghan Vice-President Ahmad Zia Masood was stopped by DEA with \$52 million he was ultimately allowed to keep without revealing the money's origin or destination

<http://www.guardian.co.uk/world/2010/dec/02/wikileaks-elite-afghans-millions-cash>  
<http://www.guardian.co.uk/world/us-embassy-cables-documents/230265>

Photos of U.S. and Afghan Troops Patrolling Poppy Fields June 2012

<https://publicintelligence.net/us-afghan-patrolling-poppy-fields-2012/>

Afghan opium production 'rises by 61%' compared with 2010

<http://www.bbc.co.uk/news/world-south-asia-15254788>

**2012 Afghanistan's Opium Production on the Rise**

"We are back in the situation we had in 2007-08," UNODC country representative Jean-Luc Lemahieu told the paper. "The Taliban definitely get income from opium cultivation ... but the lion's share of the income still disappears here, into the hands of the big patrons of this country."

<http://www.pbs.org/wgbh/pages/frontline/afghanistan-pakistan/opium-brides/afghanistans-opium-production-on-the-rise/>

**Opium farming in Afghanistan rising again, bleak UN report admits**

[Emma Graham-Harrison](#) in Kabul [The Guardian](#), Tuesday 17 April 2012

In 2011, the farm-gate value of opium production more than doubled from the previous year to \$1.4bn (£880m) and now accounts for 15% of the economy, Reuters news agency reported.

<http://www.guardian.co.uk/world/2012/apr/17/opium-poppy-farming-afghanistan-rising>

**2012 United Nations Opium Report**

"...the government lacks the political will to clamp down on a crop worth hundreds of millions of dollars a year", the United Nations' leading drug control official in Afghanistan said. The bleak figures were laid out in an [annual risk assessment](#) PDF, which has previously been announced with a press release but this year was uploaded to a UN website with no publicity. [http://www.unodc.org/documents/crop-monitoring/Afghanistan/ORAS\\_report\\_2012.pdf](http://www.unodc.org/documents/crop-monitoring/Afghanistan/ORAS_report_2012.pdf)

**Former British Ambassador to Uzbekistan (August 2002 to October 2004) Craig Murray says UK and USA sent prisoners to Uzbekistan to be tortured. Murray says that the Taliban sympathizers only account for 10% of drug exports from Afghanistan, whereas Karzai's people account for well over 50%. See this recent speech by Murray at the 7:20 mark:**

[https://www.youtube.com/watch?v=0MQoG5wfx5q&feature=player\\_embedded](https://www.youtube.com/watch?v=0MQoG5wfx5q&feature=player_embedded)

**[Britain is protecting the biggest heroin crop of all time](#) By Craig Murray on August 27, 2007**

My knowledge of all this comes from my time as British Ambassador in Uzbekistan. I ... watched the Jeeps ... bringing the heroin through from Afghanistan, en route to Europe. I watched the tankers of chemicals roaring into Afghanistan.

The four largest players in the heroin business are all senior members of the Afghan government – the government that our soldiers are fighting and dying to protect.

<http://www.dailymail.co.uk/news/article-469983/Britain-protecting-biggest-heroin-crop-time.html>

**Craig Murray article archive** <http://www.thetruthseeker.co.uk/?author=122>

**CIA pays many in Karzai administration: report**

<http://www.reuters.com/article/2010/08/27/us-afghanistan-usa-cia-idUSTRE67Q0YG20100827>

**Anti-Drug Unit of C.I.A. Sent Ton of Cocaine to U.S. in 1990** By TIM WEINER

Published: November 20, 1993

A Central Intelligence Agency anti-drug program in Venezuela shipped a ton of nearly pure cocaine to the United States in 1990, Government officials said today.

<http://www.nytimes.com/1993/11/20/world/anti-drug-unit-of-cia-sent-ton-of-cocaine-to-us-in-1990.html?pagewanted=all&src=pm>

Retired DEA agent Mike Levine spoke with former colleagues and found that the amount was "27 tons minimum"



## Mexican Diplomat Says America Pretty Much Invited The Sinaloa Drug Cartel Across The Border

[Michael Kelley](#) | Oct. 1, 2012, 4:31 PM

<http://www.businessinsider.com/stratfor-the-us-works-with-cartels-2012-9>

## Los Angeles County Sheriff's Department Investigation into Contra involvement in drug trafficking.

December, 1996 LASD summary of the 3,600-page report <http://groups.yahoo.com/group/cia-drugs/files/>

<http://www.scribd.com/doc/111254696/Los-Angeles-County-Sheriff's-Department-Investigation>

## Where the Mob Keeps Its Money By ROBERTO SAVIANO Published: August 25, 2012

THE global financial crisis has been a blessing for organized crime. A series of recent scandals have exposed the connection between some of the biggest global banks and the seamy underworld of mobsters, smugglers, drug traffickers and arms dealers. American banks have profited from money laundering by Latin American drug cartels. . . . Many of the illicit transactions preceded the 2008 crisis, but continuing turmoil in the banking industry created an opening for organized crime groups, enabling them to enrich themselves and grow in strength. In 2009, Antonio Maria Costa, an Italian economist who then led the United Nations Office on Drugs and Crime, [told](#) the British newspaper The Observer that "in many instances, the money from drugs was the only liquid investment capital" available to some banks at the height of the crisis. "Interbank loans were funded by money that originated from the drugs trade and other illegal activities," he said. "There were signs that some banks were rescued that way." The United Nations estimated that \$1.6 trillion was laundered globally in 2009, of which about \$580 billion was related to drug trafficking and other forms of organized crime.

[https://www.nytimes.com/2012/08/26/opinion/sunday/where-the-mob-keeps-its-money.html?\\_r=0](https://www.nytimes.com/2012/08/26/opinion/sunday/where-the-mob-keeps-its-money.html?_r=0)

## The U.S. War for Drugs and of Terror in Colombia by Dan Kovalik 02/16/2012

The book quotes the United Nations Drug Control Program (UNDCP) which concludes that, today, "the biggest heroin and cocaine trading institutions in the world are the militaries of Burma, Pakistan, Mexico, Peru and Colombia - 'all armed and trained by U.S. military intelligence in the name of anti-drug efforts.'" In the case of Colombia, while the U.S., to justify its massive counterinsurgency program, vilifies the FARC guerillas as "narco-terrorists," this title is more befitting of the Colombian state and its paramilitary allies.

Indeed, Colombian President Alvaro Uribe, who had been both the darling of the Bush and Obama Administrations, had himself been ranked by the U.S. Defense Intelligence Agency as number "82 on a list of 104 'more important narco-traffickers contracted by the Colombian narcotics cartels . . . ."

As the book explains, the U.S.'s own Drug Enforcement Agency (DEA) has concluded that the "FARC involvement in the drug trade mainly involves the taxation of coca, which does not involve cocaine manufacturing, trafficking, and transshipment." As the UNDCP explains, some FARC fronts are not involved in even the taxation of coca, and still others "actually tell the farmers not to grow coca." In terms of the actual trafficking in drugs, it is the friends of the U.S. who are largely responsible for this. Thus, as the book notes, quoting the Council on Hemispheric Affairs, while there is "no evidence of FARC involvement in drug trafficking," there is indeed "extensive drug smuggling to the United States by 'right-wing paramilitary groups in collaboration with wealthy drug barons, the [U.S.-funded] armed forces, key financial figures and senior bureaucrats.'" And yet, the U.S. war in Colombia is focused upon destroying the FARC, and, to the extent it is aimed at the manual eradication of coca crops, this eradication takes place almost solely in areas under FARC control, leaving the big-time drug traffickers alone. <http://monthlyreview.org/press/books/pb2518/>  
[http://www.huffingtonpost.com/dan-kovalik/us-war-colombia-drugs\\_b\\_1279321.html?ref=books&ir=Books](http://www.huffingtonpost.com/dan-kovalik/us-war-colombia-drugs_b_1279321.html?ref=books&ir=Books)

## Western banks 'reaping billions from Colombian cocaine trade' By Ed Vulliamy The Observer, Saturday 2 June 2012

<http://www.guardian.co.uk/world/2012/jun/02/western-banks-colombian-cocaine-trade>

## HSBC's misdeeds require prosecution, not a settlement By JACK BLUM | 7/31/12

<http://www.politico.com/news/stories/0712/79224.html>

## Colonel Evgeny Khrushchev First Secretary, Soviet and Russian Embassies, Kabul, Afghanistan

<http://www.veteranstoday.com/author/khrushchev/>

"Russia has opened up air corridor, has written off \$12bil of Afghan debt and did provide all imaginable actionable intelligence on terrorists and druglords – only to watch in frustration the action of NATO, corruption & drug expansion in Afghanistan."

<http://www.veteranstoday.com/2010/09/23/col-eugene-khrushchev-exclusive-interview-u-s-policy-in-afghanistan/>

## GENERAL HAMID GUL, FORMER HEAD OF PAKISTAN'S ISI, JOINS VETERANS TODAY

By Gordon Duff Senior Editor

Former Pakistani Spy Chief Joins Editorial Board of VeteransToday.com

Veterans Today (<http://www.veteranstoday.com>) is pleased to announce the appointment of Lt. General Hamid Gul, former head of Pakistan's ISI (Inter-Services Intelligence), to its Editorial Board of Directors, joining, among others, Jeff Gates, Dr. Alan Sabrosky, Col. Jim Hanke, Gordon Duff, Khalil Nouri and Col. Eugene Khrushchev.

"Every fuel truck that heads into Afghanistan, and hundreds do each week, the United States pays the Taliban \$3000 to let it through unharmed. Dozens of other American schemes not only arm the Taliban but American allies like Israel see to it they have state of the art encrypted communications, keeping them one step ahead of Americas efforts to control Afghanistan.

There is business to be done in Afghanistan, drugs, weapons and billions in "development projects" that suck in money but never seem to materialize.

No one speaks of the \$65 billion in heroin Afghanistan, formerly drug free under the Taliban, is now exporting to the world or the 10% of Afghans now dying a slow death as addicts.

<http://www.veteranstoday.com/2010/08/04/general-hamid-gul-former-head-of-pakistans-isi-joins-veterans-today/>

Douglas Valentine's History of the DEA

Of Course Narcs Are Crooked ...by RON JACOBS March 04, 2010

"...understand that not only are these governments condoning these rogue activities, they consider them valuable to their national security. So, they allow drug dealers to bring huge amounts of heroin and cocaine into the country while at the same time others on the government payroll are arresting drug dealers not favored by US intelligence.

....Sometimes this is the work of individuals enlisted by the agencies; sometimes it is the result of interagency turf battles; and sometimes it is agency policy.

....There are mafia drug dealers let go and murderers employed by the CIA left to continue their criminal pursuits—all because of the role they played in Washington's war against the Soviet Union."

<http://www.counterpunch.org/2010/03/04/of-course-narcs-are-crooked/>

**Brought to You by the CIA -- America's Drug Crisis**

by DAVE LINDORFF October 28, 2009

"Next time you see a junkie sprawled at the curb in the downtown of your nearest city, or read about someone who died of a heroin overdose, just imagine a big yellow sign posted next to him or her saying: "Your Federal Tax Dollars at Work."

Kudos to the New York Times, and to reporters Dexter Filkins, Mark Mazzetti and James Risen, for their lead article today reporting that Ahmed Wali Karzai, brother of Afghanistan's stunningly corrupt President Hamid Karzai, a leading drug lord in the world's major opium-producing nation, has for eight years been on the CIA payroll."

<http://www.counterpunch.org/2009/10/28/america-s-drug-crisis/>

## The Case of Richard Horn DEA in Burma

Ex-DEA Agent Wins 16-Year Legal Battle | Main Justice 31 Mar 2010 ... Ex-DEA Agent Wins 16-Year Legal Battle ... A federal judge in the District of Columbia endorsed a \$3 million settlement with Richard A. Horn

<http://www.mainjustice.com/2010/03/31/ex-dea-agent-wins-16-year-legal-battle-with-government>

Former DEA Agent Reaches Tentative Settlement in CIA Case 1 Oct 2009 ... Former DEA Agent Reaches Tentative Settlement in CIA Case ... The lawsuit, brought by Richard A. Horn, accused the CIA of illegally bugging ...

<http://www.washingtonpost.com/wp-dyn/content/article/2009/10/01/AR2009100103373.html>

Bugged coffee table used by CIA against State Department and DEA employees

<http://www.wired.com/threatlevel/2009/11/coffee-table-suit/>

<http://www.wired.com/threatlevel/2009/09/classified-material/>

Former DEA agent's lawsuit exposes CIA "fraud" Posted by Bill Conroy - July 26, 2009 at 3:16 pm

<http://narcosphere.narconews.com/notebook/bill-conroy/2009/07/former-dea-agents-lawsuit-exposes-cia-fraud>

DEA Agent's Whistleblower Case Exposes the "War on Drugs" as a "War of Pretense"

Agent's Sealed Legal Case Dismissed on National Security Grounds; Details Leaked to Narco News

By Bill Conroy Special to The Narco News Bulletin September 7, 2004

<http://www.narconews.com/Issue34/article1063.html>

## Maxine Waters Ethics investigation:

Maxine Waters was the subject of an ethics inquiry headed by Porter Goss (co-chair of the Office of Congressional Ethics), the same Ex-CIA official who presided over the HPSCI Contra drug hearings (1996 to 2000). She was finally cleared September, 2012

<http://www.politico.com/news/stories/0912/81665.html>

[https://www.nytimes.com/2012/09/22/us/politics/panel-finds-maxine-waters-didnt-violate-ethics-rules-in-bank-case.html?\\_r=0](https://www.nytimes.com/2012/09/22/us/politics/panel-finds-maxine-waters-didnt-violate-ethics-rules-in-bank-case.html?_r=0)

## A History of State Sponsored drug Trafficking: 19<sup>th</sup> Century Opium Wars in Asia

THE ORIGINAL STATE SPONSORED DRUG TRAFFIC:

AFRICAN AMERICANS WERE NOT THE FIRST VICTIMS OF STATE SPONSORED DRUG DEALING, JUST THE LATEST. THE OPIUM WARS ARE WELL DOCUMENTED AND ARE PART OF THE REASON THE BRITISH EMPIRE GOT A HOLD OF TERRITORIES SUCH AS HONG KONG. NARCO COLONIALISM CONTINUES ON.

1 Opium Wars

[https://en.wikipedia.org/wiki/Opium\\_Wars](https://en.wikipedia.org/wiki/Opium_Wars)

[https://en.wikipedia.org/wiki/First\\_Opium\\_War](https://en.wikipedia.org/wiki/First_Opium_War)

[https://en.wikipedia.org/wiki/Second\\_Opium\\_War](https://en.wikipedia.org/wiki/Second_Opium_War)

2 This war with China . . . really seems to me so wicked as to be a national sin of the greatest possible magnitude, and it distresses me very deeply. Cannot anything be done by petition or otherwise to awaken men's minds to the dreadful guilt we are incurring? I really do not remember, in any history, of a war undertaken with such combined injustice and baseness. Ordinary wars of conquest are to me far less wicked, than to go to war in order to maintain smuggling, and that smuggling consisting in the introduction of a demoralizing drug, which the government of China wishes to keep out, and which we, for the lucre of gain, want to introduce by force; and in this quarrel are going to burn and slay in the pride of our supposed superiority. — [Thomas Arnold](#) to W. W. Hull, March 18, 1840  
<http://www.victorianweb.org/history/empire/opiumwars/opiumwars1.html>

3 How China got rid of opium  
<http://www.sacu.org/opium.html>  
<http://www.sacu.org/opium2.html>

4 Article on opium trade in 1920s Shanghai  
<http://streetsofshanghai.pbworks.com/w/page/18638691/Opium>

5 'Opium financed British rule in India'  
[http://news.bbc.co.uk/2/hi/south\\_asia/7460682.stm](http://news.bbc.co.uk/2/hi/south_asia/7460682.stm)  
THE CRIMES OF PATRIOTS — A TRUE TALE OF DOPE, DIRTY MONEY, AND THE CIA by Jonathan Kwitny  
Book details drugs, arms trafficking, money laundering in Asia--  
[https://en.wikipedia.org/wiki/Jonathan\\_Kwitny](https://en.wikipedia.org/wiki/Jonathan_Kwitny)  
Some background on Nugan Hand Bank:  
[https://en.wikipedia.org/wiki/Nugan\\_Hand\\_Bank](https://en.wikipedia.org/wiki/Nugan_Hand_Bank)  
Complete book is online here:  
<http://www.naderlibrary.com/lit.crimesofpatriots.toc.htm>

Statement of CIA Inspector General to The House Committee On Intelligence - March 16, 1998  
[https://en.wikisource.org/wiki/CIA\\_Inspector\\_General\\_Frederick\\_P.\\_Hitz](https://en.wikisource.org/wiki/CIA_Inspector_General_Frederick_P._Hitz)



## CIA Internal Investigation

"When CIA Inspector General Fred P. Hitz testified before the House Intelligence Committee in March 1998, he admitted a secret government interagency agreement. 'Let me be frank about what we are finding,' Hitz said. 'There are instances where CIA did not, in an expeditious or consistent fashion, cut off relationships with individuals supporting the Contra program who were alleged to have engaged in drug trafficking activity.'

"The lawmakers fidgeted uneasily. 'Did any of these allegations involved trafficking in the United States?' asked Congressman Norman Dicks of Washington. 'Yes,' Hitz answered. Dicks flushed."

"And what, Hitz was asked, had been the CIA's legal responsibility when it learned of this? That issue, Hitz replied haltingly, had 'a rather odd history...the period of 1982 to 1995 was one in which there was no official requirement to report on allegations of drug trafficking with respect to non-employees of the agency, and they were defined to include agents, assets, non-staff employees.' There had been a secret agreement to that effect 'hammered out between the CIA and U.S. Attorney General William French Smith in 1982,' he testified."

Hitz concluded his testimony by stating "This is the grist for more work, if anyone wants to do it."

The Memorandum of Understanding (MOU) allowing drugs into the United States:

<https://www.cia.gov/library/reports/general-reports-1/cocaine/contra-story/01.gif>

<https://www.cia.gov/library/reports/general-reports-1/cocaine/contra-story/13.gif>

<https://www.cia.gov/library/reports/general-reports-1/cocaine/contra-story/14.gif>

Overview: Report of Investigation

<https://www.cia.gov/library/reports/general-reports-1/cocaine/overview-of-report-of-investigation-2.html>

Report of Investigation -- Volume I: (96-0143-IG) The California Story, Office of Inspector General Allegations of Connections Between CIA and The Contras in Cocaine Trafficking to the United States

<https://www.cia.gov/library/reports/general-reports-1/cocaine/report/index.html>

Report of Investigation -- Volume II: (96-0143-IG) The Contra Story, Office of Inspector General Allegations of Connections Between CIA and The Contras in Cocaine Trafficking to the United States <sup>(1)</sup>

<https://www.cia.gov/library/reports/general-reports-1/cocaine/contra-story/contents.html>

Findings- Describes what crimes they were required to report (Obviously not drugs) and the history of the MOU (only half of the 600+ pages in the report were released)

<https://www.cia.gov/library/reports/general-reports-1/cocaine/contra-story/findings.html#top>

Hitz, Frederick P. "Obscuring Propriety: The CIA and Drugs." *International Journal of Intelligence and Counterintelligence* 12, no. 4 (Winter 1999): 448-462.

## DOJ INVESTIGATION

Statement of Michael R. Bromwich, Inspector General. U.S. Department of Justice *before the House Permanent Select Committee on Intelligence concerning* The Office of the Inspector General report entitled The CIA-Contra-Crack Cocaine Controversy: A Review of the Justice Department's Investigations and Prosecutions May 25, 1999 . 407-page report was completed in December 1997.

<http://www.justice.gov/oig/testimony/9905a.htm>

USDOJ/OIG Special Report THE CIA-CONTRA-CRACK COCAINE CONTROVERSY:

A REVIEW OF THE JUSTICE DEPARTMENT'S INVESTIGATIONS AND PROSECUTIONS (December, 1997)

<http://www.justice.gov/oig/special/9712/index.htm>

**WRITTEN STATEMENT OF CELERINO CASTILLO III,  
(D.E.A., RETIRED) FOR THE HOUSE PERMANENT  
SELECT COMMITTEE ON INTELLIGENCE**

**April 27, 1998**

For several years, I fought in the trenches of the front lines of Reagan's "Drug War", trying to stamp out what I considered American's greatest foreign threat. But, when I was posted, in Central and South America from 1984 through 1990, I knew we were playing the "Drug War Follies." While our government shouted "Just Say No!", entire Central and South American nations fell into what are now known as, "Cocaine democracies."

While with the DEA, I was able to keep journals of my assignments in Central and South America. These journals include names, case file numbers and DEA NADDIS (DEA Master Computer) information to back up my allegations. I have pictures and original passports of the victims that were murdered by CIA assets. These atrocities were done with the approval of the agencies.

We, ordinary Americans, cannot trust the C.I.A. Inspector General to conduct a full investigation into the CIA or the DEA. Let me tell you why. When President Clinton (June, 1996) ordered The Intelligence Oversight Board to conduct an investigation into allegations that US Agents were involved in atrocities in Guatemala, it failed to investigate several DEA and CIA operations in which U.S. agents knew beforehand that individuals (some Americans) were going to be murdered.

I became so frustrated that I forced myself to respond to the I.O.B report citing case file numbers, dates, and names of people who were murdered. In one case (DEA file # TG-86-0005) several Colombians and Mexicans were raped, tortured and murdered by CIA and DEA assets, with the approval of the CIA. Among those victims identified was Jose Ramon Parra-Iniguez, Mexican passport A-GUC-043 and his two daughters Maria Leticia Olivier-Dominguez, Mexican passport A-GM-8381. Several Colombian nationals: Adolfo Leon Morales-Arcilia "a.k.a." Adolfo Morales-Orestes, Carlos Alberto Ramirez, and Jiro Gilardo-Ocampo. Both a DEA and a CIA agent were present, when the individuals were being interrogated (tortured). The main target of that case was a Guatemalan Congressman, (Carlos Ramiro Garcia de Paz) who took delivery of 2,404 kilos of cocaine in Guatemala just before the interrogation. This case directly implicated the Guatemalan Government in drug trafficking (The Guatemalan Congressman still has his US visa and continues to travel at his pleasure into the US). To add salt to the wound, in 1989 these murders were investigated by the U.S Department of Justice, Office of Professional Responsibility. DEA S/I Tony Recevuto determined that the Guatemalan Military Intelligence, G-2 (worst human rights violators in the Western Hemisphere) was responsible for these murders. Yet, the U.S. government continued to order U.S. agents to work hand in hand with the Guatemalan Military. This information was never turned over to the I.O.B. investigation. (see attached response)

I have obtained a letter, dated May 28, 1996, from the DEA administrator, to U.S. Congressman Lloyd Doggett (D), Texas. In this letter, the administrator flatly lies, stating that DEA agents "have never engaged in any joint narcotics programs with the Guatemalan Military".

I was there. I was the leading Agent in Guatemala. 99.9% of DEA operations were conducted with the Guatemala military. In 1990, the DEA invited a Guatemalan military G-2 officer, Cpt. Fuentez, to attend a DEA narcotic school, which is against DEA policy. I know this for a fact because I worked with this officer for several years and was in Guatemala when he was getting ready to travel to the States.

Facts of my investigation on CIA-Contras drug trafficking in El Salvador:

The key to understanding the "crack cocaine" epidemic, which exploded on our streets in 1984, lies in understanding the effect of congressional oversight on covert operations. In this case the Boland amendment(s) of the era, while intending to restrict covert operations as intended by the will of the People, only served to encourage C.I.A., the military and elements of the national intelligence community to completely bypass the Congress and the Constitution in an eager and often used covert policy of funding prohibited operations with drug money.

As my friend and colleague Michael Ruppert has pointed out through his own experience in the 1970s, CIA has often bypassed congressional intent by resorting to the drug trade (Vietnam, Laos, Iran, Afghanistan, Pakistan, etc).

When the Boland Amendment(s) cut the Contras off from a continued U.S. government subsidy, George Bush, his national security adviser Don Gregg, and Ollie North, turned to certain foreign governments, and to private contributions, to replace government dollars. Criminal sources of contributions were not excluded. By the end of 1981, through a series of Executive Orders and National Security Decision Directives, many of which have been declassified, Vice President Bush was placed in charge of all Reagan administration intelligence operations. All of the covert operations carried out by officers of the CIA, the Pentagon, and every other federal agency, along with a rogue army of former intelligence operatives and foreign agents, were commanded by George Bush. Gary Webb (San Jose Mercury News) acknowledged, that he simply had not traced the command structure over the Contras up into the White House, although he had gotten some indications that the operation was not just CIA.


On Dec. 01, 1981, President Ronald Reagan signed a secret order authorizing the CIA to spend \$19.9 million for covert military aid to the recently formed Contras--- hardly enough money to launch a serious military operation against the Cuban and Soviet-backed Sandinista regime.

In August 1982, George Bush hired Donald P. Gregg as his principal adviser for national security affairs. In late 1984, Gregg introduced Oliver North to Felix Rodriguez, (a retired CIA agent) who had already been working in Central America for over a year under Bush's direction. Gregg personally introduced Rodriguez to Bush on Jan. 22, 1985. Two days after his January 1985 meeting, Rodriguez went to El Salvador and made arrangements to set up his base of operations at Ilopango air base. On Nov. 01, 1984, the FBI arrested Rodriguez's partner, Gerard Latchinian and convicted him of smuggling \$10.3 million in cocaine into the U.S.

On Jan. 18, 1985, Rodriguez allegedly met with money-launderer Ramon Milan-Rodriguez, who had moved \$1.5 billion for the Medellin cartel. Milan testified before a Senate Investigation on the Contras' drug smuggling, that before this 1985 meeting, he had granted Felix Rodriguez's request and given \$10 million from the cocaine for the Contras.

On September 10, 1985, North wrote in his Notebook:

"Introduced by Wally Grasheim/Litton, Calero/Bermudez visit to Ilopango to estab. log support./maint. (...)"

In October of 1985, Upon my arrival in Guatemala, I was forewarned by Guatemala DEA, County Attach , Robert J. Stia, that the DEA had received intelligence that the Contras out of Salvador, were involved in drug trafficking. For the first time, I had come face to face with the contradictions of my assignment. The reason that I had been forewarned was because I would be the Lead Agent in El Salvador.

DEA Guatemalan informant, Ramiro Guerra (STG-81-0013) was in place in Guatemala and El Salvador on "Contra" intelligence. At the time (early 80's), he was a DEA fugitive on "Rico" (Racketeering Influence and Corrupt Organizations) and "CCE" (Continuing Criminal Enterprise) charges out of San Francisco. In 1986, he became an official advisor for the DEA trained El Salvador Narcotics Task Force. In 1989, all federal charges were dropped because of his cooperation with the DEA in Central America. Guerra is still a DEA informant in Guatemala.

December 1985, CNN reporter Brian Barger broke the story of the Contra's involved in drug trafficking.

#### Notes from my Journals & Intelligence Gathering

January 13, 1986, I wrote a report on El Salvador under DEA file (GFTG-86-9145).

January 16, 1986---HK-1217W--Carlos Siva and Tulio Pedras Contra pilots.

January 23, 1986, GFTG-86-9999, Air

Intelligence in "El Salvador" TG-86-0003, Samana and Raul.

In 1986, I placed an informant (Mario Murga) at the Ilopango airport in El Salvador. He was initiated and wrote the flight plans for most Contra pilots. After their names were submitted into NADDIS, it was revealed that most pilots had already been document in DEA files as traffickers. (See DEA memo by me date 2-14-89.)

Feb. 05, 1986, I had seized \$800,000.00 in cash, 35 kilos of cocaine, and an airplane at Ilopango. DEA # TG-86-0001; Gaitan-Gaitan, Leonel

March 24, 1986, I wrote a DEA report on the Contra operation. (GFTG-86-4003, Frigorificos de Puntarenas, S.A), US registration aircraft N-68435 (Cessna 402).

April 17, 86, I wrote a Contra report on Arturo Renick; Johnny Ramirez (Costa Rica). Air craft TI-AQU & BE-60.. GFTG-86-9999; Air Intelligence.

April 25,26 1986--I met with CIA Felix Vargas in El Salvador (GFTG-86-9145).

April of 1986, The Consul General of the U.S Embassy in El Salvador (Robert J. Chavez), warned me that CIA agent George Witters was requesting a U.S visa for a Nicaraguan drug trafficker and Contra pilot by the name of Carlos Alberto Amador. (mentioned in 6 DEA files)

May 14, 1986, I spoke to Jack O'Conner DEA HQS Re: Matta-Ballesteros. (NOTE: Juan Ramon Matta-Ballesteros was perhaps the single largest drug trafficker in the region. Operating from Honduras he owned several companies which were openly sponsored and subsidized by C.I.A.)

May 26, 1986, Mario Rodolfo Martinez-Murga became an official DEA informant (STG-86-0006). Before that, he had been a sub-source for Ramiro Guerra and Robert Chavez. Under Chavez, Murga's intelligence resulted in the seizure of several hundred kilos of cocaine, (from Ilopango to Florida) making Murga a reliable source of information.

May 27, 1986, I Met U.S. Army Lt. Col. Alberto Adame in El Salvador. Has knowledge of the Contra Operation at Ilopango. He was in El Salvador from 1984 thru 1987.

On June 06, 1986, I send a DEA report/telex cable to Washington DEA in regards to Contra pilots, Carlos Amador and Carlos Armando Llamas (Honorary Ambassador from El Salvador to Panama) (N-308P). Llamas had delivered 4 1/2 million dollars to Panama from Ilopango for the Contras. Information was gathered by informant Mario Murga. Leon Portilla-TIANO = Navajo 31 & YS-265-American Pilot: Francisco Viaud. Roberto Gutierrez (N-82161) Mexican (X-AB)

June 10, 1998, I spoke to CIA agent Manny Brand Re: Sofi Amoury (Cuban Contra operator and Guatemalan Galvis-Pena in Guatemala.

June 16, 1986-GFTG-86-9999, Air Intel (DEA-6) El Salvador

Early part of 1986, I received a telex/cable from DEA Costa Rica. SA Sandy Gonzales requested for me to investigate hangers 4 and 5 at Ilopango. DEA Costa Rica had received reliable intelligence that the Contras were flying cocaine into the hangers. Both hangers were owned and operated by the CIA and the National Security Agency. Operators of those two hangars were, Lt. Col. Oliver North and CIA contract agent, Felix Rodriguez, "a.k.a." Max Gomez. (See attached letter by Bryan Blaney (O.I.C.), dated March 28, 1991).

June 18, 1986, Salvadoran Contra pilot, Francisco "Chico" Guirrola-Beeche (DEA NADDIS # 1585334 and 1744448) had been documented as a drug trafficker. On this date, at 7:30a.m, he departed Ilopango to the Bahamas to air drop monies. On his return trip (June 21) Guirrola arrived with his passengers Alejandro Urbizu & Patricia Bernal. In 1988 Urbizu was arrested in the US in a Cocaine conspiracy case. In 1985 Guirrola was arrested in South Texas (Kleberg County) with 5 and 1/2 million dollars cash, which he had picked up in Los Angeles, California. (U.S. Customs in Dallas/ Ft. Worth had case on him.)

June 18, 1986, DEA 6 on Air Intelligence, GFTG- 86-9999; El Salvador.

June 27 & 28, 1986, US Lt. Col. Albert Adame spoke with US Ambassador Edwin Corr re: Narcotics.

In a July 26, 1986 report to the Congress, on contra-related narcotics allegation, The State Department described the Frogman CASE as follows, "this case gets it's nickname from swimmers who brought cocaine ashore in San Francisco on a Colombian vessel." It focused on a major Colombian cocaine smuggler, ALVARO CARVAJAL-MINOTA, who supplied a number of west

coast smugglers. It was further alleged that Nicaraguan Contra, Horacio Pererita, was subsequently convicted on drug charges in Costa Rica and sentenced to 12 years imprisonment. Two other member of the organization were identified as Nicaraguans Carlos Cabezas & Julio Zavala. They were among the jailed West Coast traffickers and convicted of receiving drugs from Carvajal. They claimed long after their convictions, that they had delivered sums of monies to Contra resistance groups in Costa Rica.

July 28, 1986, I Met with CIA agents Don Richardson, Janice Elmore and Lt. Col. Adame in El Salvador.

July 29, 1986, I Met with Don Richardson and Robert Chavez at the US Embassy in El Salvador.

August 03, 1986, Ramiro Guerra, Lt. Col. A. Adame, Dr. Hector Regalado (Dr. Death, who claimed to had shot Archbishop Romero) and myself went out on patrol in El Salvador.

In Aug. 1986, The Kerry Committee requested information on the Contra pilots from the DEA. The Department Of Justice flatly refused to give up any information.

Aug. 15, 1986, I spoke to CIA (Chief of Station) Jack McCavett and Don Richardson; El Salvador; Re: Fernando Canelas Sanz from Florida.

Aug. 18, 1986, I received \$45,000.00 in cash from CIA Chief of Station (CIA), Jack McCavett for the purchase of vehicles for the DEA El Salvador Narcotic Task Force.

Aug. 28, 1986, I had a meeting with El Salvador US Ambassador, Edwin Corr, in regards to Wally Grasheim, Pete's Place and Carlos Amador (3:00 p.m.)

Oscar Alvarado-Lara "a.k.a." El Negro Alvarado

(CIA asset and Contra pilot) was mentioned in 3 DEA files. On June 11, 1986, Alvarado transported 27 illegal Cubans to El Salvador Ilopango, where they were then smuggled into Guatemala. On Sept. 28, 1987, Alvarado picked up CIA Randy Capister in Puerto Barrios Guatemala after a joint DEA, CIA and Guatemala Military (G-2) operation. Several Mexicans and Colombians were murdered and raped. This was supported by the CIA. DEA File TG-86-0005.

1986, DEA El Salvador, initiated a file on Walter L. Grasheim (TG-87-0003). He is mentioned in several DEA, FBI and U.S Customs files. This DEA file is at The National Archives in The Iran-Contra file in Washington D.C (bulky # 2316). Also see attached Top Secret/Declassified Record of Interview on Mr. Grasheim, by the Office of Independent Counsel, dated Jan. 03, 1991.

Sept. 01, 1986, at approximately 5:00pm, I received a phone call in Guatemala from (C.I) Ramiro Guerra, Re: Raid at Wally's house in El Salvador Wally's plane (N-246-J).

On September 01, 1986, Walter Grasheim (a civilian) residence in El Salvador was search by The DEA Task Force. Found at the residence was an arsenal of US military munitions, (allegedly for a Contra military shipment). Found were cases of C-4 explosives, grenades, ammunition, sniper rifles, M-16's, helicopter helmets and knives. Also found were files of payment to Salvadoran Military Officials (trips to New York City). Found at his residence were radios and license plates belonging to the US Embassy. We also found an M16 weapon belonging to the US Mil-Group Commander, Col. Steel. Prior to the search, I went to every department of the U.S. Embassy and asked if this individual worked in any way shape or form with the embassy. Every head of the departments denied that he worked for them. A pound of marijuana and marijuana plants growing in the back yard, were also found.

Sept. 02, 1986, I departed Guatemala on Taca Airlines @ 7:30a.m to El Salvador.

Sept. 26, 1986, Meeting with Col. Steel Re: Mr. Grasheim (Col. Steel admitted that he had given an M-16 to Grasheim) and CIA George W. Also talked to Don Richardson (CIA) re: Ramiro Guerra. Talked to Col. Adame Re: CIA George.

October 03, 1986, Spoke to DEA Panama re: Mr. Grasheim. Was advised to be careful.

October 15, 1986, Asst. Atty. Gen. Mark Richard testified before the Kerry Committee, that he had attended a meeting with 20 to 25 officials and that the DEA did not want to provide any of the information the committee had requested on the Contra involvement in drug trafficking.

October 21, 1986, I send a Telex/cable to Washington D.C on the Contras.

October 22, 1986 talked to El Salvador Re: Grasheim.

October 23, 1986, HK-1960P Honduras. 1,000 kilos of cocaine. DEA- 6 was written on this case.

October 29, 1986 Talked to DEA HQS (John Martch) re Contras & Grasheim.

October 30, 1986, Talked to Salvadoran Gen. Blandon re: to Mr. Grasheim.

Nov. 07, 1986, Talked to John Martch 202-786-4356 and Azzam-633-1049; Home: 301-262-1007. (Contras).

Nov. 13, 1986, I Met with Ambassador Corr @2:00pm re: Mr. Grasheim. (He stated, "let the chips fall where they may." Met w/ Lt. Col. Adame.

November 14, 1986, Met with Salvadoran Col. Villa Marona re: Mr. Grasheim. He advised that the U.S Embassy had approved for Grasheim to work at Ilopango.

On January 20, 1987, Joel Brinkley (special to the New York Times) reported. "Contra Arms Crew said To Smuggle Drugs" The 3rd secret had surfaced. Brinkley wrote: "Fed. Drug investigators uncovered evidence last fall that the American flight crews which covertly carried arms to the Nicaraguan rebels were smuggling cocaine and other drugs on their return trips back to the US. Administration Officials said today that when the crew members, based in El Salvador, learned that DEA agents were investigating their activities, one of them warned that they had White House protection. The Times then quoted an anonymous US official who said the crew member's warnings which came after DEA searched his San Salvador house for drugs, caused 'quite a stir' at Ilopango."

Feb. 09, 1987, I had meeting with Lt. Col. Adame and Elmore re: major argument with DEA HQS I.A. Lourdez Border. They had just arrived in Guatemala for a two-day fact finding tour of El Salvador.

Feb.10, 1987, I met with U.S. Ambassador Corr (Salvador) re DEA HQS Intel. Analyst Lourdez Border and Doug (last name unknown) both were rookies). In two days in El Salvador, they determined that there was no contra involvement in drug trafficking.

February 27, 1987, I spoke to Mike Alston DEA Miami, RE: Contra pilots John Hall; Bruce Jones' airstrip in Costa Rica, Colombian Luis Rodriguez; Mr. Shrimp-Ocean Hunter Costa Rica > to Miami. Contra Operation from Central American to U.S.

March 03, 1987, met with Janis Elmore (CIA) from 9:00pm till 12:00

March 30, 1987, I invited U.S. Custom Agent Richard Rivera to El Salvador in an attempt to trace ammunitions and weapons found in Mr.Grasheim's residence. It's alleged that The Pentagon put a stop on his trace. (They were never able to trace the items).

April 01, 1987, Bob Stia, Walter (pilot) Morales and myself flew to El Salvador. Met with two CIA agents who advised us that we could no longer utilize Murga because he was now working with them).

April 07,08,09, 1987, I met with John Martch in Guatemala Re: Contras and OPR.

Sept. 27, 1987, Central American CIA agent, Randy Capister, the Guatemala military (G-2) and myself, seized over 2,404 kilos of cocaine from a Guatemalan Congressman, Carlos Ramiro Garcia de Paz and the Medellin cartel (biggest cocaine seizure in Central America and top five ever). However, several individuals were murdered and raped on said operation. CIA agent and myself saw the individual being interrogated. The Congressman was never arrested or charged.

October 22, 1987, I received a call from DEA HQS Everett Johnson, not to close Contra files because some committee was requesting file. If you have an open file, you do not have access to the files under Freedom of Information Act.

Aug. 30, 1988, Received intelligence from (Guido Del Prado) at the U.S. Embassy, El Salvador re: Carlos Armando Llemus-Herrera (Contra pilot).

Oct. 27, 1988, Received letter from "Bill," Regional Security Officer at the Embassy in El Salvador re: Corruption on US ambassador Corr and del Prado.

Dec. 03, 1988, DEA seized 356 kilos of cocaine in Tiquisate, Guatemala (DEA # TG-89-0002; Hector Sanchez). Several Colombians were murdered on said operation and condoned by the DEA and CIA. I have pictures of individuals that were murdered in said case. The target was on Gregorio Valdez (CIA asset) of The Guatemala Piper Co. At that time, all air operations for the CIA and DEA flew out of Piper.

Aug. 24, 1989, Because of my information, the U.S. Embassy canceled Guatemalan Military, Lt. Col. Hugo Francisco Moran-Carranza, (Head of Interpol and Corruption) his U.S. visa. He was documented as a drug trafficker and corrupt Guatemalan Official. He was on his way to a U.S. War College for one year, invited by the CIA.

Feb. 21, 1990, I send a telex-cable to DEA HQS Re: Moran's plan to assassinate me.

Between Aug. 1989 and March 06, 1990, Col. Moran had initiated the plan to assassinate me in El Salvador and blame it on the guerrillas. On March 06, 1990, I traveled to Houston to deliver an undercover audio tape on my assassination. The Houston DEA S.A Mark Murtha (DEA File M3-90-0053) had an informant into Lt. Col. Moran.

Feb. 24, 1990, I moved my family back home because DEA could not make a decision.

March 15, 1990, After 6 months knowing about the assassination plan, DEA transferred me out to San Diego, California for 6months.

April 05, 1990, an illegal search was conducted at my residence in Guatemala by Guatemala DEA agents Tuffy Von Briensen, Larry Hollifield and Guatemalan Foreign Service National, Marco Gonzales in Guatemala (No search warrant). DEA HQS agreed that it had been an illegal search requested by OPR S/I Tony Recevuto. (OPR file PR-TG-90-0068) On Sept. 16, 1991, a questionnaire was faxed to me in regards to the illegal search. (see attached)

April 11, 1991, in an undercover capacity, Carlos Cabezas's wife sold me 5 kilos of cocaine in San Francisco. (DEA # R3-91-0036; Milagro Rodriguez)

On April 16, 1991, I met with Carlos Cabezas at the DEA Office in San Francisco. He stated to me that Zavala and himself were informants for the FBI in San Francisco at the time his wife delivered the cocaine. Alvaro Carbajal had supplied the 5 kilos of cocaine. (There is undercover audio tape available as evidence) Mr. Cabezas gave me his undercover business card. It was identified as "The California Company" at 3519-Mission St., San Francisco, CA 94110 REAL ESTATE & INVESTMENTS Carlos A. Cabezas, Sales Associate Pager: 371-7108 Fax: (415) 647-0918; Res: (415) 991-3104; Bus: (415) 647-8014.

May 10, 1990, DEA HQS OPR S/I Tony Recevuto returned to Guatemala and requested from the U.S. Ambassador, to please grant Lt. Col. Hugo Moran-Carranza a US Visa, so that he could testify before the BCCI investigation in Miami. The ambassador could not understand why anyone, for any reason, request a US Visa to an individual who had planned the assassination of a US drug agent.

May 27, 1990, I was ordered to return back to Guatemala to pack my house whole goods. The threat was still very real for me. On June 01, 1990, I departed Guatemala for the last time. On June 05, 1990, another American was killed by the Guatemalan Military.

Before the Kerry Committee

The CIA acknowledgment by Central American Task Force Chief testified: "with respect to (drug trafficking) by the Resistance Forces...It is not a couple of people. It is a lot of people."

The DEA has always stated that my reports were unfounded, but they later recanted. DEA Assistant Administrator, David Westrate stated of the Nicaraguan War: "It is true that people on both sides of the equation (in the Nicaraguan War) were drug traffickers, and a couple of them were pretty significant."

In a Sept. 20-26, 1989, series of debriefings and in subsequent debriefing on Feb. 13, 1990, by DEA agents in Los Angeles, Lawrence Victor Harrison, an American-born electronics specialist who had worked in Mexico and had been involved with the leading figures in the Mexican drug cartel, was interviewed. He testified that he had been present when two of the partners of Matta-Ballesteros and Rafael Caro-Quintero, met with American pilots working out of Ilopango air base in El Salvador, providing arms to the Contras. The purpose of the meeting was to work out drug deals.

Several days earlier, on Feb. 09, 1990, Harrison had told DEA interrogators that Nicaraguan Contras were being trained at a ranch in Vera Cruz, owned by Rafael Caro Quintero. It was at Quintero's Guadalajara ranch that DEA Agent Kiki Camarena, and his pilot were interrogated, tortured and buried alive.

January 23, 1991, letter to Mr. William M. Baker, Asst. Director of Criminal Investigative Division, FBI; from Lawrence E. Walsh and Mike Foster,... requesting several FBI files on Walter L. Grasheim. (see attached)

January 30, 1991, letter to DEA Ronald Caffrey, Deputy Asst. Administrator for Operation at DEA from Craig A. Guillen, Associate Counsel of the Office of Independent Counsel; requesting Walter L. Grasheim reports. (see attached)

In 1991, a DEA General File was opened on an Oliver North in Washington D.C. (GFGD-91-9139) "smuggling weapons into the Philippines with known drug traffickers."

In 1991, before I departed the DEA, I met with FBI agent Mike Foster, investigator for The Office Of Independent Counsel on Iran-Contra, where I gave him all detail information of the Contras' involvement in drugs.

October, 1994, The Washington Post reported that former Government Officials, including the DEA, CIA, State Department, US Customs and White House official were quoted as saying that Lt. Col. Oliver North did not advise them of his knowledge that the Contras were involved in drug trafficking.

In 1997, I joined DEA SA Richard Horn in a federal class action suit against the CIA. The suit is against the CIA and other federal agencies for spying on several DEA agents and other unnamed DEA employees and their families. United States District Court for The District of Columbia; Richard Horn vs. Warren Christopher, Civil Action No. 1:96CV02120 (HHG) January 30, 1994.

This is a list of DEA case file and names of individuals that may help support my allegations.

GFTG-86-9145, GFTG-87-9145 El Salvador

GFTG-86-9999, GFTG-87-9999, Air Intelligence

TG-87-0003, Walter L. Grasheim (Salvador case)

TG-86-0001, Leonel Guitan-Guitan

DEA Informants STG-86-0006 and STG-81-0013

US Ambassador Edwin Corr

Janis Elmore (CIA 1986 through 1989). I reported to her when in El Salvador.



Don Richardson ( CIA & Political Officer in El Salvador 1986,87). I reported to him in El Salvador.

Felix Vargas (CIA El Salvador 1986, 87)

Col. James Steel ( Mil-Group Commander El Salvador).

U.S. Lt. Col. Alberto Adame (Under Steel)

Lupita Vega (the only Salvadoran which was cleared for "Top Secret") worked in the Milgroup in El Salvador.

Felix Rodriguez (CIA at Ilopango hanger 4 & 5)

Jack McCavett (CIA Chief of Station in El Salvador).

CIA George Witter in El Salvador. He asked for US visa on drug trafficker Carlos Alberto Amador.

CIA Randy Capister (covert operation in Central America 1985 t090). Involved in several atrocities.

CIA Manuel Brand (retired Cuban-American) Guatemala

State Department (De Luoie) El Salvador.

State Department RSO Bill Rouche El Salvador

State Dept. Official Del Prado (El Salvador)

DEA John Martsh (DEA HQS)

DEA Jack O'Conner (DEA HQS)

DEA HQS Agents AZZAM & Frank Torello (retired) involved in Contra ops in Europe.

Salvadoran General Bustillo (retired in Florida)

US Custom Richard Rivera and Philip Newton

DEA Sandy Gonzales (Costa Rica)

Lincoln Benedicto-Honduras US Embassy-Consul General April 30, 1986. Re: Matta-Ballesteros

Some people have asked, "Why I am doing this? I reply, "That a long time ago I took an oath to protect The Constitution of the United States and its citizens". In reality, it has cost me so much to become a complete human being, that I've lost my family. In 1995, I made a pilgrimage to the Vietnam Wall, where I renounced my Bronze Star in protest of the atrocities my government had committed in Central America. I have now become a veteran of my third, and perhaps most dangerous war --- a war against the criminals within my own Government. Heads have to roll for those who are responsible and still employed by the government. They will be the first targets in an effective drug strategy. If not, we will continue to have groups of individuals who will be beyond any investigation, who will manipulate the press, judges and members of our Congress, and still be known in our government as those who are above the law.

**Celerino Castillo III**



Office of the Attorney General  
Washington, D.C. 20530

February 11, 1982

Honorable William J. Casey  
Director  
Central Intelligence Agency  
Washington, D.C. 20505


Dear Bill:

Thank you for your letter regarding the procedures governing the reporting and use of information concerning federal crimes. I have reviewed the draft of the procedures that accompanied your letter and, in particular, the minor changes made in the draft that I had previously sent to you. These proposed changes are acceptable and, therefore, I have signed the procedures.

I have been advised that a question arose regarding the need to add narcotics violations to the list of reportable non-employee crimes (Section IV). 21 U.S.C. §874(h) provides that "[w]hen requested by the Attorney General, it shall be the duty of any agency or instrumentality of the Federal Government to furnish assistance to him for carrying out his functions under [the Controlled Substances Act] . . . ." Section 1.8(b) of Executive Order 12333 tasks the Central Intelligence Agency to "collect, produce and disseminate intelligence on foreign aspects of narcotics production and trafficking." Moreover, authorization for the dissemination of information concerning narcotics violations to law enforcement agencies, including the Department of Justice, is provided by sections 2.3(c) and (i) and 2.6(b) of the Order. In light of these provisions, and in view of the fine cooperation the Drug Enforcement Administration has received from CIA, no formal requirement regarding the reporting of narcotics violations has been included in these procedures. We look forward to the CIA's continuing cooperation with the Department of Justice in this area.

In view of our agreement regarding the procedures, I have instructed my Counsel for Intelligence Policy to circulate a copy which I have executed to each of the other agencies covered by the procedures in order that they may be signed by the head of each such agency.

Sincerely,



William French Smith  
Attorney General

Exhibit 1: U.S. Attorney General William French Smith replies to a still classified letter from DCI William Casey requesting exemption from reporting drug crimes by CIA assets.

Source:

<https://www.cia.gov/library/reports/general-reports-1/cocaine/contra-story/01.gif>

The Director of Central Intelligence  
REF ID: A66205

OGC 92-02197

2 March 1982

Honorable William French Smith  
Attorney General  
Department of Justice  
Washington, D.C. 20530

Dear Bill:

Thank you for your letter of 11 February regarding the procedures on reporting of crimes to the Department of Justice, which are being adopted under Section 1-7(a) of Executive Order 12333. I have signed the procedures, and am returning the original to you for retention at the Department.

I am pleased that these procedures, which I believe strike the proper balance between enforcement of the law and protection of intelligence sources and methods, will now be forwarded to other agencies covered by them for signing by the heads of those agencies.

With best regards,

Yours,  
  
William J. Casey

Enclosure

**Exhibit 2: DCI William Casey happily agrees with William French Smith and signs the Memorandum of Understanding (MOU) exempting his agency from reporting drug crimes. This agreement covered both the Latin American conflicts and Afghanistan war. It remained in effect until August, 1995 when it was quietly rescinded by Janet Reno after Gary Webb began making inquiries for his series. The 1995 revision of the DOJ-CIA MOU specifically includes narcotics violations among the lists of potential offenses by non-employees that must be reported to DOJ.**

Source:

<https://www.cia.gov/library/reports/general-reports-1/cocaine/contra-story/13.gif>



U.S. Department of Justice  
Office of Intelligence Policy and Review

Washington, D.C. 20530  
February 8, 1985

MEMORANDUM FOR MARK M. RICHARD  
Deputy Assistant Attorney General  
Criminal Division

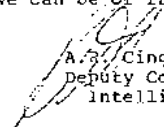
SUBJECT: CIA REPORTING OF DRUG OFFENSES

Pursuant to our discussion yesterday, attached are copies of the procedures governing CIA's reporting of crimes and the transmittal letters between the AG and DCI. As you can see, alleged violations of Title 21 by non-employees are not required by the procedures to be reported. In lieu of formal reporting, however, the Attorney General's letter notes "the fine cooperation the Drug Enforcement Administration has received from CIA" and the Department's expectation of "continuing cooperation ... in this area." Accordingly, it would appear that if CIA and DEA can work out a mutually satisfactory arrangement regarding the kinds of offenses at issue, there would be no need to modify the procedures, at least so far as non-employees are concerned.

With regard to CIA employees, however, the procedures require reporting of alleged violations of "any federal criminal statute," unless such allegations are found upon preliminary inquiry to be "without basis." Thus, it would appear that credible allegations of even minor drug offenses by employees must be reported.

As you noted yesterday, however, the procedures provide for periodic (at least quarterly) oral reporting of allegations that "are in the opinion of the General Counsel of such a minor nature that no further investigation or prosecution of the matter is necessary." In such instances, if the Assistant Attorney General or his designated Deputy concur in the General Counsel's opinion, "no further reporting" is required under the procedures.

Please let me know if we can be of further assistance.

  
A. R. Cinquegrana  
Deputy Counsel for  
Intelligence Policy

Attachment

**Exhibit 3: On February 8, 1985, Deputy Chief of DoJ's Office of Intelligence Policy and Review (OIPR) from 1979 to 1991, A. R. Cinquegrana signed off on this letter approving the MOU. Mark M. Richard, Deputy Assistant Attorney General with responsibility for General Litigation and International Law Enforcement in 1982, states that he was unable to explain why narcotics violations were not on the list of reportable crimes except that the MOU had "other deficiencies, not just drugs."**

Source:

<https://www.cia.gov/library/reports/general-reports-1/cocaine/contra-story/14.gif>

## Exhibit 4:

**DEA agents Hector Berrellez and Mike Holm step forward to give interviews to Esquire Magazine in 1998. Berrellez worked on the Enrique Camarena murder case as a Supervisory Agent and was present for the Los Angeles raids on the Blandon Organization mentioned in Gary Webb's "Dark Alliance" series. He ordered a criminal investigation of the CIA years before the Dark Alliance series as his drug investigations were being interfered with. Credited with solving the Camarena murder case, he is one of the highest decorated agents in the history of the DEA, recognized by Attorney general Edwin Meese for heroism. Known as the "Elliot Ness of DEA", he retired after being transferred to Washington DC and being assigned a blank schedule for one year.**

<http://www.imdb.com/name/nm3171195/bio>

Two weeks after Gary Webb's "Dark Alliance" series appeared in the San Jose Mercury News in August 1996, contributing editor Charles Bowden found himself in a bar, having a few drinks with some narcs (his idea of a good night). "For some reason, Webb's piece came up, and I asked the guys, 'So, what do you think? Is what Webb wrote about the CIA true?'" recalls Bowden, the author of fifteen books, including Blood Orchid and Juarez: The Laboratory of Our Future. "And they all turned to me and said, **"Of course it is."** That's when I knew that somebody would have to do this story, and I figured it might as well be me." **"The Pariah,"** Bowden's story on Webb -- a man he describes as "real smart, real straight, lives on a cul-de-sac, family man, all that crap" -- begins on page 150.

Editor's letter [excerpt]:

....The world Charles Bowden leads us into in his story, "The Pariah" (page 150), is, on the other hand, a place few would willingly visit. Reporter Gary Webb chose to enter the alternate universe where the CIA sponsors armies and sometimes finds itself allied with drug dealers who sell their wares in the United States. Webb wrote a newspaper series that documented how the Nicaraguan contras of the 1980s were in part financed by just such an arrangement - and he was then professionally destroyed for it. Bowden, in the course of reporting this story over the last six months, found considerable evidence that parallels and supports Webb's articles -- including revelations from one of the DEA's most decorated agents, who speaks for the first time about the CIA's complicity in the drug trade. It was not, however, the agency's ties to drug traffickers that Bowden found most disturbing. It was that a man can lose his livelihood, his calling, his reputation, for telling the truth....

--David Granger

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### THE PARIAH

Two years ago, Gary Webb wrote a series of articles that said some bad things about the CIA and drug traffickers. The CIA denied the charges, and every major newspaper in the country took the agency's word for it. Gary Webb was ruined. Which is a shame, because he was right.

**By Charles Bowden**

HE TELLS ME I'VE GOT TO UNDERSTAND ABOUT WHEN THE BIG DOG GETS OFF THE PORCH, and I'm getting confused here. He is talking to me from a fishing camp up near the Canadian border, and as he tries to tell me about the Big Dog, I can only imagine a wall of green and deep blue lakes with northern pike. But he is very patient with me. **Mike Holm** did his hard stints in the Middle East, the Miami station, and Los Angeles, all for the United States Drug Enforcement Administration, and he is determined that I face the reality he knows. So he starts again. He repeats, "When the Big Dog gets off the porch, watch out." And by the Big Dog, he means the full might of the United States government. At that moment, he continues, you play by



Big Boy rules, and that means, he explains, that there are no rules but to complete the mission. We've gotten into all this schooling because I asked him about reports that he received when he was stationed in Miami that Southern Air Transport, a CIA-contracted airline, was landing planeloads of cocaine at Homestead Air Force Base nearby. Back in the eighties, Holm's informants kept telling him about these flights, and then he was told by his superiors to "stand down because of national security." And so he did. He is an honorable man who believes in his government, and he didn't ask why the flights were taking place; he simply obeyed. Because he has seen the Big Dog get off the porch, and he has tasted Big Boy rules. Besides, he tells me, these things are done right, and if you look into the matter, you'll find contract employees or guys associated with the CIA, but you won't find a CIA case officer on a loading dock tossing kilos of coke around. Any more than Mike Holm ever saw a plane loaded top to bottom with kilos of coke. He didn't have to. He believed his informants. And he believed in the skill and power of the CIA. And he believed in the sheer might and will of the Big Dog when he finally decides to get off the porch.

As his words hang in the air, I remember a convict who says he once worked with the United States government and who also tasted Big Boy rules. This man has not gone fishing. This convict insisted that I hold the map up to the thick prison glass as he jabbed his finger into the mountains. There, he said, that's the place, and his eyes gleamed as his words accelerated. There, in the mountains, they have a colony of two thousand Colombians out of Medellin, guarded by the Mexican army. I craned my neck to see where his finger was rubbing against the map, and made an x with my pen. That's when the guard burst into the convict's small cubicle and ordered him to sit down.

The convict is a man of little credibility in the greater world. He is a Mexican national, highly intelligent and exact in his speech. He is a man electric with the memory of his days working as a DEA informant in Mexico, huddling in his little apartment with his clandestine radio. He said I must check his DEA file; he gave the names of his case officers; he noted that he delivered to them the exact locations of thirteen airfields operated jointly by the drug cartels and the CIA. The man's eyes bugged out as his excitement shredded the tedium of doing time and he returned to his former life of secret transmissions, cutouts, drinks with pilots ferrying dope, bullshitting his way through army checkpoints.

He said, "I'll be out in six months or one year, depending on the hearing. We can go. I'll take you up there." I have always steered clear of the secret world, because it is very hard to penetrate, and because if you discover anything about it, you are not believed. And because I remember what happened to one reporter who wrote about that world, about the Big Dog getting off the porch, about the Big Boy rules. So I thought about the convict's information and did nothing with it.

But this reporter who went ahead and wrote while I stopped, I kept thinking about him. When I mention him, and what happened to him, to Mike Holm, he says, "Ah, he must have drawn blood." Holm is very impressed with the CIA, and he wants me to slow down, think, and understand something: "The CIA's mission is to break laws and be ruthless. And they are dangerous."

I had been thinking about looking into the claim that during the civil war in Nicaragua in the eighties, the CIA helped move dope to the United States to buy guns for the contras, who were mounting an insurrection against the leftist Sandinistas. So I called up **Hector Berrellez**, a guy who worked under Mike Holm in Los Angeles, a guy known within the DEA as its Eliot Ness, and he said, "Look, the CIA is the best in the world. You're not going to beat them; you're never going to get a smoking gun. The best you're going to get is a little story from me."

What Berrellez meant by a smoking gun is this: proof that the United States government has, through the Central Intelligence Agency and its ties to criminals, facilitated the international traffic in narcotics. That's the trail the reporter was on when his career in newspapers went to rack and ruin. So I decided to look him up.

### **His name is Gary Webb.**

GARY WEBB LOVES THE STACKS OF THE STATE LIBRARY ACROSS from the capitol in Sacramento, the old classical building framed with aromatic camphor trees. He enters the lobby and becomes part of a circling mural called War Through the Ages, an after-flash of World War I painted by Frank Van Sloun in 1929. The panels start with the ax and club, then wade through gore to doughboys marching off to the War to End All Wars. THIS HOUSE OF PEACE, the inscription on the west wall admonishes, SHALL STAND WHILE MEN FEAR NOT TO DIE IN ITS DEFENSE.

He was here in the summer of 1995 because of a call from a woman named Coral Marie Talavera Baca. She told him her drug-dealer boyfriend was in jail and one of the witnesses against him was "a guy who used to work with the CIA selling drugs. Tons of it." Webb was brought up short: In eighteen years of reporting, every person who'd ever called him about the CIA had turned out to be a flake. Webb started to back away on the phone, and the woman sensed it and exploded: "How dare you treat me like an idiot!" She said she had lots of documents and invited him to a court date that month. And so he went.

Coral's boyfriend turned out to be a big-time trafficker. She brought Webb a pile of DEA and FBI reports about, and federal grand-jury testimony by, a guy named Oscar Danilo Bandon. Webb was intrigued by government files that told of Nicaraguans selling dope in California and giving dope money to the contras. During a break in the hearing, he headed for the restroom and ran into the U.S. attorney, David Hall. Webb told him he was a reporter for the San Jose Mercury News, and Hall asked why he was at a piddling hearing. "Actually, I've been reading," Webb answered, "and I was curious to know what you made of Bandon's testimony about selling drugs for the contras in L.A. Did you believe him?" "Well, yeah," Hall answered, "but I don't know how you could absolutely confirm it. I mean, I don't know what to tell you. The CIA won't tell me anything."

Webb followed a trail of crumbs: some San Francisco newspaper clips, some court records in San Diego, where this strange figure, Bandon, had been indicted for selling coke in 1992 and, according to the documents, had been at it for years and sold tons. He and his wife had been held without bail because the federal prosecutor, L.J. O'Neale, said his minimum mandatory punishment would be life plus a \$4 million fine. Bandon's defense attorney had argued that his client was being smeared because he'd been active in helping the contras in the early eighties. The file told Webb that Bandon wound up doing about two years, and that he was now out. The file recorded that at O'Neale's request, the government had twice quietly cut Bandon's sentence and that he was now working as a paid undercover informant for the DEA.

After about six weeks of this kind of foraging, Webb went to the state library. For six days in September, he sat at a microfiche with rolls of dimes and read an eleven-hundred-page report from 1989 compiled by a subcommittee of the Senate Foreign Relations Committee, a subcommittee chaired by Senator John Kerry of Massachusetts that dealt with the contras and cocaine.

Buried in the federal document was evidence of direct links between drug dealers and the contras; evidence, dated four years before the American invasion of Panama, that Manuel Noriega was in the dope business; drug dealers saying under oath that they gave money to the contras (and passing polygraphs); pilots talking of flying guns down and dope back and landing with their cargoes at Homestead Air Force Base in Florida.

Suddenly, Coral's phone call didn't seem so crazy. Webb called up **Jack Blum**, the Washington, D.C., lawyer who led the Kerry inquiry and said, "Maybe I'm crazy, but this seems like a huge story to me." "Well, it's nice to hear someone finally say that, even if it is ten years later," Blum allowed, and then he proceeded to tell Webb almost exactly what he told me recently when I made a similar innocent phone call to him. "What happened was, our credibility was questioned, and we were personally trashed. The [Reagan] administration and some people in Congress tried to make us look like crazies, and to some degree it worked. I remember having conversations with reporters in which they would say, 'Well, the administration says this is all wrong.' And I'd say, 'Look, why don't you

cover the fucking hearing instead of coming to me with what the administration says?' And they'd say, 'Well, the witness is a drug dealer. Why should I do that?' And I used to say this regularly: 'Look, the minute I find a Lutheran minister or a priest who was on the scene when they delivered six hundred kilos of cocaine at some air base in contra land, I'll put him on the stand, but until then, you take what you can get.' The big papers stayed as far away from this issue as they could. It was like they didn't want to know."

Webb was entering contra land, and when you enter that country, you run into the CIA, since the contras were functionally a CIA army. (The agency hired them, picked their leaders, plotted their strategy, and sometimes, because of contra incompetence, executed raids for them.) This is hardly odd, since the agency was created in 1947 for precisely such toils and has over the decades sponsored armies around the world, whether to land at the Bay of Pigs or kick the Soviets out of Afghanistan. After a year of research, in August 1996, Webb published a three-day, fifteen-thousand-word series in the Mercury News called "Dark Alliance." It is a story almost impossible to recapitulate in detail but simple in outline: Drug dealers working with the contras brought tons of cocaine into California in the 1980s and sold a lot of it to one dealer, a legend called Freeway Ricky Ross, who had connections with the L.A. street gangs and through this happenstance helped launch the national love of crack. That's it, a thesis that mixes the realpolitik of the-ends-justify-the-means with dollops of shit-happens.

The series set off a firestorm in black communities, where many suspected they had been deliberately targeted with the dope as an act of genocide (there is no evidence of that), and provoked repudiations of the story by The Washington Post, The New York Times, and the Los Angeles Times. The knockdowns of Webb's story questioned the importance of Nicaraguan dealers like Blandon, the significance of Ricky Ross, how much money, if any, reached the contras, and how crucial any of this was to the crack explosion in the eighties, and brushed aside any evidence of CIA involvement. But while raising questions about Webb's work, none of these papers or any other paper in the country undertook a serious investigation of Webb's evidence. A Los Angeles Times staff member who was present at a meeting called to plan the Times's response has told me that one motive for the paper's harsh appraisal was simply pride: The Times wasn't going to let an out-of-town paper win a Pulitzer in its backyard.

Later, when it was all over, Webb spelled out exactly what he meant and exactly what he thought of the CIA's skills: The series "focused on the relationship between the contras and the crack king. It mentioned the CIA's role in passing, noting that some of the money had gone to a CIA-run army and that there were federal law-enforcement reports suggesting that the CIA knew about it. I never believed, and never wrote, that there was a grand CIA conspiracy behind the crack plague. Indeed, the more I learned about the agency, the more certain of that I became. The CIA couldn't even mine a harbor without getting its trench coat stuck in its fly."

After a while, the San Jose Mercury News series disappeared except on a few byways of the Internet, Gary Webb was ruined, and things went back to normal. Things like Oliver North's diary entry linking dope and guns for the contras, like Carlos Lehder, a big Colombian drug dealer, testifying as a prosecution witness in federal court during the Noriega trial about the Medellin cartel's \$10 million donation to the contras, like the entire history of unseemly connections between the international drug world and the CIA -- all this went away, as it has time and time again in the past. A kind of orthodoxy settled over the American press that assumed that Webb's work had been thoroughly refuted. He became the Discredited Gary Webb.

And so in June 1997, Webb wound up going to a motel room he hated. The Mercury News's editors were supposed to fix him up with an apartment, but they never figured he'd show up for his dead-end transfer from investigative reporter to pretty much a nothing. So they made no arrangements, just shunted him to the paper's Cupertino bureau on the south end of Silicon Valley, his family 150 miles away in Sacramento. After a few days of the motel, he found himself in a tiny apartment. He was in his early forties, and his life and his life's work were over. He endlessly watched a tape of Caddyshack and tried to forget about missing his wife, Sue, his three kids, his dog, his work. He was an ordinary guy, by his lights, with the suburban home, an aquarium in the study, two games a week in an amateur hockey league. Now, during the day, he visited the bureau, and the guys there treated him okay, because they were all in the same boat, people who had pissed off their newspaper and been shipped to its internal Siberia, where they were paid to retool the press releases of the computer and software companies. Webb was fighting the paper through arbitration with the Newspaper Guild, and so while his case dragged on, he refused to let his byline run. But he did his assignments. After all, they were paying him a solid mid-five-figure wage; he was their star investigative reporter, the guy they had brought in from The Cleveland Plain Dealer in 1987 to do, in their words, "kick-ass journalism." Within two years, he'd helped them bring home a Pulitzer with a team of Mercury News reporters who jumped on the San Francisco earthquake. Then he blew the lid off civil forfeiture in California -- law enforcement's practice of seizing property from alleged crooks and then forgetting to ever convict, try, or even charge them. That series got the law changed. He was hot. He was good. He kicked ass.



Now Caddyshack flickered against his eyes hour after hour. His thirteen-year-old son asked, "Why don't you get another job?" And Gary Webb told him, "That's what they think I'll do. But they're wrong. I'm gonna fight." But fight how? He was one fucking disgrace. Oliver North described his work as "absolute garbage." Webb was stretched thin. The week the series ran, he and his wife closed on a new house and moved in. Payments. So each morning, he went to the Cupertino bureau, and there were assignments from the city desk. Seems a police horse died, and he was supposed to nail down this equine death. So he did. He investigated the hell out of it and wrote it up, and, by God, the thing was good. Went on page one, of course, without his name on it. The horse died from a medical problem, constipation. The horse was full of shit.

**HECTOR BERRELLEZ STUMBLED ONTO GARY WEBB'S STORY YEARS** before Gary Webb knew a thing about it. His journey into that world happened this way: Hector was not fond of cops. He remembered them slapping him around when he was a kid. He was a barrio boy from South Tucson, a square mile of poverty embedded in the booming Sun Belt city. His father was a Mexican immigrant. After being drafted into the Army in the late sixties, Berrellez couldn't find a job in the copper mines, so he hooked up as a temporary with the small South Tucson police force to finance his way through college. And it was then that Hector Berrellez accidentally discovered his jones: He loved working the streets with a badge. The state police force hired him, and Hector, still green, managed to do a one-kilo heroin deal in the early seventies, a major score for the time. The DEA snapped him up, and suddenly the kid who had wanted to flee the barrio and become a lawyer was a federal narc. He loved the life. In the DEA, there are the administrators, who usually have little street experience, the suits. And then there are the street guys like Hector, and they call themselves something else. Gunslingers. His hobbies were jogging, weight lifting, guitar playing. And firearms. A Glock? Never. "Only girls carry Glocks," he snaps. "They're a sissy gun. Plastic. You can't hit anyone over the head with a Glock."

In September 1986, Sergeant Tom Gordon of the Los Angeles sheriff's narcotics strike force pieced together intelligence about a big-time drug ring in town run by Danilo Blandon. A month later, on October 23, Gordon went before a judge with a twenty-page detailed statement documenting that "monies gained from the sales of cocaine are transported to Florida and laundered....The monies are filtered to the contra rebels to buy arms in the war in Nicaragua." He got a search warrant for the organization's stash houses. On Friday, October 24, there was a briefing of more than a hundred law-enforcement guys from the sheriff's office, the DEA, the FBI. That was the same day that President Ronald Reagan, after months of hassle, signed a \$100 million aid bill that reactivated a licit cash flow to the beleaguered contras. And on Monday, October 27, at daybreak, the strike force simultaneously hit fourteen L.A.-area stash houses connected with Blandon.

That's where just another day in the life of Hector Berrellez got weird. Generally, at that early hour, good dopers are out cold; the work tends toward long nights and sleeping. As Berrellez remembers, "We were expecting to come up with a lot of coke." Instead, they got coffee and sometimes doughnuts. The house he hit had the lights on, and everyone, two men and a woman, was up. The guy who answered the door said, "Good morning; we've been expecting you. Come on in." The house was tidy, the beds were already made, and the damn coffee was on. The three residents were polite, even congenial. "It was obvious," says Berrellez, "that they were told." The place was clean; all fourteen houses were clean. The only thing Berrellez and the other guys found in the house was a professional scale.

But there was a safe, and Berrellez got one of the residents to open it reluctantly. Inside, he found records of kilos matched with amounts of money, an obvious dope ledger, a photograph of a guy in flight dress in front of what looked to be a military jet, and photographs of some guys in combat. Hector asked the guy who the hell the people in the photographs were, and the guy said, "Oh, they are freedom fighters." What the hell is this? Berrellez wondered. He left and went to a couple of the other houses that had been hit, and Jesus, they were clean, the coffee was on, sometimes there were doughnuts for the cops, and the same kind of documents showed up. But no dope, not a damn thing.

For a holy warrior, October 27, 1986, was a bad day. At the debriefing after the raid, Berrellez remembers one of the cops saying that the houses had been tipped to the raid by "elements of the CIA." And he thought, What? "I was shocked," he says now. "I was in a state of belief." He was supposed to believe that his own government was helping dopers? No way. "I didn't want to believe," he says. And so he didn't. He was that rock-solid first-generation citizen, and he believed in America. He remembers having this ongoing argument with his dad about whether there was corruption in the U.S. like the old man had tasted in Mexico. His father would ask, Do you really think things are so clean here? And Hector would have none of it; damn right they're clean here. And he was clean, and he was in a good outfit (a position he is still passionate about -- his absolute love for the troops he served with in the DEA), and he was in a holy war against a tide of poison.

In 1987, he was transferred to Mazatlan in Sinaloa, Mexico, to run the DEA station. Sinaloa was the drug center for Mexico; in the history of the Mexican drug cartels, all but one leader has been Sinaloan born and bred. He took the wife, got a beach house in the coastal city, and ran with the job. Two months into the assignment, narcotrafficantes chased his wife and two-year-old daughter from the beach back to the house, and they had to be evacuated to the States.

In October 1988, Hector and some Mexican federal police hit a small hamlet that housed a ton of coke and twenty tons of marijuana. The firefight lasted three hours, with thousands of rounds exchanged. When three federales were mowed down on the field of fire, Hector managed to pull them to safety with another agent. He commandeered a cab to take the wounded to a hospital, then returned to the shoot-out. For this combat, Hector and two other agents at the scene were brought to the White House and given a medal by Attorney General Edwin Meese. He was on a roll that would eventually earn him twelve consecutive superior-performance awards.



**Hector Berrellez, twenty-four years in the DEA, known as the agency's Eliot Ness. As he read about Gary Webb, he thought, This shit is true.**

In Mexico, Hector was running two hundred to three hundred informants, and he was bringing in a torrent of information on the drug world and its links to the Mexican government. But something else happened down there in Sinaloa that stuck in his mind. **His army of informants was constantly reporting strange fortified bases scattered around Mexico, but they were not Mexican military bases, and, his informants told him, the planes were shipping drugs. Camps in Durango, Sinaloa, Baja, Veracruz, all over Mexico. Hector wrote up these camps and the information he was getting on big drug shipments. And each month, he would go to Mexico City to meet with his DEA superiors and American-embassy staff, and he started mentioning these reports. He was told, Stay away from those bases; they're our training camps, special operations. He thought, What the hell is this? I'm here to enforce the drug laws, and I'm being told to do nothing.**

THE EMPTY ROOM SAGS WITH FATIGUE AS THE SPORTS TELEVISIONS quietly float in the corner. California's ban on smoking has emptied the watering holes. The hotel squats by a four-lane highway amid bland suburbs that blanket Sacramento's eastern flank against the Sierra Nevada. Everything is normal here; this is the visual bedrock of Ronald Reagan's America.

Gary Webb orders Maker's Mark on the rocks. He is a man of average height, with brown hair, a trim mustache, an easy smile, and laconic, laid-back speech, the basic language of Middle America. He moves easily, a kind of amble through life. His father was a marine, and his childhood meant moving a lot before finally coming to ground in Indiana, Kentucky, and Ohio. He's married to his high school sweetheart; they have three kids and live on a tree-lined cul-de-sac with a pool in back, a television in the family room, his Toyota with 150,000 miles in the drive, Sue's minivan, and on the cement the chalk outline of a hopscotch game. He looks white-collar, maybe sells insurance.

All he has ever wanted to be is a reporter. He started out as a kid, writing up sports results for a weekly at a nickel an inch. The Gary Webb who suddenly loomed up nationally with this bad talk about the CIA and drugs was a long time coming, and he came from the dull center of the country, and he came from an essay entitled, "What America Means to Me," for which he was runner-up in the fifth-grade essay contest, and he came from the smell of ink, the crackle of a little weekly where he nailed cold the week's tumult in the Little League.

Webb is not a drinker, probably because his marine father was, but now in the empty hotel bar, he is drinking. He is not used to talking about himself, because he is a reporter, and a reporter is not the story, but now he is talking about himself. When Gary Webb talks, he sometimes leans back, but often as not, he leans forward, and when he is really into what he is saying, he grabs his left wrist with his right hand as if he were taking his own pulse, and then his voice gets even flatter, and the words are very evenly spaced, and he never goes too fast, hardly any hint of rat-a-tat-tat -- he is always measured and unexcited. But when he grabs that wrist, you can tell now that the words really matter. Because he believes. In facts. In publishing facts. In the fact that publishing facts makes a difference in how people look at things. Believes, without reason or question, believes absolutely. As for coincidence, it doesn't fit in with his mission. He also has no tolerance for conspiracy theories. By God, if he finds a conspiracy, it is not a theory, it is a fucking conspiracy, because it is grounded in facts.

When he was twenty-three, he was kind of drifting, living in the basement of Sue's house with her parents. He was writing rock 'n' roll stuff for a weekly, still grinding away at college and about three units shy of a degree. His father walked out on the marriage, leaving his mother, a housewife, and his younger brother without a check. So Webb quit college to support them. A teacher in his journalism department told him that the strange guy who ran the Post in Lexington, Kentucky, set aside one day a week for walk-ins. Webb walked in and said, "I need a job."

The editor said, "Go do two pieces and bring them back in a week."

One was on the barmaids and strippers of Newport, Kentucky, the sin town across the river from Cincinnati. The editor tossed it aside and said, "Thrice-told tale." The other was on a guy who carved gravestones; that one the editor kind of liked. He said, "Bring me two more." Webb was shaken, went home and sat in the backyard, and then he thought, Fuck, I can do this. This goes on for weeks. A kid calls the paper about the dog he's found run over in the street. He's taken it to the Humane Society; they want to put it to sleep, and the kid is very upset. Webb is sent out to see if he can do anything fit for a newspaper. He talks to the vet, who says it is hopeless, that the dog will never walk again, whether he operates or not. When Webb reports back to the editor, he says, "Get that guy on the phone," and after a few blunt words from the editor, by God, the vet is going to operate. And it works. The damn dog is leaping in the air. Finally, the dog goes home to the kid who found him, a kid in a wheelchair who seemed to identify with an injured mutt and was horrified at the idea that a cripple should be done away with. Story and photograph on the front page. Webb is hired. Years later, the old editor would tell him, "If that dog hadn't walked, you'd have never been hired."

There is a guy in the newsroom who is kind of burned out, a city editor. He watches the new hire for a few weeks. He tells him he will teach him the ropes, how to ferret out facts, how to find out damn near anything, how to be an investigative reporter. On one condition. He says Webb has to swear never to become a fucking editor. Webb agrees. His first series was seventeen parts on organized crime in the coal industry. Then he moved up to a good job on The Cleveland Plain Dealer and was in heaven: Ohio

was the mother lode of corruption in government. He got an offer from the Mercury News in 1987. After a brief bidding war, he moved the family west, great place to raise kids, and besides, during his father's wanderings as a marine, Webb happened to be born in California. Everything was fine. He was in the Sacramento bureau and so hardly ever in the newsroom, much less around editors. In a big story for the paper, he took on one of the area's major employers. After the first day of the story, the company bought a full-page ad refuting it. After the next installment, the company bought a two-page ad. Webb looked around and noticed that nothing happened to him. The paper backed him up.

GARY WEBB'S "DARK ALLIANCE" BROKE AN OLD STORY. THE HISTORY of the CIA's relationship with international drug dealers has been documented and published, yet it is almost completely unknown to most citizens and reporters. Webb himself had only a dim notion of this record. And so he reacted with horror when the implications of his research first began to become clear to him: that while much of the federal government fought narcotics as a plague, the CIA, in pursuing its foreign-policy goals, sometimes facilitated the work of drug traffickers. "Dark Alliance" is surrounded by a public record that bristles with similar instances of CIA connections with drug people:

**-- Alan Fiers, who headed the CIA Central American Task Force, testified during the Iran-contra hearings in August 1987, "With respect to [drug trafficking by] the resistance forces...it is not a couple of people. It is a lot of people."**

-- In 1983, fifty people, many of them Nicaraguans, were caught unloading a big coke shipment in San Francisco. A couple of them claimed involvement with the CIA, and after a meeting between CIA officials and the U.S. attorney handling the case, \$36,000 found in a bedside table **was returned** because it "belonged to the contras." This spring, when the CIA published its censored report on involvement of the agency with drug traffickers in the contra war (a report that exists solely because a firestorm erupted in Congress after Webb's series), this incident was explained thusly: "Based upon the information available to them at the time, CIA personnel reached the erroneous conclusion that one of the two individuals...was a former CIA asset." Logically, an admission that CIA "assets" can sometimes be drug dealers.

-- In 1986, Wanda Palacio parted company with the Medellin cartel and started talking to Senator John Kerry's subcommittee, which was looking into the byways of the contra war and dope. Palacio said she'd witnessed two flights of coke out of Barranquilla, Colombia, on planes belonging to the CIA-contracted Southern Air Transport. She also had the dates and had seen the pilot. She also said Jorge Ochoa, another drug boss, said the flights were part of a "drugs for guns" deal. On September 26, 1986, Kerry took her eleven-page statement to William Weld, who was then the assistant attorney general in charge of the criminal division of the Justice Department. Weld allowed that he was not surprised to find claims of "bum agents, former and current CIA agents" dabbling in dope deals with the Colombian cartels. On October 3, Weld's office rejected Palacio's statement and offer to be a witness because of what it saw as contradictions in her testimony. On October 5, 1986, the Sandinistas shot a CIA plane out of the sky and captured one of Oliver North's patriots, one Eugene Hasenfus. Palacio was sitting in Kerry's office when a photograph of Hasenfus's dead pilot flashed across the television screen. She whooped that the pilot was the same guy she'd seen in Colombia loading coke on the Southern Air Transport flight in early October 1985. An Associated Press reporter, Robert Parry, investigated the crash and obtained the pilot's logs, which showed that on October 2, 4, and 6, 1985, the pilot had taken a Southern Air Transport plane to Barranquilla, Colombia. Palacio took a polygraph on the matter and passed.

-- Through much of the contra war, SETCO Air, an airline run by Juan Ramon Matta Ballesteros out of Honduras, was the principal airline used to transport supplies and personnel for the contras. Hector Berrellez later sent Ballesteros to Marion Federal Prison in Illinois to serve a couple of life sentences for dope peddling.

ABOUT THE SAME TIME GARY WEBB WAS MAKING HIS BONES AT The Cleveland Plain Dealer and winning part of a Pulitzer at the Mercury News, Hector Berrellez was becoming a legend. After two years of living at ground zero in Sinaloa, he was brought home to Los Angeles in 1989 to take over the most

significant investigation in DEA history, that of the murder of DEA agent Enrique "Kiki" Camarena. Camarena had been bagged in broad daylight from in front of the American consulate in Guadalajara in February 1986. His tortured body was found a month later. The investigation had stalled, so the DEA tossed it in Hector's lap. He ran with the new power, the raft of agents under his command, the huge budget for buying informants in Mexico. The case was a core matter for the DEA: The murder of Camarena was the event that gave the ragtag agency its martyr. The investigation was called Operation Leyenda, "Operation Legend."

During Operation Leyenda, a major drug guy in Sinaloa called Cochi Loco, "the Crazy Pig," put a contract on Hector's head. In the drug world, there are so many possible reasons for murder that a simple one is seldom clear. Whatever the immediate cause, in the early nineties a hit team was sent north to kill Hector.

One day in 1991, in the underground garage of the building in Los Angeles where the DEA and a bunch of federal agencies rent office space, someone walked up to a guy sitting in a car and clipped him in the head with a .22. The man died instantly and fell forward into the steering wheel, and the sound of a car horn wailed through the garage. Hector remembers that they found him with the motor running, and neatly placed on the floorboard of the car was the gun, in a Mexican-tooled holster, and the two latex surgical gloves that had been worn by the hit man. Someone wanted a clear message delivered.

The dead man was a guy from the General Services Administration who happened to work in the same building as the DEA. He had been in some kind of a hurry and had pulled into a DEA parking space. The guy was a ringer for Hector's partner. Three days after the hit, Hector picked up the phone in his office and heard the voice of Chichon Rico Urrea, a significant drug figure who was doing a stint in a prison in Guadalajara. Chichon told Hector, "You see what happened to your guy in the garage? That's going to happen to more of your guys."

Hector told the guy to go fuck himself, said he could kill all the fucking GSA guys he wanted. But Hector was questioning his faith. The faith was the war on drugs. The faith was that he was a righteous soldier in this war. The faith was that he was risking his life for the forces of light against the forces of darkness. And he was Eliot Ness, goddammit; he was the most decorated guy anyone could remember in the DEA, the man running its key investigation, the guy who had killed people, the guy bloodied in the world of Mexican corruption. All of that Hector could handle -- none of that could ever touch the faith. But other things could. Things he saw and learned in Mexico. And things he saw in the United States. **He began to doubt that there was a real commitment to win this war on drugs. He saw his government winking at too many narcotics connections. He took Kiki Camarena's murder personally, because as agents they were mirror images -- gung-ho, committed drugbusters. And impediments to his investigation pissed Hector off. So in 1992, four years before Gary Webb sprang "Dark Alliance" on the world, Hector Berrellez sat down in his federal office in Los Angeles and picked up the phone and recommended action to the DEA. Things had come to his attention, and he thought, Somebody's gotta investigate this crap. In fact, he hoped to be that investigator.**

Hector Berrellez wanted a criminal investigation of the Central Intelligence Agency. His \$3 million snitch budget had brought in an unseemly harvest, report after report from informants that in the eighties CIA-leased aircraft were flying cocaine into places like the air-force base in Homestead, Florida, and the airfield north of Tucson long believed to be a CIA base. And that these planes were flying guns south. One of his witnesses in the Camarena case told him about flying in a U.S. military plane loaded with drugs from Guadalajara to Homestead. Other informants told him that major drug figures, including Rafael Caro Quintero, the man finally imprisoned for the Camarena murder, were getting guns delivered through CIA connections. Everywhere he turned, he ran into dope guys who had CIA connections, and to a narc this didn't look right. "I can't believe," he told his superiors, "that the CIA is handling all this shit and doesn't know what these pilots are doing." His superiors asked if he had hard evidence of actual CIA case officers moving dope, and he said no, just lots of people they employed. All intelligence services use the fabled "cutouts" to separate themselves from their grubby work.

The DEA in Washington asked for a memo, so Hector fired off a summary of his telephone request. Agents were assigned, and Hector shipped every snippet of new information to this team. **Nothing came of the investigation.** The DEA team came out and debriefed him and some of his agents. And then, silence.

**Hector's Camarena work had burrowed deep, very deep, inside the Mexican government and found endless rot. With the vote on NAFTA in the air in the fall of 1993, his investigation started to get pressure, then his**

**budget was cut. By 1994, after Justice Department officials had been in Mexico City, he was told, "Don't report that crap anymore." It was clear to Hector that the Mexican government wanted this Camarena investigation reined in. In early 1995, he learned of his future in a curious way. One of Hector's informants in Mexico City called another one of his informants in Los Angeles and said, Hector's getting transferred to Washington. The guy in Los Angeles said, No, no Hector's still here. Two months later, in April 1995, Berrellez was transferred to Washington, D.C. Over the years, Hector had become used to a certain amount of duplicity in the DEA. Some of his fellow agents, he had come to believe, were actually members of the CIA. The DEA had been penetrated.**

**At headquarters, Hector sat in an office with nothing to do. "There ain't no fucking drug war," he says now. "I was even called un-American. Nobody cares about this shit." He started going a little crazy. Each day, he checked into a blank schedule. So he caught a lot of double features.**

**In September 1996, he retired. He had had enough. The most decorated soldier in the war on drugs kind of faded out at the movies.**

IN THE NEWS BUSINESS, IF YOU HANG AROUND LONG enough, you get a chance to find out who you are. Gary Webb was determined not to find out he was something ugly.

"I became convinced," he remembers, "that we're going to look back on the whole war on drugs fifty years from now like we look back on the McCarthy era and say, How did we ever let this stuff get so out of hand? How come nobody ever stood up and said, This is bullshit? I thought I had an obligation because I had the power at that point to tell people, Don't believe what you're being told about this war on drugs, because it is a lie. Very few people were in the position I was in, where I was able to write shit and get it in the newspapers. It was a very rare privilege. The editors at the Mercury gave me a lot of freedom because I produced. Then I got into this thing."

In December 1995, Webb wrote out his project memo, and suddenly, "I realized what we were saying here. I'm sitting at home, and this e-mail comes from a friend at the Los Angeles Times. And I had told him vaguely about this interesting story I was working on. I told him that he had no idea what his fucking government is capable of. "And I was depressed because this was so horrible. It was like some guy told me that he had gone through the looking glass and was in this nether world that 99 percent of the American public would never believe existed. That's where I felt I was. When I sat down and wrote the project memo and said, Here's what we're going to say, and we're going to be accusing the government of bringing drugs into the country, essentially, and we've spent billions of dollars and locked up Americans for selling shit that the government helps to come into the country -- is just...If you believe in democracy and you believe in justice, it's fucking awful."

For six weeks after his series came out, Webb waited in a kind of honeymoon. His e-mail was exploding, he recalls, "from ordinary people who said, 'This has restored my faith in newspapers.' It was from college students, housewives that heard me on the radio; it was really remarkable to think that journalism could have this kind of effect on people, that people were out marching in the streets because of something that had been hidden from us all these years. The thing that surprised me was that there was no response from the press, from the government. It was total silence."

Finally, in early October, The Washington Post ran a story by Robert Suro and Walter Pincus headlined, THE CIA AND CRACK: EVIDENCE IS LACKING OF ALLEGED PLOT. The story focused in part on the fact that Webb had given a defense attorney questions to ask Oscar Danilo Bandon about his CIA connections. It also quoted experts who denied that the crack epidemic originated in Los Angeles, disputed that Freeway Rick Ross and Bandon were significant national players in the cocaine trade of the eighties (pegging Bandon's coke business at five tons over the decade, whereas Webb had evidence that it was more like two to five tons per year). And, the article continued, there was no evidence that the black community had been deliberately targeted (the "plot" referred to in the headline and a claim never made by Webb), that the CIA knew about Bandon's drug deals (also a claim never made by Webb, who in the series merely connected Bandon to CIA agents), or that Bandon had ever kicked in more than \$60,000 to the contra cause (the Post based this number on unnamed law-enforcement officials;

Webb based his estimate of millions of dollars to the contras from dope sales on grand-jury testimony and court documents). Perhaps the best summary of the Post's retort to Webb came from the paper's own ombudsman, Geneva Overholser, some weeks later: "The Post...showed more passion for sniffing out the flaws in San Jose's answer than for sniffing out a better answer themselves. They were stronger on how much less money was contributed to the contras by the Mercury News's villains than their series claimed, how much less cocaine was introduced into L.A., than on how significant it is that any of these assertions are true."

In late October, the Los Angeles Times and The New York Times weighed in on consecutive days. The Los Angeles Times had two years before described Freeway Rick Ross vividly: "If there was an eye to the storm, if there was a

criminal mastermind behind crack's decade-long reign, if there was one outlaw capitalist most responsible for flooding Los Angeles's streets with mass-marketed cocaine, his name was Freeway Rick....Ross did more than anyone else to democratize it, boosting volume, slashing prices, and spreading disease on a scale never before conceived....While most other dealers toiled at the bottom rungs of the market, his coast-to-coast conglomerate was selling more than five hundred thousand rocks a day, a staggering turnover that put the drug within reach of anyone with a few dollars." In the 1996 response to Webb's series, the Los Angeles Times described Ross as one of many "interchangeable characters" and stated, "How the crack epidemic reached that extreme, on some level, had nothing to do with Ross." Both stories were written by the same reporter, Jesse Katz, and the 1996 story failed to mention his earlier characterization. The long New York Times piece the following day quoted unnamed government officials, CIA personnel, drug agents, and contras, and noted that "officials said the CIA had no record of Mr. Blandon before he appeared as a central figure in the series in the Mercury News."

A common chord rang through the responses of all three papers: It never really happened, and if it did happen, it was on a small scale, and anyway it was old news, because both the Kerry report and a few wire stories in the eighties had touched on the contra-cocaine connection. What is missing from the press responses, despite their length, is a sense that anyone spent as much energy investigating Webb's case as attempting to refute it. The "Dark Alliance" series was passionate, not clinical. The headlines were tabloid, not restrained. But whatever sins were committed in the presentation of the series, they cannot honestly be used to dismiss its content. It is puzzling that The New York Times felt it could discredit the story by quoting anonymous intelligence officials (a tack hardly followed in publishing the Pentagon Papers). In contrast, what is striking in Webb's series is the copious citation of documents. (In the Mercury News's Web-site version-cgi.sjmercury.com/drugs/postscriptfeatures.htm -- are the hyperlinked facsimiles of documents that tug one into the dark world of drugs and agents.) But when Jerry Ceppos, the executive editor of the Mercury News, wrote a letter in response to the Post's knockdown, the paper refused to print it because a defense of Webb's work would have resulted in spreading more "misinformation."

Despite Ceppos's initial defense of the series, the Mercury News seemed to choke on these attacks, and Webb could sense a sea change. But he kept on working, building a bigger base of facts, following its implications deeper into the government. When the Mercury News forced him to choose between a \$600,000 movie offer and book deals and staying on the story, Webb picked the story. He kept discovering people who had flown suitcases full of money to Miami from dope sales for the contras. He documented Blandon's contra dope sales from '82 through '86. Gary Webb was on a tear; he was going to advance the story. Almost none of this was published by the Mercury News; the paper grudgingly ran (and buried) one last story on New Year's Eve 1996.

The paper had printed the story of the decade, the one with Pulitzer prize written all over it, and now was unmistakably backing off it. Webb entered a kind of Orwellian world where no one said anything, but there was this thing in the air. The Mercury News assigned one of its own reporters to review the series, using the stories of the L.A. Times, The New York Times, and The Washington Post as the benchmark for what was fact.

Webb wouldn't admit it to himself, but he had become a dead man walking.

WHEN HECTOR BERRELLEZ SPENT HIS YEAR GOING TO MOVIES IN Washington, he knew he was finished in the DEA. One day in October 1996, a month after he retired, Hector Berrellez picked up a newspaper and read this big story about a guy named Gary Webb. Hector had lived in shadows, and talking to reporters had not been his style. "As I read, I thought, **This shit is true**," he says now. He hadn't a doubt about what Webb was saying. He saw the reporter as doomed. Webb hit a sensitive area, and for it he would be attacked and disbelieved. Hector knew all about the Big Dog and the Big Boy rules.

Hector's body aches from the weight of secrets. When we meet, he is in a white sport shirt, slacks, a blue blazer with brass buttons, and a shoulder-holstered 9mm with fifteen rounds in the clip and two more clips strapped under his right arm. He may be a little over-armed for his Los Angeles private-investigation agency (the Mayo Group, which handles the woes of figures in the entertainment industry -- that pesky stalker, that missing money -- for a fat fee up front and two hundred dollars an hour), but not for his history. For the rest of his life, Hector Berrellez will be sitting in nice hotels like this one with a cup of coffee in his hand, a 9mm under his jacket, and very quick eyes.

He saw a lot of things and remembers almost all of them. He wrote volumes of reports. **In 1997, he was interviewed by Justice Department officials about those unseemly drug ledgers and contra materials he saw during the raid on the fourteen Blandon stash houses back in 1986. His interviewers wanted particularly to know whether anyone besides Hector had seen them. They then told Hector that they couldn't find the seized material anymore.**

Before he retired, Hector was summoned to Washington to brief Attorney General Janet Reno on Mexican corruption. He talked to her at length about how the very officials she was dealing with in Mexico had direct links to drug cartels. He remembers that she asked very few questions. Now he sits in the nice lounge of the nice hotel, and he believes the CIA is in the dope business; he believes the agency ran camps in Mexico for the contras, with big planes flying in and out full of dope. He now knows in his bones what the hell he really saw on October 27, 1986, when he hit the door of that house in the Los Angeles area and was greeted with politeness and fresh coffee.

But he doesn't carry a smoking gun around. The photos, the ledgers, all the stuff the cops found that morning as they hit fourteen stash houses where all the occupants seemed to be expecting company, all that material went to Washington and seems to have vanished. **All those reports he wrote for years while in Mexico and then later running the Camarena case, those detailed reports of how he kept stumbling into dope deals done by CIA assets, never produced any results or even a substantive response.**

Hector Berrellez is a kind of freak. He is decorated; he is an official hero with a smiling Ed Meese standing next to him in an official White House photograph. He pulled twenty-four years and retired with honors. He is, at least for the moment, neither discredited nor smeared. Probably because until this moment, he's kept silent.

And Hector Berrellez thinks that if the blacks and the browns and the poor whites who are zombies on dope ever get a drift of what he found out, well, there is going to be blood in the streets, he figures -- there is going to be hell to pay. He tells me a story that kind of sums up the place he finally landed in, the place that Gary Webb finally landed in. The place where you wonder if you are kind of nuts, since no one else seems to think anything is wrong. An agent he knows was deep in therapy, kind of cracking up from the undercover life. And the agent's shrink decided the guy was delusional, was living in some nutcase world of weird fantasies. So the doctor talked to Hector about his patient, about whether all the bullshit this guy was claiming was true, about dead men and women and children, strange crap like that. And he made a list of his patient's delusions, and he ticked them off to Hector. And Hector listened to them one by one and said, "Oh, that one, that's true. This one, yeah, that happened also." It went on like that. And finally, Hector could tell the shrink wondered just who was nuts -- Hector, his patient, or himself.

ON SUNDAY, MAY 11, 1997, GARY WEBB WAS hanging wallpaper in his kitchen when the San Jose Mercury News published a column by executive editor Jerry Ceppos that was widely read as a repudiation of Webb's series. It was an odd composition that retracted nothing but apologized for everything. Ceppos wrote, "Although the members of the drug ring met with contra leaders paid by the CIA and Webb believes the relationship was a tight one, I feel we did not have proof that top CIA officials knew of the relationship." Fair enough, except that Webb never wrote that top CIA officials knew of the contra-cocaine connection. The national press wrote front-page stories saying that the San Jose Mercury News was backing off its notorious series about crack. The world had been restored to its proper order. Webb fell silent. He had to deal with his own nature. He is not good at being polite. "I'm just fucking stubborn," he says, "and that's all there was to it, because I knew this was a good story, and I knew it wasn't over yet, and I really had no idea of what else to do. What else was I going to do?"

What he did was have the Newspaper Guild represent him in arbitration with the Mercury News over the decision to ship him to the wasteland of Cupertino. "I'm going to go through arbitration, and I'm going to win the arbitration, and I'm going to go to work," he says. "I was just going to fight it out. This was what I did, this was me, I was a reporter. This was a calling; it was not something you do eight to five. People were not exactly beating down my door, saying, Well, okay, come work for us. I was...unreliable." So he went to Cupertino, and he wrote stories about constipated horses and refused to let his byline be printed. And then he went to his apartment and missed his wife and family and watched Caddyshack endlessly. He was a creature living a ghostly life. The only thing he didn't figure on was himself. Webb slid into depression. Every week, the 150-mile drive between his family in Sacramento and his job in Cupertino became harder. Every day, it was harder to get out of bed and go to work.

And he was very angry most of the time. He says, "I was going to live in my own house and see my own kids. At some point, I figured something was going to give." Finally, he couldn't make it to work and took vacation time. When that was used up in early August, he started calling in sick. After that, he went on medical leave. A doctor examined him and said, "You are under a great deal of stress," and diagnosed him as having severe depression. He couldn't sleep. He couldn't do much of anything. He decided to write a book about "Dark Alliance," but this time no one wanted it. His agent was turned down by twenty-five publishers before finding a small press, Seven Stories, that operates as a kind of New York court of last resort.

A job offer came from the California state legislature to conduct investigations for the government-oversight committee at about the same money he made for the Mercury News. His wife said, Take the job. Why hang around in this limbo? Webb thought about her words and told himself, What do I win even if I do win in arbitration? I get to go



back to my office and get bullshitted the rest of my life. He watered his lawn, worked on the house, read more and more contra stuff. Drifted in a sea of depression. "I didn't know what to do if I couldn't be a reporter," he says. "So all of a sudden, I was standing there on the edge of the cliff, and I don't have what I was doing for the last twenty years -- I don't have that to do anymore. I felt it was like I was neutered. I called up the Guild and said, 'Let's see if they want to settle this case.' They sent me a letter of resignation that I had to sign."

Webb carried the letter with him from November 19 to December 10 of last year. Every day, he got up to sign the letter and mail it. Every night, he went to bed with the letter unsigned. His wife would ask, Have you signed it? Somebody from the Mercury kept calling the Guild and asking, Has he signed it yet? "I mean," he says softly, "writing my name on that thing meant the end of my career. I saw it as a sort of surrender. It was like signing," and here he hesitates for several seconds, "my death certificate."

But finally he signed, and now he is functionally banned from the business. He's the guy nobody wants, the one who fucked up, the one who said bad things. Officially, he is dead, the guy who wrote the discredited series, the one who questioned the moral authority of the United States government.

If Gary Webb could have talked to a Hector Berrellez in the fall of 1996, when his stories were being erased by the media, Hector would have been like a savior to him. "Because he would have shown what I was reporting was not an aberration," Webb says now, "that this was part of a pattern of CIA involvement with drugs. And he would have been believed." But Webb was not that lucky, and the Hectors of the world were not that ready to talk then. So Webb was left out there alone, one guy with a bunch of interviews and documents. One guy who answered a question no one wanted asked.

I CAN HEAR HECTOR BERRELLEZ TELLING ME that I will never find a smoking gun. I can hear the critics of Gary Webb explaining that all he has is circumstantial evidence. Like anyone who dips into the world of the CIA, I find myself questioning the plain facts I read and asking myself, Does this really mean what I think it means?

**-- In 1982, the head of the CIA got a special exemption from the federal requirement to report dealings with drug traffickers. Why did the CIA need such an exemption?**

-- Courthouse documents attest to the fact that the Blandon drug organization moved tons of dope for years with impunity, shipped millions to be laundered in Florida, and then bought arms for the contras. Why are Gary Webb's detractors not looking at these documents and others instead of bashing Webb over the head?

-- The internal CIA report of contra cocaine activity has never been released. The Justice Department investigation of Webb's charges has never been released. The CIA has released a censored report on only one volume of Webb's charges. The contra war is over, yet this material is kept secret. Why aren't the major newspapers filing Freedom of Information [Act] requests for these studies?

-- The fifty-year history of CIA involvement with heroin traffickers and other drug connections is restricted to academic studies and fringe publications. Those journalists who find themselves covering the war on drugs should read Alfred McCoy's massive study, *The Politics of Heroin: CIA Complicity in the Global Drug Trade*, or Peter Dale Scott and Jonathan Marshall's *Cocaine Politics: Drugs, Armies, and the CIA in Central America*.

**-- Following the release of "Dark Alliance," Senator John Kerry told *The Washington Post*, "There is no question in my mind that people affiliated with, on the payroll of, and carrying the credentials of, the CIA were involved in drug trafficking while involved in support of the contras." Why has the massive Kerry report been ignored to this day?**

-- On March 16, 1998, the CIA inspector general, Frederick P. Hitz, testified before the House Intelligence Committee. "Let me be frank," he said. "There are instances where CIA did not, in an expeditious or consistent fashion, cut off relationships with individuals supporting the contra program who were alleged to have engaged in drug-trafficking activity, or take action to resolve the allegations."

**Representative Norman Dicks of Washington then asked, "Did any of these allegations involve trafficking in the United States?"**

**"Yes," Hitz answered.**

The question is why a mountain of evidence about the CIA and drugs is ignored and why the legitimate field of inquiry opened by Webb remains unpursued and has become journalistic taboo.

Maybe the CIA is great for America. But if it is, surely it can roll up its sleeves and show us its veins.

WEBB AND HIS WIFE, SUE, ARE STANDING IN the driveway with me after a Thai dinner in Sacramento. The night is fresh; spring is in the air. A frog croaks from the backyard on the quiet and safe suburban street. Sue has just finished rattling off details from one facet of the contra war, the CIA drug-airline operation run out of Ilopango airfield in El Salvador. She seems to have absorbed a library of material over the last three years of her husband's obsession. Before, he always worked like hell, she knows, but on this one he brought it home. He could not keep it separated from his wife and family and his weekly hockey games. So Sue, with her winning smile and cheerful ways, has become an authority on America's dark pages. And we stand there in the fine evening air, the rush of spring surging through the trees and grass and shrubs, talking about the endless details of this buried episode in the secret history.

And I wonder how Webb deals with it, with all the hard work done, with all the facts and documents devoured, and with all this diligent toil resulting in his personal ruin, depriving him of the only kind of work he has ever wanted in his life.

And I remember what he said earlier that day while he sat in his study, leaning toward me, his right hand gripping his left wrist: "The trail is littered with bodies. You go down the last ten years, and there is a skeleton here and a skeleton there of somebody that found out about it and wrote about it. I thought that this is the truth, and what can they do to you if you tell the truth? What can they do to you if you write the truth?"

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**\* Judge Overrules Bid to Link CIA, Drug Lords in Camarena Trial - June 08, 1990** by Henry Weinstein, Times Staff Writer

U.S. District Judge Edward Rafeedie bars attorney Mary Kelly from questioning Laurence Victor Harrison about possible CIA links during the Camarena murder trial. Harrison was a government-paid witness who had extensive dealings with both Mexican law enforcement and drug traffickers. Harrison stated that he worked for Miguel Nazar Haro who was DFS director from 1977 to 1982. Harrison called Nazar his "overboss" and said Nazar was involved in drug trafficking. U.S. officials in Mexico attempted to block DOJ prosecution stating that Nazar was "an essential repeat essential contact for CIA station Mexico City." At one point, Harrison testified that he had told drug kingpin Ernesto Fonseca Carrillo, for whom he had installed a sophisticated radio system, that law enforcement might go after him (Fonseca). "He told me I was crazy," Harrison recalled. "He told me there was no danger." Then the witness was asked, "Did Fonseca say it (his feeling of safety) was a political thing?" Harrison replied, "Yes."

On Thursday, Kelly asked Harrison if Nazar was connected to the CIA. Prosecutor Manuel Medrano objected on the grounds that the question was irrelevant to the case. U.S. District Judge Edward Rafeedie sustained the objection. Later, however, outside the presence of the jury, Kelly told the judge why she thought questions about the CIA were relevant to the Camarena case.

"Fonseca thought his actions were condoned by the Mexican government, as well as sanctioned by the CIA," she said. "This goes to the issue of whether this was an illegal enterprise" and could help her client in her defense.

[http://articles.latimes.com/1990-06-08/local/me-647\\_1\\_drug-lords](http://articles.latimes.com/1990-06-08/local/me-647_1_drug-lords)

\*\* After presiding over the hearings on the Contra Drug controversy, Porter Goss, the Chairman of the House Permanent Select Committee on Intelligence (HPSCI) was later appointed to the position of Director of Central Intelligence by George W. Bush. He served as CIA Director from September 22, 2004 to May 25, 2006. Goss had prior service in the intelligence community from 1960 until 1971 — working for the Directorate of Operations, the clandestine services of the CIA. After holding its hearings behind closed doors, the final report on the Contra Drug allegations titled "CIA and Drugs in Los Angeles" was classified in 2000 and never released to the public. The report clears the government of any wrong doing. <http://www.consortiumnews.com/2000/060800a.html>

CIA Inspector General Fred Hitz retired in 1998, immediately after completing his report on allegations of drug trafficking by the Contras and was succeeded by CIA Inspector General Britt Snyder.

"In the end the objective of unseating the Sandinistas appears to have taken precedence over dealing properly with potentially serious allegations against those with whom the agency was working," CIA Inspector General Britt Snider said in classified testimony on May 25, 1999. He conceded that the CIA did not treat the drug allegations in "a consistent, reasoned or justifiable manner."

**EXHIBIT 5:** Excerpt from Gary Webb's book "Dark Alliance" (Pages 419-422) describes Webb's meeting On October 19, 1995 at the DEAs regional office in San Diego.

Within days of Webb's meeting with Craig Chretien, Drug trafficker Norwin Meneses' former handler (Then Head of the International Division) Robert J. Nieves retired and Chretien was transferred to Washington DC to replace him. Nieves was the DEA employee who initially told Celerino Castillo III to investigate the Contras operations in El Salvador from the outset. Court documents located by Georg Hodel in Nicaragua showed Meneses was a drug kingpin who sold tons drugs while an informant for the government. Meneses was suspected by Nicaraguan Sandinista officials of working for the CIA. A business partner of the new Nicaraguan President Chamorro, Meneses worked on undercover operations tasked with entrapping Sandinista police and military officials with drugs. Chamorro could then purge remaining Sandinista influence from the police and military of Nicaragua. Meneses was finally arrested by a Sandinista police officer with over 764 kilos of cocaine hidden at abandoned military airbases and hidden in underground military bunkers. Meneses moved freely about the United States for decades entering and leaving the country at will despite having an indictment against him.

Castillo stated that "Marcos Aguado, Chief pilot for the Meneses drug organization who operated out of the FDN clandestine military base at Ilopango. Flew El Salvadoran Air Force planes to Colombia to pick up cocaine and delivered them to US military base (Carswell Air Force base) in Texas. He was also a personal pilot for Eden Pastora. In 1986, he was documented by DEA as a drug trafficker after an interview. He still flew out of Ilopango with the approval of CIA."

Kerry Committee Testimony about Aguado is here: <http://narconews.com/darkalliance/drugs/library/25.htm#is>  
A profile of Aguado describing his CIA ties is here: <http://narconews.com/darkalliance/drugs/who.htm#aguado>

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I told him I didn't think my editors would agree to a delay, but if lives were in danger, I'd certainly be willing to hear them out. On October 19, 1995, I walked into a roomful of DEA agents in the National City regional office, squirreled away in an industrial complex south of San Diego.

Two of the agents I recognized from court and reading their names in the court files: Blandon's handlers, the immaculately coiffed Chuck Jones and his worried-looking sidekick, Judy Gustafson. The other four I didn't know. The agent behind the desk, a tall man with an easy smile, got up and shook my hand warmly. Craig Chretien, he said, special agent in charge.

"This is a little awkward for us," Chretien began. They knew generally the story I was working on, he said, and unfortunately I was getting some rather sensitive areas. There were undercover operations—more than four of them—that I was in danger of exposing, putting agents and their families at risk. They couldn't give me any details, of course, but I needed to appreciate the seriousness of the situation. What's your angle here?" Chretien asked. "Is it that the DEA sometimes hires scumbags to go after people?"

"No. It's about Blandon and Norwin Meneses and the Contras," "And their dealings with Ricky Ross."

The agents looked at each other quickly out of the corners of their eyes, but at first said nothing.

"That whole Central American thing," Chretien said dismissively. "I was down there. You heard all sorts of things. There was never any proof that the Contras were dealing drugs. If you're going to get involved in it, you'll never get to the truth. No one ever will."

"I think that's been pretty well established," I said. "Your informant one of the men who was doing it."

Chretien gave Jones a sidelong glance and Jones came to life. "I can assure you that I have never, ever heard anything about Blandon being involved with that," he said firmly. "Not once. His only involvement with Contras was that his father was a general or something down there."

And these two have practically lived with the man for two years Chretien added, pointing to Jones and Gustafson. "If it had happened they would know about it."

I could not quite believe what I was hearing. What kind of scam was this?

"Have you ever asked him about it?" I asked Jones. "I've already said more than I should."

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"Did you ever ask him about doing it with Norwin Meneses?" "You'd better go check your sources again," Jones snapped.

"My source is Blandon," I said. "He testified to it under oath, before a grand jury. You're telling me you don't know about that?"

Jones threw up his hands. "Oh, listen, he understands English pretty well, but sometimes he gets confused, and if you ask him a question the wrong way he'll say yes when he means no."

I shook my head. "I've got the transcripts. These weren't yes or no, questions. He gave very detailed responses."

Jones's face and forehead grew beet red and his voice rose. "You're telling me that he testified that he sold cocaine for the Contras in this country? He sold it in this country?"

"That's exactly what I'm telling you. You want to see the transcripts? I've got them right here."

"I cannot believe that those two U.S. attorneys up there, if they had him saying that before a grand jury, that they would ever, ever, ever put him on a witness stand!" Jones fumed. "They'd have to be insane! They'd have to be total idiots!"

"They didn't put him on the witness stand," I reminded him. "They yanked him at the last minute."

"That's because the judge ordered them to turn over all that unredacted material!" Jones blurted. "We're not going to..." He looked quickly at Chretien and clammed up. Just as I suspected. They knew all about this. The DEA had nixed Blandon's appearance because Rafael Cornejo's attorney had discovered the Contra connection and the government had been ordered to turn over the files.

Chretien told me that it would be best for all concerned if I simply left out the fact that Blandon was now working for the DEA. "Your story can just go up to a certain point and stop, can't it? Is it really necessary to mention his current relationship with us? If it comes out that he is in a way connected to DEA, it could seriously compromise some extremely promising investigations."

I said I thought it was important to the story, which prompted another angry outburst from Jones. "Even after what we just told you, you'd still go ahead and put it in the paper? Why? Why would you put a story in the paper that would stop us from keeping drugs out of this country? I don't know if you've got kids or not..."

"I've got three kids," I interrupted, "and I don't know what that to do with anything."



**EXHIBIT 6:** Congresswoman Maxine Waters notes the discovery of the MOU exempting CIA from reporting drug crimes. Waters also expressed that the conclusions in the summary of the CIA IG and DOJ IG Investigations contradicted the information in the body of the report. This exhibit is her reviews of the CIA Inspector General (IG) reports Volume 1 and 2, The DOJ IG report, and LASD report. Waters travelled to Nicaragua at her own expense after interviewing witnesses in the United States. She spoke with former Contra leaders in Nicaragua and confirmed that Meneses and Contra founders were involved in drugs.. At the time (1996-2000), the United States House of Representatives House Permanent Select Committee on Intelligence (HPSCI) chaired by Porter Goss was chosen as the legislative body to review the Contra Drug Trafficking allegations.

In 1999 and 2000, the HPSCI held its meetings behind closed doors and issued a final report in mid-2000. Congresswoman Waters was barred from attending HPSCI meetings related to the Contra Drug allegations. During her review of the reports, Waters was advised that a CIA Officer, not an asset or agent, was involved in drug trafficking, but that portion of the report was removed. The classified 2000 HPSCI report has never been released to the public. <http://www.consortiumnews.com/2000/060800a.html>

The HPSCI Committee Chairman, Porter Goss was a former CIA officer who was later selected by George W, Bush to serve as DCI (2004 to 2006) under the first ever Director of National Intelligence (DNI), John Negroponte. The George W Bush's administration saw the return to power of most of the high profile participants in the Iran-Contra Affair.

\*From 2009 to 2012, Congresswoman Waters was the subject of an ethics investigation headed by Porter Goss (co-chair of the Office of Congressional Ethics), the same Ex-CIA official who presided over the HPSCI Contra drug hearings (1996 to 2000). Ms. Waters was finally cleared of wrong doing on September 9, 2012.



## Congresswoman Maxine Waters

*Serving the people of the 35th District of California*

# Press Release

FOR IMMEDIATE RELEASE  
March 16, 1998

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Testimony of Rep. Maxine Waters  
Before the House Permanent Select Committee on Intelligence  
On the CIA OIG Report of Investigation  
"Allegations of Connections Between CIA and Contras in Cocaine Trafficking  
to the US" "Volume I: The California Story"  
March 16, 1998

Mr. Chairman, Members of the Committee, I am here today to testify about the failure of the Central Intelligence Agency (CIA) to conduct a serious and thorough investigation into the allegations of CIA involvement in cocaine trafficking to fund its Contra war activities. Unfortunately, my fear that the CIA would be unable to investigate itself has been confirmed with this report. The Inspector General's Report lacks credibility. It is fraught with contradictions and illogical conclusions.

In a September 3, 1996 memo, then CIA Director John Deutch laid out the framework for this investigation. In his instructions to CIA Inspector General Frederick P. Hitz, Director Deutch stated, "I have no reason to believe that there is any substance to the allegations published in the Mercury News." Despite his premature conclusion, a serious, substantial and credible investigation and interview process would have proven him wrong. If the CIA Director's premature conclusion was meant to direct the final outcome, he has succeeded. This Report's sweeping denial of the CIA's knowledge of drug trafficking related to the Contras defies the evidence and the logic that the CIA should have known.

From the days of the CIA's first response to the allegations raised in the "Dark Alliance" series, many skeptics believed that the CIA could never produce a credible or truthful review of wrongdoings by its own agency. These skeptics could point to this Sunday's Los Angeles Times to confirm their fears. The Times reported that, after 37 years, the CIA finally admitted publicly the most profound deception imaginable on an American family. Thomas Pete Ray and his top secret squadron of National Guard bombers were shot down during a CIA bombing mission in the Bay of Pigs debacle. For 37 years the CIA denied that Mr. Ray and his squadron even existed, much less were shot down by Cuban troops in 1961. Only this month, faced with a document obtained by a Freedom of Information Act request by the National Security Archives, did the CIA finally admit the truth - 37 years later.

My deep concern about the allegations raised in the "Dark Alliance" series that my government could have in any way been involved in, or had knowledge of, drug trafficking, has caused me to spend my own time and resources to find out more about these allegations. After reading the "Dark Alliance" series, I interviewed Gary Webb, the writer of the series. I invited him to come to my district in South Central Los Angeles to respond to questions from local residents. My community encouraged my investigation and supported me in my efforts to delve deeper into these allegations.

I personally interviewed a number of key figures in the "Dark Alliance" series. I first interviewed Alan Fenster, the attorney for Ricky Ross. Then I drove to San Diego to interview Mr. Ross who was being held in the Metropolitan detention facility on drug charges. **I also drove to a restaurant in the Valley where I met with Celerino "Sully" Castillo, the DEA agent who had investigated the drug trafficking operation at the Ilopango airfield in El Salvador. Castillo had documented that the CIA directed this drug trafficking operation out of two hangers, using the Contra supply network as the route for shipping drugs into the U.S.**

I interviewed former LAPD officer Mike Ruppert, who states he was forced to leave LAPD after he uncovered a connection between the CIA and narcotic trafficking operations in California and Louisiana. Mr. Ruppert also was interviewed by the CIA for its Report. I met and had numerous telephone conversations with Jerry Guzetta, a detective with the City of Bell and a key member of the multi-agency task force working with the LA Sheriff's Department investigating the Blandon narcotics operation. Guzetta was the Level 1 informant whose information was the basis of the affidavit of LA Sheriff Tom Gordon that resulted in the October 1986 raid of the Blandon operation's 14 sites in Southern California.

I visited the records division of the LA Sheriff's Department and uncovered the Sheriff's reports regarding the October 1986 drug bust. I was the first to obtain copies of the documentation regarding the raids.

On January 3, 1997, using my personal funds, I flew to Nicaragua to meet with Enrique Miranda Jaime, a former Sandanista official and drug partner of Norwin Meneses, a central figure in the allegations in the "Dark Alliance" series. I was contacted by someone who had information about the Colombian Cartels and their connection to Norwin Meneses. When I arrived in Nicaragua, I was taken to the prison in the town of Grenada by the State Department where I met with Miranda himself. Mr. Miranda told me some of the information that he gave to the CIA in this investigation, which is reported on pages 54 and 55 of the IG's Report.

Mr. Miranda currently is in prison after being convicted for smuggling 764 kilos of cocaine with his partner Norwin Meneses. Meneses told Miranda - in detail - that Meneses worked for the Contras and that his drug trafficking operation had the support of the CIA. Meneses also told Miranda that he was receiving support directly from Oliver North and passing on the funds to support Contra groups.

I met with Tomas Borge, a former Sandanista Interior Minister and head of intelligence. Mr. Borge also came to South Central LA to meet with me. I met with him for several hours.

I also had numerous telephone conversations with Coral Talavera Baca, the girlfriend of Rafael Cornejo, who was a relative and part of Norwin Meneses' drug trafficking organization, as well as a long-time business partner of Danilo Blandon, another central figure in the "Dark Alliance" series. I received information from Ms. Baca and Mr. Cornejo who were connected to Carlos Lehder, a Columbian drug dealer and co-founder of the Medellin Cartel. It was through Lehder's private island that the Medellin Cartel moved massive amounts of cocaine to Miami and the United States. Ms. Baca had visited Carlos Lehder's private island and have information regarding the connection between Mr. Lehder and Norwin Meneses.

I have looked into many of the main allegations raised in Gary Webb's series and I have thoroughly reviewed the Inspector General's Report. In addition, I have read many letters and reviewed volumes of information sent to me and have visited a large number of people who have claimed to have information about the drug dealing in South Central Los Angeles. In my informed opinion, the CIA IG Report and the investigation lacks credibility and its conclusions should be dismissed.

Let me turn to some of the specifics of the Inspector General's Report.

**The average reader likely will find the structure of this Report bizarre and confusing. I also question the Report's methodology, its sweeping conclusions, its cleverly worded denials and its selective quoting of documents.**

The Report states that 365 interviews were conducted, but only summarizes statements from 12 individuals connected to the South Central Los Angeles specific allegations. I have a list of over 70 individuals who should have been interviewed under oath by the CIA if the investigation was to be considered credible. Did the CIA interview all of these people? **Because the Report fails to list who was interviewed, we have no way of knowing.**

In addition, only 40 pages of this Report titled "The California Story" actually deal with the allegations of the South Central/crack cocaine/Contra connection.

The Report mentions a half dozen other CIA and Contra officials interviewed, but does not offer even a cursory summary of their testimony. So let me do what the Report failed to do. The following individuals associated with the Contras are, or were, either CIA agents or CIA assets:

- Adolpho Calero
- Enrique Bermudez
- Marcos Aguado - Contra pilot and accused drug dealer.
- Francisco Aviles - Contra official in Costa Rica in Frogman case.
- Ivan Gomez - CIA agent who accepted drug money from Meneses.
- Dagaberto Nunez - ran shrimp company for Oliver North in Costa Rica.
- Rene Corvo - Cuban American who worked with Contras in Costa Rica.
- Francisco Chanes - Owner of shrimp company for Oliver North in Costa Rica.
- Edmundo Meneses - American-trained Nicaraguan general and Norwin's brother.
- Sebastian Gonzalez - Contra leader in Costa Rica and drug partner of Meneses.

Today, I am asking this Committee to obtain a written response from the CIA that either categorically confirms or denies they are or were CIA assets or agents.

Another major problem with the investigation underlying the Report was the CIA's lack of subpoena power. This meant that some of the most important CIA and other officials were never interviewed. Three former unnamed senior CIA managers would only respond in writing. Six other key CIA personnel and former DEA agent, "Sully" Castillo, refused to be interviewed. The CIA agents included Duane Clarridge, Joseph Fernandez, and Clair George. All of these senior CIA officials had major responsibilities for the CIA's Contra operation. There can be no thorough investigation without sworn testimony from each of these individuals.

Joseph Fernandez was the former CIA station chief in Costa Rica while the Meneses' drug organization was operating from there. Duane "Dewey" Clarridge was the CIA officer who helped create the Contras at a time when the Meneses ring first began dealing cocaine for the FDN. His name also appeared in Oliver North's notebooks as being responsible for making quid pro quo deals with known drug kingpin Manuel Noriega.

Clarridge summed up how serious he thought this investigation was when he told reporters in December 1997 that [the CIA] quote "sent me questions that were bullshit, and I wrote back they were a bunch of bullshit."

When I spoke with journalists following the release of the Report this past January, much to my surprise, many had to admit to me they had not even read the entire report. They admitted that they only had read the glossy eight page summary which offered unsubstantiated conclusions of the CIA's innocence and blanket denials of the "Dark Alliance" series allegations. Had they only read the report in its entirety as I did, they would have learned that allegations of drug trafficking and connections between the Contra and the CIA were not new. In fact, the Report even lists and summarizes some of the other investigations that found Contra involvement in drug trafficking.

For example, the Senate Subcommittee on Terrorism, Narcotics and International Operations, chaired by Senator John Kerry conducted a two-year investigation into allegations of Contra involvement in drugs and arms trafficking. The CIA Inspector General's Report summarizes some of the Kerry Commission's 1,166-page report's devastating findings on pages 35 through 38. These are some of the admissions:

- Drug traffickers used the Contra war and their ties to the Contras as a cover for their criminal enterprises in Honduras and Costa Rica. Assistance from the drug lords was crucial to the Contras, and the traffickers in turn promoted and protected their operations by associating with the Contra movement.
- Drug traffickers provided support to the Contras and used the supply network of the Contras. Contras knowingly received both financial and material assistance from the drug traffickers.
- In each case, one or another U.S. Government agency had information regarding these matters either while they were occurring, or immediately thereafter.
- Members of the Contra movement were involved in drug trafficking, including pilots who flew supplies for the Contras, mercenaries who worked for the Contras and Contra supporters throughout Central America.
- Drug traffickers helped in the Contra supply operations through business relations with Contra groups.
- Drug traffickers contributed cash, weapons, planes, pilots, air supply services and other materials to the Contras.
- U.S. State Department funds, authorized by Congress for humanitarian assistance, was paid to drug traffickers. In some cases, these drug traffickers received the State Department funds, after having been indicted by federal law enforcement agencies on drug charges, and in other cases, were the subject of pending investigations by those agencies.
- The FDN Contra group moved Contra funds through a narcotics drug trafficking and money laundering operation.
- Drug trafficking for the Contra movement was done by some because they were told that their actions were either on behalf of, or sanctioned by, the U.S. Government.

Not included in the CIA IG Report are other key findings by the Kerry Committee.

- Despite widespread trafficking through the war zones of northern Costa Rica, the Kerry Committee was unable to find a single case which was made on the basis of a tip or report by an official of a U.S. intelligence agency. This despite an executive order requiring intelligence agencies to report drug trafficking to law enforcement officials and despite direct testimony that drug trafficking on the Southern Front was reported to CIA officials.
- U.S. officials involved with the Contras knew that drug traffickers were using the Contra infrastructure and that the Contras were receiving assistance from drug profits. Yet, they turned a blind eye and did not report these individuals to the appropriate law enforcement agencies.

How can this Report include these incriminating findings by elected officials, including Senators Kerry, Brock and Moynihan and others while summarily dismissing any CIA knowledge of, or involvement in, Contra drug trafficking into the U.S.? This is an outrageous contradiction.

Moreover, the Report is littered with damaging admissions.

- Norwin Meneses was one of the biggest drug dealers in America, either North and South, and he supplied Danilo Blandon. Blandon, in turn, was the source who supplied Ricky Ross. And Blandon and Meneses did so unhindered by the CIA.

Is it unreasonable to think Meneses was connected to the CIA given that the Contras were a CIA creation and that the CIA handled every aspect of the Contra operation? Pages 22 through 24 of this Report confirms that the CIA essentially created, funded, supplied, and trained the Contras and that the CIA was intimately involved in determining their strategy and running their operations.

Meneses was never arrested by U.S. law enforcement. He was permitted free entrance to the U.S. and was even issued a visa. How was this allowed and why was it allowed to continue?

- The CIA and DEA records are full of knowledge about Meneses' drug dealing operation. This knowledge was substantiated in this Report. The CIA knew of his drug trafficking by 1984 and the DEA had known of his trafficking activities as early as 1974.

- Incredibly, the Report fails to mention anything about the activities of Adolpho Calero, only mentioning that he was interviewed. He was the key Contra leader and CIA agent in the Southern Front.

Damning public information ties Calero to drug trafficking. In a December 1986 interview, Calero told the Costa Rican newspaper La Nacion that he met with drug kingpin Norwin Meneses at least six times and that he knew Meneses was involved in illegal activities.

In addition, there were many other key facts confirmed by the Report:



- Drug Kingpin Norwin Meneses supported and was involved with the Contras-- On pages 76 - 77, drug dealer Norwin Meneses admitted giving money to the California chapter of the FDN/Contras and that he was involved in the 1985 attempted to obtain "material support, medical and general supplies" for the Contra movement.

Pages 70 - 71 of the Report documents the connection between CIA asset and FDN military leader Enrique Bermudez, Meneses and Blandon. Blandon and Meneses "traveled to Bolivia in 1982 to make a drug deal, and stopped in route in Honduras." While in Honduras, Blandon and Meneses met with Bermudez for the second time. Bermudez asked Blandon and Meneses to help raise money and supplies for the FDN. He let the drug traffickers know that their support would be welcome because "the ends justify the means." Blandon then describes how "he and Meneses were escorted to airport by armed Contras" after the meeting with Bermudez. Blandon left the meeting with \$100,000 to buy drugs. The profits from the sale of these drugs were to be used to buy supplies and fund the Contras. Blandon tells of how he ran into trouble at the airport in Honduras when he was caught with the \$100,000. But, the Contras intervened and secured Blandon's release. Where did the \$100,000 come from? Did they give back the \$100,000 to Blandon because of the Contra-CIA connection?

- The CIA knew that Meneses was both a drug dealer and involved with the Contras On page 45, the Report documents a declaration from the Records Validation Officer for the CIA (RVO) submitted in response to the CIA IG Report investigation. The RVO Declaration certified that the CIA had confirmed to the FBI that Meneses was a drug trafficker.

On page 49, the Report details a June 11, 1986 CIA cable from the LA Division Station informing CIA Headquarters that Contra leader Fernando Chamorro was asked by Meneses in August or September 1984 to help "move drugs to the U.S." At the time, Chamorro was a CIA asset. A second June 1986 CIA cable reported that "Meneses was involved in the transporting of drugs." What did the CIA do with this information? A CIA cable, dated Oct. 31, 1986, contained the following two admissions. First, it details a CIA cable dated Dec. 5, 1984 reporting that "Norwin Meneses was apparently well known as the Nicaraguan Mafia, dealing in drugs, weapons and smuggling and laundering of counterfeit money." Second, it quotes a CIA cable, dated Mar. 25, 1985, which "described a Norwin ((Meneses)) Cantatero as the kingpin of narcotics traffickers in Nicaragua prior to the fall of Somoza."

On page 48, the Report describes a 1984 CIA cable discussing Meneses' drug trafficking activities with Tuto Munkel and Sebastian Gonzalez Medieta. Sebastian Gonzalez was a key CIA player in the Contras Southern Front. He was in charge of logistics for the supply of arms supplied by Manuel Noriega. This cable shows the CIA knew Gonzalez also was involved in drug trafficking with Norwin Meneses in 1984 - when the CIA was still directly involved in Contra operations, before the hand off to Oliver North's operation. Remarkably, this Report makes no mention of Gonzalez being a key CIA agent, nor mention of his critical role as a Contra in the Southern Front. Tuto Munkel was arrested in Florida as part of the Frogman case and is a crucial link between that case and the Meneses Contra connection detailed above.

What did the CIA do with this information in their cables? The Report does not indicate that any action was taken.

Despite this damning information to the contrary, the Report goes on to quote Meneses' own testimony as if it were fact. On page 54, the Report repeats without comment Meneses' denial that he trafficked in cocaine or other narcotics on behalf of the CIA or any Contra group, and that he denied he ever had any contact or relationship with CIA, DoS, the U.S. military, or U.S. civilian assistance groups that provided assistance to the Contras.

As I mentioned earlier, Enrique Miranda told me some of what he told the CIA when it interviewed him a year ago in Central America.

- The CIA directly intervened in the Frogman case to protect a CIA asset In one of the most amazing admissions in this Report, pages 113 through 115 detail the direct intervention of the CIA in the Frogman Case. The Frogman case was, of course, California's biggest cocaine bust at that time. The CIA intervened in the case by arranging the return of \$36,000 seized from a drug trafficker. The CIA did so because of the trafficker's involvement with the Contras and CIA agents.

Again, this Report catalogs the pattern of the CIA returning money to known drug dealers - \$100,000 in the Bermudez/Blandon case, \$36,000 in the Frogman case. How many more times did this happen?

An internal CIA cable dated 1984 details that the CIA made contact with prosecutors in the Zavala/Frogman case in order to protect what the CIA believed was an operational equity. That cable is included on page 113, and makes for incredible reading. Evidently, the CIA feared that exposure of the CIA's connections to the drug case had "the potential for disaster", according to a cable described on page 115.

Well Mr. Chairman, if I have anything to do with it, that cable and the confirmed facts sifted from this confused Report will mean disaster for the CIA.

This Committee has a responsibility to look into the nefarious activities surrounding the massive Contra-cocaine drug network and to use its subpoena power to provide the American people with the truth that has been denied them for too long.





September 19, 1998

## The CIA, The Contras & Crack Cocaine:

### Investigating the Official Reports Seeking The Truth

Like many leaders in the African American community, I was stunned, but not surprised, when I read the Dark Alliance series in the San Jose Mercury News by Gary Webb two years ago. I had been to countless meetings throughout South Central Los Angeles during the 1980s and was consistently asked by my constituents "where are all the drugs coming from?" In inner cities and rural towns throughout the nation, we have witnessed the wreckage caused by the drug trade - the ruined lives and lost possibilities of so many who got caught up in selling drugs, went to prison, ended up addicted, dead, or walking zombies from drugs.

As I wrote in Gary Webb's book, when I read the series I asked myself whether it was possible for such a vast amount of drugs to be smuggled into any community under the noses of the police, sheriff's department, FBI, DEA, and other law enforcement agencies. My investigation has led me to an undeniable conclusion - that U.S. intelligence and law enforcement agencies knew about drug trafficking in South Central Los Angeles and throughout the U.S. - and they let the dealing go on.

Robert Parry and Brian Barger first broke the shocking story of Contra involvement in drug trafficking in 1985, at the height of the Contra war against Nicaragua. As a result of this story's revelations, Senator John Kerry conducted a two year Senate probe into the allegations and published the sub-committee's devastating findings in an 1,166-page report in 1989. Among its many findings the Kerry Report found,

"individuals who provided support for the contras were involved in drug trafficking, the supply network of the contras was used by drug trafficking organizations, and elements of the contras themselves knowingly received financial and material assistance from drug traffickers. In each case, one or another agency of the U.S. government had information regarding the involvement either while it was occurring, or immediately thereafter."

**Remarkably, the Committee's findings went virtually unreported when they were released.**

Then in August 1996 Gary Webb published his explosive series in the San Jose Mercury News. It resulted in a firestorm of anger and outrage in the Black community and throughout the nation. Here was evidence that, while the nation was being told of a national "war on drugs" by the Reagan Administration, our anti-drug intelligence apparatus was actually aiding the drug lords in getting their deadly product into the U.S. The resulting grassroots outrage put tremendous pressure on the CIA, the Department of Justice and Congress to investigate the matter and report the truth. The Inspectors General of the CIA and Department of Justice were forced to conduct investigations and publish reports on the allegations. The DOJ's Report and Volume I of the CIA's Report published brief executive summaries that concluded that the allegations made in the Mercury News could not be substantiated. However, both Reports, and in particular the DOJ Report, are filled with evidence that contradicts their own conclusions and confirms all of the basic allegations.

Quite unexpectedly, on April 30, 1998, I obtained a secret 1982 Memorandum of Understanding between the CIA and the Department of Justice, that allowed drug trafficking by CIA assets, agents, and contractors to go unreported to federal law enforcement agencies. I also received correspondence between then Attorney General William French Smith and the head of the CIA, William Casey, that spelled out their intent to protect drug traffickers on the CIA payroll from being reported to federal law enforcement.

Then on July 17, 1998 the New York Times ran this amazing front page CIA admission:

"CIA Says It Used Nicaraguan Rebels Accused of Drug Tie."

"[T]he Central Intelligence Agency continued to work with about two dozen Nicaraguan rebels and their supporters during the 1980s despite allegations that they were trafficking in drugs.... [T]he agency's decision to keep those paid agents, or to continue dealing with them in some less formal relationship, was made by top [CIA] officials at headquarters in Langley, Va." (emphasis added)

This front page confirmation of CIA involvement with Contra drug traffickers came from a leak of the still classified CIA Volume II internal review, described by sources as full of devastating revelations of CIA involvement with known Contra drug traffickers.

The CIA had always vehemently denied any connection to drug traffickers and the massive global drug trade, despite over ten years of documented reports. But in a shocking reversal, the CIA finally admitted that it was CIA policy to keep Contra drug traffickers on the CIA payroll.

My investigation of these official reports highlights their damning admissions. You can find a complete set of excerpts from the Department of Justice Report, compiled by Gary Webb, with the assistance of my staff at the end of this Report.

The facts speak for themselves.

Maxine Waters

Member of Congress

### A Smoking Gun Document

In February of 1982 the Director of the Central Intelligence Agency (CIA), William Casey, and Attorney General William French Smith entered into a secret Memorandum of Understanding (MOU) that allowed CIA assets who were involved in drug smuggling to escape from legal reporting requirements to the federal law enforcement agencies.

This secret agreement detailed a long list of crimes which the CIA was required to disclose to federal law enforcement agencies including homicide, kidnapping, assault, bribery, possession of firearms, as well as illegal immigration, election contributions, and perjury. Amazingly, this MOU did not require the CIA to report drug trafficking or other drug law violations by CIA assets to the Department of Justice.

In other words, CIA assets who were smuggling narcotics, even into the United States, did not have to worry about being reported to the DEA or other federal law enforcement agencies.

The timing of the Memorandum of Understanding was as remarkable as its contents. Prior to 1982, an Executive Order existed which required that drug trafficking and related crimes by CIA assets and agents be reported. Then in late 1981, President Reagan authorized covert aid for the Contras by the CIA. Only two months later, the CIA and the Attorney General carved out an exemption for CIA assets and agents that were dealing drugs in a new Memorandum of Understanding.

**The secret MOU was in effect for 13 years - from 1982 until 1995. This covered the entire Contra war in Nicaragua and the era of deep U.S. involvement in counterinsurgency activities in El Salvador and Central America.**

The MOU was evidently very successful in protecting these drug traffickers and CIA assets. Based on statements in Michael Bromwich's recently released investigation, the CIA Station Chief for Central America, Alan Fiers, said he recalled of only one instance when the CIA passed Contra and narcotics-related information to the DEA.

The Kerry Committee was baffled by the lack of intelligence reporting of drug trafficking activity. Despite finding widespread trafficking through the war zones of northern Costa Rica, the Kerry Committee was unable to find a single case that was made on the basis of a tip or report by an official of a U.S. intelligence agency.

The reason is now clear. The CIA knew of their drug trafficking, but the MOU protected them from having to report it to law enforcement.

The 1982 MOU that exempted the reporting requirement for drug trafficking was no oversight or misstatement. A remarkable series of letters between the Attorney General and the Director of Central Intelligence show how conscious and deliberate this exemption was.

On February 11, 1982 Attorney General William French Smith wrote to Director of Central Intelligence William Casey that,

"I have been advised that a question arose regarding the need to add narcotics violations to the list of reportable non-employee crimes ... **[N]o formal requirement regarding the reporting of narcotics violations has been included in these procedures.**"

**On March 2, 1982 Casey responded happily,**

"I am pleased that these procedures, which I believe strike the proper balance between enforcement of the law and protection of intelligence sources and methods..."

Simply stated, the Attorney General consciously exempted reporting requirements for narcotics violations by CIA agents, assets, and contractors. And the Director of Central Intelligence was pleased because intelligence sources and methods involved in narcotics trafficking could be protected from law enforcement.

**The 1982 MOU agreement clearly violated the Central Intelligence Agency Act of 1949. It also raised the possibility that certain individuals who testified in front of Congressional investigating committees perjured themselves.**

The facts detailed in the Department of Justice Report show the significance of the 1982 Memorandum of Understanding. Among others, drug kingpins and Contra members Norwin Meneses and Danilo Blandon, senior Contra political leader Adolfo Calero, and Contra military commander Enrique Bermudez were directly, and explicitly, protected from being reported to federal law enforcement authorities under this MOU because of their formal association with the CIA as assets, agents and/or contractors.

**Many questions remain unanswered. However, one thing is clear - the CIA and the Attorney General successfully engineered legal protection for the drug trafficking activities of any of its agents or assets.**

## **The Official Reports**

### **The DOJ Releases its Long Awaited Report, the CIA Keeps its Classified**

On July 23, 1998 the Department of Justice's Office of Inspector General released its long awaited Report, entitled "The CIA-Contra-Crack Cocaine Controversy: A Review of the Justice Department's Investigations and Prosecutions." However, the Report highlighted misleading headlines and conclusions in its Executive Summary, diverting attention from many of the crucial findings in the body of the DOJ Inspector General's Report.

**Most of the CIA Inspector General's Report remains classified, and the CIA refuses to make any commitment to its public release. In January, the CIA's IG released a declassified version of the first part of its investigation, entitled "Volume I: The California Story." But, a longer, more complete version of Volume I, and all of Volume II, remain classified. Like the DOJ IG's Report, the CIA's Report highlighted misleading conclusions in a peculiar Executive Summary that failed to reflect the facts buried in the body of the Report.**

**But both Reports, in particular the Department of Justice's Report, were full of damaging admissions, documents, and cables confirming all the essential elements of the story.**

### **The Department of Justice Report - Conclusions Don't Fit the Facts**

**Michael Bromwich, the Inspector General for the Department of Justice, released the Report of his investigation in July 1998, seven months after Mr. Bromwich signed off on the completed Report. The Attorney General originally refused to have it released in December 1997 citing "law enforcement" concerns.**

The Report released by DOJ Inspector General Michael Bromwich was quite revealing. The Report detailed new facts and expanded upon information that had only been alluded to in the CIA Inspector General's Volume I report released in January 1998.

### **The Confusing Conclusions**

The Report of the Inspector General of the Department of Justice made sweeping conclusions that were quickly picked up by most of the press covering the story. Summing up the entire investigation, the DOJ's IG brushed aside the volumes of evidence in one succinct sentence stating,

"In short, our review did not substantiate the main allegations stated and implied in the Mercury News articles." Executive Summary, page 3.

However, the Executive Summary also stated importantly that "[w]e believe our entire report should be read for a fuller and fairer understanding of the results of our inquiry."

In fact, much of the initial press coverage was confused about the actual contents of the report. The cause of the confusion, in plain terms, is that the conclusions of the Report contradict the facts detailed throughout its 407 pages and appendixes.

A careful, complete reading of the DOJ Report reveals damaging facts tying the CIA to Contra drug traffickers. These facts, which are buried throughout the DOJ Report, contradict the IG's conclusions that the Dark Alliance's allegations could not be substantiated.

### **The Buried Facts**

Some of the most misleading conclusions in the DOJ IG's Report were broadly reported by the press at the time of the Report's release. But, a careful reading of the entire Report shows how misleading the conclusions were.

### **Misleading Conclusion**

In the Executive Summary the Report downplayed the connections of the biggest drug dealers in the articles, Norwin Meneses and Danilo Blandon, to the Contras stating,

"[w]e believe, based on the evidence we gathered, that their role in the Contras was marginal. (ES, p11).

### **Facts that Contradict**

But the body of the Report offers clear contradictory evidence. For example the IG reported,

"Pena stated that both Norwin Meneses and Danilo Blandon told him they were also raising money for the Contras through drug dealing and that Blandon stated that the Contras would not have been able to operate without drug proceeds. Norwin Meneses allegedly told Pena that Contra leader Enrique Bermudez was aware of the drug dealing." (ChIV, Pt2)

### **Misleading Conclusion**

The claims alleging CIA ties to Contra drug traffickers were the most vehemently denied by U.S. intelligence agencies. The DOJ IG's Report definitively stated that,

"the implication that the drug trafficking by the individuals discussed in the Mercury News articles was connected to the CIA was ... not supported by the facts.", (Ex.Sum., pg4).

### **Facts that Contradict**

Yet the body of the Report included numerous contradictions including,

"When debriefed by the DEA in the early 1980s, [drug trafficker Renato] Pena said that the CIA was allowing the Contras to fly drugs into the United States, sell them, and keep the proceeds." (ChIV, Pt2).

### **Misleading Conclusion**

The Executive Summary attempted to specifically distance the CIA from the main characters in the Dark Alliance story as well stating,

"Our investigation found no evidence reflecting either Blandon or Meneses was in fact connected to the CIA." (Ex.Sum., pg11).

### **Facts that Contradict**

Yet in Chapter III the Report states,

"It is ... believed by the FBI, SF, that Norwin Meneses was and still may be, an informant for the Central Intelligence Agency." (ChIII, Pt2).

In fact, the main allegations of the Mercury News articles, as reported, were substantiated by the facts throughout the DOJ report.

Of course, neither the CIA, nor the DOJ disputed the fact that Rickie Ross was a major crack cocaine dealer in South Central Los Angeles, later spreading to other cities. Nor was there any serious dispute that Blandon and Meneses were selling huge quantities of drugs to Ross in South Central Los Angeles.

### **The Department of Justice's Report tied the drug ring to the Contras and the CIA. In particular the Report confirmed that:**

Meneses, Blandon and other drug traffickers were part of the Contra movement and tied to Contra leaders; drug profits that were laundered by the Meneses-Blandon operation and sent to the Contras; Meneses, and Blandon were assets of the CIA; and the Meneses-Blandon operation trafficked arms to the Contras and others in Central America.

In short, the DOJ IG's conclusions which distanced the CIA and the Contras from the Meneses-Blandon drug trafficking network were disproved by the Report's own evidence.

### **Fifteen of the Most Telling Facts in the DOJ Report**

.....

1. "According to (FBI agent) Aukland's report, LA CI-1 reported further that Blandon and Meneses were founding members of the FDN, a wing of the Contra movement headed by Calero and that Blandon and Meneses used their drug profits to help fund the FDN."(ChII, Pt1)
2. "Even before the term Contra was being used, LA CI-1 reported that there were meetings of 'anti-Sandinistas' at Meneses' house which were attended by politicians, Somocistas and other exiles interested in starting a counter- revolutionary movement. Meneses told of meeting with Col. Enrique Bermudez... (ChIV, Pt2)
3. "(FBI agent) Hale said he had three informants willing to testify against Meneses...the informants had 'indicated that Meneses, a Nicaraguan, deals in cocaine with both the Sandinista and Contra political factions in Nicaragua." (ChII, Pt1)
4. "Meneses told Blandon that he would give Blandon cocaine and teach Blandon how to sell it, and they would send the profits to the Contra revolution." (ChII, Pt1)
5. "Blandon told us that the initial profits he and Meneses made in drug trafficking went to the Contras." (ChIV, Pt2)
6. "Little Brother: These are the bank statements of the suppliers of the Contra. They have issued checks to different persons and companies, the same to the Cayman Islands..... Blessings, Leysla" [Balladares] "Balladares [Blandon's sister] added that she was a member of the FDN." (ChIV, Pt2)
7. "Blandon said [to Balladares] 'we were fighting for something that is good and they were making money for that'" (ChIV, Pt2)
8. "[T]he DEA in San Francisco did note the following facts: a defendant arrested in a DEA investigation, Renato Pena, had listed his profession as a volunteer worker for the FDN and had asked a confidential informant to meet him at the FDN office on one occasion; a defendant in the Frogman case had made 51 telephone calls to the FDN office in San Francisco; and Norwin Meneses had offered to provide the DEA with information about Nicaraguans involved in cocaine trafficking in Los Angeles for the benefit of the Sandanista government." (ChI, PtE)
9. "Jairo Meneses allegedly told Pena that the drugs were being sold to raise money for the Contras...Pena stated that both Norwin Meneses and Danilo Blandon told him they were also raising money for the Contras through drug dealing and that Blandon stated that the Contras would not have been able to operate without drug proceeds. Norwin Meneses allegedly told Pena that Contra leader Enrique Bermudez was aware of the drug dealing." (ChIV, Pt2)
10. "When asked why Aureliano would appoint Pena to another position when he was suspected of drug trafficking, Pena attributed this to the fact that Meneses was on such good terms with Bermudez, who Pena said was a 'CIA agent'...because Norwin Meneses kept in good contact with Bermudez, Pena "believes the CIA knows about all these things"...Pena stated his belief that the CIA decided to recruit Meneses so that drug sales could be used to support the Contras; Bermudez could not have recruited Meneses on his own, according to Pena, but would have had to 'follow orders.'" (ChIV, Pt2)
11. "According to Blandon, in 1982 he flew with Meneses to Central America to meet with drug dealers and purchase drugs. While in Honduras, they also met with Enrique Bermudez, the leader of the FDN, and discussed the FDN's financial problems. Bermudez said the Contras in Honduras had little money and needed funds for supplies... Bermudez said to Blandon and Meneses during the conversation that "the end justifies the means." (ChII, PtA)
12. "According to Source 1, Cabezas and Zavala were helping the Contras with drug money. Horacio Pereira and Fernando Sanchez also claimed that they were taking the money to help the Contras...In order to get cocaine from Sanchez and a man named 'Rayo,' Zavala and Cabezas had to agree to give 50 percent of their profits to the Contras."...Fernando Sanchez "functioned as the representative for all Contras in Guatemala (and) said that he had a direct CIA contact in Guatemala -- a man named Castelairo - and noted that his brother Aristides also had CIA links, some of whom Sanchez had met socially at Aristides' house in Miami." (ChIX, Pt1) The OIG reports that the source of this information, Source 1, "was a CIA asset prior to his work with the FBI."
13. "On August 25, 1982, Francisco Zavala advised Source 1 of his belief that Adolfo Calero and the individual for whom Zavala was working in New Orleans were in cocaine...Source 1 had previously reported on June 22, 1982 that "Adolfo Calero lives in New Orleans, Louisiana, and that he is definitely involved in cocaine traffic." (ChIX, Pt1)
14. "Aff. further reported that Wenig had placed Gordon in contact with an informant who said that Blandon was a Contra sympathizer and founder of the FDN and that "[t]he money and arms generated by this organization comes thru [sic] the sales of cocaine." This informant was said to have provided one hundred names of persons involved with the distribution of cocaine, all of whom were either Nicaraguan and/or sympathizers to the Contra movement." (ChII, ptE1)
15. "On Feb. 3, 1987, the Los Angeles FBI received information from an informant that Lister had told an unidentified neighbor over drinks that he worked for Oliver North and Secord and had sent arms shipments to the Contras." (ChV, Pt1).

**Key findings of the Senate Subcommittee on Terrorism, Narcotics and International Operations 1989 investigation on "Drugs, Law Enforcement and Foreign Policy":**

Drug traffickers used the Contra war and their ties to the Contras as a cover for their criminal enterprises in Honduras and Costa Rica. Assistance from the drug lords was crucial to the Contras, and the traffickers in turn promoted and protected their operations by associating with the Contra movement. Drug traffickers provided support to the Contras and used the supply network of the Contras. Contras knowingly received both financial and material assistance from the drug traffickers.

In each case, one or another U.S. Government agency had information regarding these matters either while they were occurring, or immediately thereafter.

Members of the Contra movement were involved in drug trafficking, including pilots who flew supplies for the Contras, mercenaries who worked for the Contras and Contra supporters throughout Central America.

Drug traffickers helped in the Contra supply operations through business relations with Contra groups.

Drug traffickers contributed cash, weapons, planes, pilots, air supply services and other materials to the Contras.

U.S. State Department funds, authorized by Congress for humanitarian assistance, was paid to drug traffickers. In some cases, these drug traffickers received the State Department funds, after having been indicted by federal law enforcement agencies on drug charges, and in other cases, were the subject of pending investigations by those agencies.

The FDN Contra group moved Contra funds through a narcotics drug trafficking and money laundering operation.

Drug trafficking for the Contra movement was done by some because they were told that their actions were either on behalf of, or sanctioned by, the U.S. Government.



## **Epilogue: In Their Own Words**

### **The Contra Connections 1979-1986**

**The ties between the Meneses-Blandon operation and the Contras were so numerous and deep that all official investigations were forced to acknowledge the connections.**

### **Los Angeles**

"Blandon told us that in 1980 or 1981 he became involved with the Contra movement in Los Angeles...In approximately 1980 or 1981, Col. Enrique Bermudez, a leader of the Contra group called "FDN" visited Los Angeles and the informal group then affiliated itself with the FDN." (ChII, Pt1)

Meneses told the OIG that after he and Blandon reunited in the United States after the revolution "Blandon helped assist the Contras." (ChIV, Pt2)

"In late 1981 or early 1982, the agent received a phone call from Norwin Meneses...Norwin stated he was living in Los Angeles and traveling frequently to Central America 'where he was involved in the revolution to overthrow the Nicaraguan government.'" (ChIII, Pt2)

"According to (FBI agent) Aukland's report, LA CI-1 reported further that Blandon and Meneses were founding members of the FDN, a wing of the Contra movement headed by Calero and that Blandon and Meneses used their drug profits to help fund the FDN." (ChII, Pt1)

Ivan Torres, an associate of Blandon, "was a functionary of the FDN." (ChIV, Pt2)

"DEA CI-1 noted that, according to Torres, Meneses and Blandon, Torres was the head of the West Coast branch of the FDN, which was supplying the Contras with weapons." (ChII, Pt4)

"Ivan Torres was said to claim that he spoke regularly with FBI agents regarding his FDN activities and that he was kept aware of any police investigations against Blandon and himself." (ChII, Pt5)

"Ivan Torres claims to be in contact with FBI and CIA representatives as a result of his involvement with the FDN. He claims to have been trained by the CIA in San Bernardino in an area made to resemble Nicaraguan terrain. 1987 debriefing of DEA informant. (ChII, Pt4)

"We interviewed (Carlos) Rocha...he said that he had met Blandon in 1981 through the FDN in Los Angeles." (ChII, Pt4)

"Carlos Rocha, who said he worked for Danilo Blandon as a driver from 1985 to 1987, was involved in various FDN activities in Los Angeles." (ChIV, Pt2)

"In 1982 the Los Angeles FDN held a fundraising fiesta. Although Blandon fronted money for the party, it was the only money Rocha recalled that Blandon ever gave to the FDN and it was repaid." (ChIV, Pt2)

"In the early 1980s, [Lister] met Blandon in Los Angeles and trafficked drugs with Blandon's organization. Through Blandon, Lister attempted to sell weapons to the Contras. (Ex.Sum. p12)

"[T]he Rolodex from Blandon's car dealership lists a number for Eden Pastora in Costa Rica. Blandon admitted that Pastora was a friend of his and that he gave support to Pastora..." (ChIV, PtA3, p156)

"Along with LASD deputies, DEA Special Agent Hector Berrellez (now retired) participated in the search of the residence of Roberto Aguilar. The supplementary report filed by the LASD covering this search stated that the deputies seized paperwork and photographs and listed the seized evidence as 'Misc. paperwork & utility bill; personal letter address to Roberto Aguilar, misc. photographs.' When we interviewed Berrellez, he said there was a safe at the house, which the occupants were told to open. Inside, Berrellez found a box containing photographs and ledgers typical of those that big drug dealers keep. Berrellez said the photographs were of men in military uniforms and military operations. He said he specifically remembered a photograph of a man in an aviator's flight suit standing before a war plane and holding an automatic weapon."(ChII, PtE2b, p41)

### **San Francisco**

"Even before the term Contra was being used, LA CI-1 reported that there were meetings of 'anti-Sandinistas' at Meneses' house which were attended by politicians, Somocistas and other exiles interested in starting a counter- revolutionary movement. Meneses told of meeting with Col. Enrique Bermudez... (ChIV, Pt2)

"In the early 1980s, (Meneses) attended Contra meetings in San Francisco, and gave some contributions to the Contra cause, occasionally calling himself a 'revolutionary' who was fighting to get his country back." (ChIII, Pt1)

"According to Blandon, in 1982 he flew with Meneses to Central America to meet with drug dealers and purchase drugs. While in Honduras, they also met with Enrique Bermudez, the leader of the FDN, and discussed the FDN's financial problems. Bermudez said the Contras in Honduras had little money and needed funds for supplies... Bermudez said to Blandon and Meneses during the conversation that "the end justifies the means." (ChII, PtA, p29)

"Blandon also told us that during his trip to Honduras, he was carrying \$100,000 for Meneses, to be used to purchase drugs from a big dealer in Bolivia. But when they were leaving Honduras, the police caught them with the money and confiscated it. Blandon later saw someone connected with the FDN, who went to the police and said that the money was for the Contras." (ChII, PtA, p29, fn6)

"Blandon had traveled to Miami for a conference in support of the Nicaraguan Contras and, while there, had visited two Nicaraguans who the [DEA source] believed were involved in cocaine trafficking. (ChII, PtB, p30)

FBI special agent W. Gordon Gibler "said he had heard that members of the group, including Jairo Meneses and Renato Pena, were active Contra supporters." (ChIV, Pt1)

Renato "Pena said that in early 1981, he met Norwin Meneses at a meeting of the Nicaraguan Contras in San Francisco." (ChIII, Pt1)

San Francisco FDN official Tony Navarro "once met Danilo Blandon at a large FDN meeting held in Navarro's shop in San Francisco." (ChIV, Pt2)

Blandon's sister, Leysla Balladares, "added that she was a member of the FDN, but that her only involvement was assisting in the humanitarian effort. She explained that she did participate in 'fundraising' in San Francisco..." (ChIV, Pt1)

(FBI agent) Hale said he had three informants willing to testify against Meneses...the informants had 'indicated that Meneses, a Nicaraguan, deals in cocaine with both the Sandinista and Contra political factions in Nicaragua." (ChII, Pt1)

FDN leader Adolfo "Calero told the OIG that he believed that he visited Norwin Meneses' house in San Francisco on one occasion between 1985 and 1987 and that the picture of Meneses, himself and others might have been taken there." (ChIV, Pt2)

"Norwin Meneses, another Contra supporter who engaged in significant drug trafficking in California, primarily in the San Francisco area. (Ex.Sum. p7)

"Indeed, it appears that he established contacts and dealt drugs with both sides in the Contra war" (Ex.Sum. p7)

"[T]he DEA in San Francisco did note the following facts: a defendant arrested in a DEA investigation, Renato Pena, had listed his profession as a volunteer worker for the FDN and had asked a confidential informant to meet him at the FDN office on one occasion; a defendant in the Frogman case had made 51 telephone calls to the FDN office in San Francisco; and Norwin Meneses had offered to provide the DEA with information about Nicaraguans involved in cocaine trafficking in Los Angeles for the benefit of the Sandanista government." (ChI, PtE, p17)

"Aff. further reported that Wenig had placed Gordon in contact with an informant who said that Blandon was a Contra sympathizer and founder of the FDN and that "[t]he money and arms generated by this organization comes thru [sic] the sales of cocaine." This informant was said to have provided one hundred names of persons involved with the distribution of cocaine, all of whom were either Nicaraguan and/or sympathizers to the Contra movement." (ChII, PtE1, p36)

## **Miami**

"Meneses and Blandon also traveled to Miami, apparently to ingratiate themselves with the FDN leadership." (ChIV, Pt2)

## **El Salvador**

"The subsource was at a party of (Salvadoran air force) officers when the subject of General Bustillo's investigation came up. An officer had declared that the whole investigation was a ploy to throw the DEA off the trail while the Salvadoran Air Force and the CIA ran large shipments of cocaine through the air bases at La Union and San Miguel in El Salvador for the purpose of obtaining money for the Contras." (ChX, Pt3)  
Contra Drug Money, 1980-86.

The DOJ Report documented the financial support that the Meneses-Blandon operation gave to the Contras. However, the money laundering part of the Meneses/Blandon/Ross drug trafficking network remains almost completely unexamined. Bank records and the paper trail associated with money laundering were not pursued by any of the official investigations. Evidence about the nature of the laundering operation came out nonetheless.

## **From Blandon's L.A. operation:**

"Meneses told Blandon that he would give Blandon cocaine and teach Blandon how to sell it, and they would send the profits to the Contra revolution." (ChII, Pt1)

"(FBI agent) Aukland told the OIG that although LA CI-1 said he did not know how much Blandon had contributed to the FDN, he thought that Blandon had originally started dealing drugs so that he could support the Contras." (ChII, Pt1)

"Blandon told us that the initial profits he and Meneses made in drug trafficking went to the Contras." (ChIV, Pt2)

"A summary of one of (LA CI-1's) debriefings by the FBI stated that ARDE Contra leader Eden 'Pastora was seeking cocaine funds from Blandon to fund Contra operations.'" (ChIV, Pt2)

"Pastora came up in 1985 as he received cash from Danilo for the Contra causes of ARDE group in Costa Rica and L.A. They are purposely staying away from anyone who might be connected with the Agency, like Pastora. They would like me to tell them who they can't get because of a national security block. They are extremely afraid of a national security block." July 17, 1990 letter from Ronald Lister to Scott Weekly. (ChV, Pt2)

"Blandon continued to give some material support to the Contra cause. Blandon stated he gave Contra leader Eden Pastora \$9000 intended for the Contras when Pastora came to Los Angeles in 1985 or 1986." (ChIV, Pt2)

"(Prosecutor Suzanne Bryant-Deason) also said the officers brought a box of documents to the meeting, apparently bank documents...She remembered being struck by the amounts of money reflected in the bank documents and references to the US Treasury. These were most likely...the records seized from Blandon's house which appeared to be Contra bank records." (ChII, Pt3)

"Among the documents seized from Blandon's house were bank statements that appeared to be related to Contra financial activities. As we describe in more detail in Chapter IV below, Blandon told us that the documents were sent to him from his sister, Leysla Balladares, who lived in San Francisco. He said the documents were copies of bank accounts maintained by Contra leaders, and these records indicated that the Contra leaders were stealing money donated to the Contras and that these records did not relate to him or his drug trafficking. He said his sister had sent him the documents because she thought he would be interested in them." (ChII, PtE1a, p39)  
(Description of bank records referenced above)

"OIG reviewed the files seized by the LASD and copied by the FBI in the 1986 searches of Blandon's residences. Among the documents seized from Blandon's house were records that appeared to reflect deposits in seven bank accounts. The documents listed the check, endorser, location, amount, and balance. Some of these deposits were marked "U.S. Treasury/State" and totaled approximately \$9,000,000,000. Other deposits were marked

Cayman Islands and totaled about \$883,000." (ChIV, Pt2, p154)

"Little Brother: These are the bank statements of the suppliers of the Contra. They have issued checks to different persons and companies, the same to the Cayman Islands..... Blessings, Leysla" (ChIV, Pt2, p154)

"Balladares [Blandon's sister] added that she was a member of the FDN." (ChIV, Pt2, p154)"Blandon said 'we were fighting for something that is good and they were making money for that'" (ChIV, Pt2, p155)

"The informant also reported that Blandon, his wife Chepita, Ronald Lister, Moreno, Moreno's wife Aurora Moreno, Carlos Rocha, Ivan Torres and other transported millions of dollars from Los Angeles to a townhouse in Miami that had been purchased for Blandon by Orlando Murillo. Murillo worked for the Government Security Bank in Coral Gables, Florida and allegedly acted as the money launderer for the Blandon organization." (ChII, PtB, p31)

"Blandon was angry when Rocha said that he had told the FBI about Orlando Murillo, Blandon's rich uncle in Miami." (ChII, PtE3b, p44)

### **From Meneses' San Francisco operation:**

DEA informant "SR3 told the DEA in 1986 that Meneses, who had once been a member of the FDN, had been trafficking both to make money for himself and to raise funds for the Contras." (ChIV, Pt2)

"SR3 noted that...Renato Pena worked for Jairo Meneses, and ran the San Francisco office of the FDN. According to SR3, Pena was one of the major Contra fundraisers in San Francisco and was one of those responsible for sending Meneses' drug proceeds to the Contras." (ChIV, Pt2)

"Jairo Meneses allegedly told Pena that the drugs were being sold to raise money for the Contras...Pena stated that both Norwin Meneses and Danilo Blandon told him they were also raising money for the Contras through drug dealing and that Blandon stated that the Contras would not have been able to operate without drug proceeds. Norwin Meneses allegedly told Pena that Contra leader Enrique Bermudez was aware of the drug dealing." (ChIV, Pt2)

DEA informant SR3 told the DEA in 1986 that Meneses "used family members to smuggle drug proceeds from San Francisco, through New Orleans and into Central America for the Contras. Some of these proceeds were used to buy weapons for the Contras in Colombia...SR3 said Meneses had recruited him to coordinate drug and weapons shipments from Colombia." (ChIV, Pt2)

"The DEA also interviewed three Nicaraguan subjects arrested in a San Francisco DEA case. All three stated that they knew Contras who were involved in drug activity. One stated that the Contras were selling drugs to make money to finance the war...The DEA concluded that all three probably knew more than they had told the DEA but held back because of family and political ties." (ChIV, Pt2)

"According to Source 1, Cabezas and Zavala were helping the Contras with drug money. Horacio Pereira and Fernando Sanchez also claimed that they were taking the money to help the Contras...In order to get cocaine from Sanchez and a man named 'Rayo,' Zavala and Cabezas had to agree to give 50 percent of their profits to the Contras."...Fernando Sanchez "functioned as the representative for all Contras in Guatemala (and) said that he had a direct CIA contact in Guatemala -- a man named Castelairo - and noted that his brother Aristides also had CIA links, some of whom Sanchez had met socially at Aristides' house in Miami." (ChIX, Pt1) The OIG reports that the source of this information, Source 1, "was a CIA asset prior to his work with the FBI."

FBI Special Agent David Alba "had the impression that the CIA interfered in the return of the \$36,000 to Zavala and that Zavala or someone he was working with was involved with the CIA...Zavala said he retained some of the proceeds from the check and sent some back to the Contras." (ChVIII, Pt2)

San Francisco FBI agent Gibley "heard unsubstantiated rumors that the Meneses organization was sending money to support the Contras..." (ChIV, Pt1)

"Meneses recalled giving some of his own money to the Contras, but not much, he claimed about \$3,000 between 1982 and 1985." (ChIV, Pt2)

### **CIA Involvement**

The Kerry Committee documented the extensive role of the CIA in creating, operating, maintaining and directing the Contra operations. The Kerry Committee also found significant evidence of CIA knowledge of the Contra drug operations. The OIG found evidence as well.

### **CIA knowledge of Contra drug operations**

"When debriefed by the DEA in the early 1980s, Pena said that the CIA was allowing the Contras to fly drugs into the United States, sell them, and keep the proceeds." (ChIV, Pt2)

In 1987, Blandon associate Ivan Torres told a DEA informant that "the CIA wants to know about drug trafficking but only for their own purposes and not necessarily to assist law enforcement agencies...Torres also told DEA CI-1 that CIA representatives are aware of his drug-related activities and that they don't mind. He said they have gone so far as to encourage cocaine trafficking by members of the contras because they know that it is a good source of income. Some of this money has gone into numbered accounts in Europe and Panama, as does the money that goes to Managua from cocaine trafficking." (ChII, Pt4)

"(Ivan) Torres had told DEA CI-1 about receiving counter-intelligence training from the CIA, and had avowed that the CIA 'looks the other way and in essence allows them (contras) to engage in narcotics trafficking as long as it is done outside the United States.'" (ChII, Pt4)

"According to a memorandum from the CIA attorney, the CIA suggested that the depositions could cause damage to the CIA's image and program in Central America." (Ex.Sum. p18/19)

### **Direct involvement of CIA agents**

"Cabezas also claimed to the OIG that the Contra cocaine enterprise operated with the knowledge of and under the supervision of the CIA. Cabezas

claimed that this drug enterprise was run with the knowledge of a CIA agent named Ivan Gomez." (ChIX, Pt1)

According to a memo from the U.S. Attorney's office in San Francisco to the Justice Department, "Norwin has also dealt with Enrique Bermudez who was a colonel in the Somoza army and who is now an alleged leader of the Contra faction." (ChIII, Pt1)

"When asked why Aureliano would appoint Pena to another position when he was suspected of drug trafficking, Pena attributed this to the fact that Meneses was on such good terms with Bermudez, who Pena said was a 'CIA agent'...because Norwin Meneses kept in good contact with Bermudez, Pena "believes the CIA knows about all these things"...Pena stated his belief that the CIA decided to recruit Meneses so that drug sales could be used to support the Contras; Bermudez could not have recruited Meneses on his own, according to Pena, but would have had to "follow orders." (ChIV, Pt2)

"Pena stated that he was present on many occasions when Meneses telephoned Bermudez in Honduras. Meneses told Pena of Bermudez's requests for such things as gun silencers (which Pena said Meneses obtained in Los Angeles), crossbows, and other military equipment for the Contras. Pena believe that Meneses would sometimes transport certain of these items himself to Central America, and other times would have contacts in Los Angeles and Miami send cargo to Honduras where the authorities were cooperating with the Contras. Pena believes Meneses had contact with Bermudez from about 1981 or 1982 through the mid-1980s." (ChIV, Pt2)

Meneses "told of collaborating with Enrique Bermudez in support of the Contras. Between 1982 and 1983-4, Meneses' job was to recruit people in California to join the Contras. Thereafter, he purchased supplies and raised money in small amounts from Nicaraguan nationals." (ChIV, p2)

"On August 25, 1982, Francisco Zavala advised Source 1 of his belief that Adolfo Calero and the individual for whom Zavala was working in New Orleans were in cocaine...Source 1 had previously reported on June 22, 1982 that "Adolfo Calero lives in New Orleans, Louisiana, and that he is definitely involved in cocaine traffic." (ChIX, Pt1)"Cabezas alleged that between December 1981 and December 1982, he and Zavala smuggled cocaine from Costa Rica to the United States in baskets woven from cocaine-stuffed reeds, sold the cocaine in San Francisco, and returned the profits to the Contras. Cabezas also claimed that this "Contra Cocaine" enterprise operated under the supervision of the CIA." (Ex.Sum. p20)

## **Norwin Meneses and the CIA**

"It became apparent to the FBI that Norwin Meneses was, and may still be, an informant of the DEA. It is also believed by the FBI, SF, that Norwin Meneses was, and may still be, an informant for the Central Intelligence Agency." FBI special agent Donald Hale, Jan. 1988, cable to FBI headquarters. (ChIII, Pt3)

"Meneses told DEA CI-1 in 1986 or 1987 that when the Contra revolution started, he met with some 'American agents' whom Meneses assumed were with the CIA, and showed them how to get in and out of Nicaragua." (ChIV, Pt2)

During an interview in 1985 by the DEA office of Professional Responsibility, an associate of Meneses "added that he had heard Meneses brag about having connections in the United States government, including the CIA and politicians in San Francisco." (ChIII, Pt2)

In a 1986 interview with the DEA, Informant SR3 said "Meneses boasted that he traveled in and out of Nicaragua freely, and that United States agents would assist him, which SR3 took as a reference to either the CIA or the FBI." (ChIII, Pt4, p2)

"On Oct. 3, 1987, an FBI informant told FBI Special Agent Donald Hale that Meneses was in San Francisco. This informant later advised Hale that Meneses was telling his associates that he was an informant for the CIA and that was why he had not been arrested for drug trafficking." (ChIII, Pt2)

"The (DEA) agent said he also suspected CIA involvement with Meneses because of his claimed ties to the Contras." (ChIII, Pt2)

"The San Francisco FBI had source information claiming that Meneses may have worked for the CIA." (ChII, Pt4)

A Jan. 29, 1987 cable from the DEA office in San Francisco "asked DEA headquarters to find out from DEA Costa Rica whether an indictment of Meneses by the San Francisco FBI 'will result in national security problems with other agencies.'" (ChII, Pt4)

"(FBI agent) Gibler said that he also heard rumors that Meneses was working with the CIA." (ChIV, Pt1)

In an early 1987 memo from the FBI to the U.S. Attorney's office in San Francisco, it was noted that an "informant also stated that Meneses had a reputation as a gun runner in Nicaragua and may have worked for the CIA." (ChIII, Pt1)

"[Enrique Miranda Jaime] repeated the claim that Meneses had sold cocaine for the Contras, stating also that it was done with the support of the CIA." (Ex.Sum. p17)

## **Danilo Blandon and the CIA**

In a Feb 5, 1991 memo, INS agent Robert Tellez wrote of Blandon: "This major cocaine trafficker may have had a degree of influence from the CIA." The OIG noted that "Tellez had also told an Immigration Examiner that Blandon knew people who had contact with the CIA and the Contras." (ChII, Pt6)

"As you know, this is a narcotics investigation involving FBI, DEA and LASO units in Riverside and Whittier, California, respectively. It is a sensitive matter since it involves allegations of drug running in support of the CONTRA movement in Nicaragua and wholly unconfirmed allegations of CIA involvement." Memo from AUSA Crossan Anderson to IRS CID, Nov. 25, 1986.

"Unfortunately for the United States Attorney's Office, I have heard that the U.S. intelligence agencies have used their influence to prevent prosecution of the Blandon drug smuggling organization...Lister...understood that two or three times prior to this time, there had been an attempt to prosecute the Blandon smuggling organization and it had been quashed by U.S. intelligence agencies, including the Central Intelligence Agency and the State Department because it would have been embarrassing." Jan. 8, 1992 letter from Lynn Ball to Federal Judge Rudi Brewster, San Diego.

"Hector Berrellez, the DEA agent who participated in the search of Roberto Aguilar's house...had a vague recollections of some 'talk' - he was not sure from who but thought it was from (DEA agent) Schrettner - that the CIA may have monitored the LASD case through the DEA's intelligence center (EPIC)." (ChII, Pt2) (CIA is a participant in EPIC.)



"Hector Berrellez, the DEA agent who participated in the search of Roberto Aguilar's house, told us that the occupants of the house knew that the search warrant was coming and said that they were expecting the police. Berrellez said he did not question the occupants about how they knew, although he said he has a vague recollection of some 'talk' - he was not sure from whom but thought it was from Schrettner - that the CIA may have monitored the LASD case through the DEA's intelligence center (EPIC). (ChII, PtE2b, p41)

"According to LASD Sergeant Huffman, after Blandon was arrested in connection with the search of his house on October 27, 1986, Blandon's attorney, Bradley Brunon, called Huffman and complained about the arrest of Blandon. Brunon allegedly said that he thought the 'CIA winked at this sort of thing,' referring to efforts by Blandon to raise funds for the Contras."(ChII, PtE3d2, p46)"

## **Ronald Lister and the CIA**

"Blandon recalled hearing Lister say that he was involved with the CIA and that he knew someone high up in the CIA who was getting him some licenses so he could sell weapons to Iran." (ChV, Pt1)

"During the FBI's 1984 investigation of Lister, he claimed to have extensive CIA contacts and provided a number of names, including David Scott Weekly." (ChV, Pt1)

"Lister was thereafter debriefed on his historical knowledge of the Blandon organization by DEA SA Jones. In this debriefing, Lister claimed that he had a CIA connection and mentioned the names Scott Weekly and Bo Gritz." (ChV, Pt2)

"According to the ATF file, the U.S. Customs agent working with Scott Weekly told ATF that Weekly was acting at the direction of Customs when he was involved with the Contras." (ChV, Pt3)

"Lister told the OIG that he believed that Scott Weekly was associated with the Defense Intelligence Agency and that he had worked with Weekly on several projects, including a weapons demonstration in El Salvador." (ChV, Pt1)

"Lister was confronted with several letters written by his attorney, Lynn Ball, that included several references to Lister's contact with 'intelligence agencies.' Lister admitted having claimed CIA contacts on several occasions in order to get different law enforcement agents to back off." (ChV, Pt1)

"There may be other reasons why the United States Attorney's Office for the Southern District of California has not been able to proceed on an indictment of defendants identified by Ronald Lister. These reasons may have more to do with so-called 'national security' and political decisions made by the Attorney General, the State Department, the Central Intelligence Agency and other agencies..." Jan. 6, 1992 federal court motion by written by defense attorney Lynn Ball on behalf of Ronald Lister.

"Deputy Sheriff Robert Juarez included the following in his supplementary report covering this search: 'I spoke with Mr. Lester [sic] who told me that he had dealings in South America & worked with the CIA and added that his friends in Washington weren't going to like what was going on. I told Mr. Lester that we were not interested in his business in South America. Mr. Lester replied that he would call Mr. Weekly of the CIA and report me.'" (ChII, PtE2a, p39)

"[Found] a 10-page handwritten document with names, phone numbers, a flowchart and a description of various meetings. This document also contained the phrase: 'In meantime I had regular meeting with DIA Sub contractor Scott Weekly. Scott had worked in El Salvador for us. Meeting concern my relationship w the Contra grp. in Cent. Am. At that time I asked him about scramblers syst. I might buy to sell.' It added: 'Said he could get one for me to sell if I had a customer. Want \$10,000 for it. As he had to share cost w someone in DIA.'"(ChII, PtE2b, p40)

"In FBI files, however, we found a cable date November 17, 1986, from Aukland to FBI Headquarters, which reported: 'During the service of the 14 search warrants by the Los Angeles County Sheriff's Office ... it was noted that subject Lister commented that his 'CIA contact,' Mr. Weekly, would not appreciate this intrusion. Lister has allegedly been selling arms to South American countries or insurgents. In addition, documents obtained during the search indicated that Lister has been in contact with a Scott Weekly, 'DIA' (possible Defense Intelligence Agency)." (ChII, PtE2b, p40)  
Arms trafficking by the Meneses/Blandon operation

In addition to dealing drugs for the Contra movement, the Meneses/Blandon operation smuggled arms to Central America and directed profits to the Contras.

"In 1982, a source told the FBI that Meneses was associating with known drug dealers and had a reputation as a hit man who had killed in Nicaragua. Another FBI source reported that Meneses was involved in the weapons business..."(ChIII, Pt1)

"Meneses described Lister as a close associate of Blandon who, in addition to cocaine trafficking, smuggled sophisticated weapons into Latin America and Asia." (ChII, Pt4)

Blandon told the OIG that "he had first met Lister when he came to an FDN meeting to show them some weapons. Eventually, Lister, Meneses and Blandon entered into an informal partnership for the purpose of selling arms abroad. Efforts to sell to the Contras were unsuccessful, however, because the Contras already had their own weapons suppliers. Meneses, Blandon and Lister then went to El Salvador to market weapons to the Salvadorans. According to Blandon, the plan was for Blandon and Meneses to get their share of the profits in weapons, which they would then give to the Contras." (ChI, Pt5)

"In September 1983, Lister's company Pyramid International Security Consultants, was listed as the subject of a (FBI) neutrality violation investigation involving the sale of weapons to El Salvador and the loan of money from Saudi Arabia to the Salvadoran government. Lister was also alleged to be attempting to sell arms to several other countries." (ChV, Pt1)

"According to Tim LaFrance, Pyramid Security was run by Richard Wilker, who claimed some CIA affiliation. LaFrance believed that Wilker once did have some contact with the CIA..." (ChV, Pt3)

FBI informant LA CI-1 "recalled that Meneses returned to Miami from El Salvador in 1982 and spoke of plans to sell night scope devices obtained from Ronald Lister to the Salvadoran government. Meneses planned to use the proceeds from the night scopes to aid the Contras." (ChI, Pt5)

"Lister told the OIG that between 1982 and 1984, he and an associate obtained 15-20 KG-9's and some handguns from Crasney's Gun Shop, a legitimate gun dealer, and sold them to Blandon. He claimed that he provided Blandon with weapons for the Contras...Blandon told Lister that he had sent the weapons to the Contras...He explained, "Anything I gave him was for the purpose of the Contras. What he did with it, I can't say." (ChV, Pt1)







hold investigative hearings into dramatic new developments in the scandal involving the CIA's complicity with Contra drug traffickers.

"While the House Judiciary Committee continues to deliberate about the constitutional significance of trying to hide a private, extramarital affair, the CIA recently released a report that suggests further action against highest level Reagan Administration officials should have been pursued. This should be at the very top of the agenda for legislative business when the House Intelligence Committee reconvenes in the 106th Congress," Rep. Waters stated.

Rep. Waters summed up the findings of the CIA's internal review, "simply stated, the CIA's Inspector General confirmed the CIA knew of Contra drug trafficking and chose to continue to work with and support the drug traffickers on their payroll."

Rep. Waters called the CIA Inspector General's Report a "remarkable reversal and admission of guilt by an agency that had always vehemently denied any knowledge of or involvement with drug trafficking."

"I was not surprised that the CIA employees who were in the field during the Contra war denied that they were supporting known drug traffickers when interviewed by the Inspector General," commented Rep. Waters. "These same employees face potential criminal prosecution if found to have knowingly supported drug traffickers in their singular pursuit of overthrowing the Contras."

"I was surprised at the number of sources cited in the Inspector General's Report that confirm the CIA knew of and covered up Contra drug trafficking because of the central role so many of these Contra drug runners played in the anti-Sandinista effort.

The Report also described a secret 1982 Memorandum of Understanding (MOU) between the CIA and the Department of Justice that allowed drug trafficking by CIA assets, agents, and contractors to go unreported to federal law enforcement agencies. Rep. Waters explained that the MOU provides documented proof of the conscious effort by the Attorney General and the Director of Central Intelligence to protect Contra drug trafficking in the name of their Contra war effort. It is shocking, inexcusable, and should be acted upon by Congress."

# # #

The Honorable Porter J. Goss  
Chairman  
Permanent Select Committee on Intelligence  
H405 Capitol  
Washington, DC 20515

November 30, 1998

Dear Chairman Goss:

As the House Permanent Select Intelligence Committee considers its legislative business for the 106th Congress, I urge the Committee to place the investigation into the allegations of U.S. intelligence involvement with Contra drug trafficking at the top of its agenda.

I believe the dramatic new developments in this ongoing scandal make it imperative that the House Intelligence Committee hold full public hearings to be able to fully and adequately complete its investigation. I ask you to set a date for the commencement of these hearings as soon as possible after the start of the 106th Congress.

The facts detailed in Volume II of the CIA Inspector General's Report suggest that further action against high level Reagan Administration officials and CIA officials should have been pursued. The Select Intelligence Committee should take immediate steps to pursue these new revelations.

Remarkably, the declassified version of Volume II confirmed many of the key allegations of CIA and Reagan Administration support for Contra drug trafficking to the U.S. This is remarkable because of the long-standing policy of the CIA to deny any involvement with or knowledge of drug trafficking by the Contras and their supporters. In short, it is a complete reversal of the CIA's stated position to the public, press, and of course, Congress.

The Washington Post reported the new revelations on November 3 with the headline "CIA Ignored Tips Alleging Contra Drug Links, Report Says," while the New York Times covered this damning report on October 10 stating "C.I.A. Said to Ignore Charges of Contra Drug Dealing in '80s." A number of other national and regional news organizations ran stories acknowledging the fact that the CIA's Inspector General confirmed the CIA knew of Contra drug trafficking and chose to continue to work with and support the drug traffickers on their payroll.

Extensive new evidence revealed

**The declassified version of the Report released by the CIA Inspector General described how the CIA knew, at the highest level, that the Contra rebels intended to sell drugs in the United States to finance its war efforts. The Report details the voluminous evidence that the CIA and the Reagan Administration possessed regarding drug trafficking by CIA assets, contractors and individual supporters involved in the Contra movement.**

This evidence included some 1,000 cables sent to CIA headquarters in Langley alleging drug trafficking by at least 58 Contra leaders, 14 Contra pilots on the CIA payroll, CIA contractors and front companies, and the terrorist organization that later formed the core of the FDN, the leading Northern Front Contra organization. The Report states that these cables and leads were almost entirely ignored by CIA headquarters and the Reagan Administration in pursuit of their all-consuming goal of overthrowing the Nicaraguan government by any means necessary.

### **Read Together - Reports Reveal Devastating Picture**

A complete reading of the CIA's internal review, Volumes I and II, and the Department of Justice's own recently released report confirms U.S. government knowledge of and complicity with Contra drug trafficking to the United States.

For example, at the same time the CIA was starting its official involvement with the Contra rebels, a leading Contra faction, the Legion of September 15, "had made a decision to engage in drug smuggling to the United States in order to finance its anti-Sandinista operations." The infamous Legion of September 15 group included CIA asset Enrique Bermudez, the Contras' top military commander, and a number of other key Contra military commanders.

Volume I of the IG's Report detailed the ties between Bermudez, Norwin Meneses and Danilo Blandon, the drug kingpins that Gary Webb wrote about in his Dark Alliance series. Volume I reported that Bermudez asked the two drug kingpins to raise money and supplies for the FDN and assured them their support was welcome because "the ends justify the means."

Volume II reported that the CIA already knew that the Legion had completed "one drug shipment to Miami" by the time the CIA offered its official support in September 1981. The declassified version of the Report documents that the CIA also knew of the Legion's other exploits, including "kidnapping, extortion and robbery to fund its operations" in addition to the "bombing of Nicaraguan civilian airliners and airline hijacking." And despite all this information, the CIA continued to work with most of these CIA assets, violating existing law.

When both reports are read together, it is clear that the Contra military commander's embrace of the drug kingpins Meneses and Blandon was part of the ongoing drug trafficking efforts by the FDN, and its precursor, the Legion of September 15, to raise funds for their military efforts.

The Report also revealed the significance of a number of other previously lesser known participants in the Contra drug operations.

The Report discussed the involvement of CIA agent Ivan Gomez in drug money laundering. Volume II revealed how a CIA Security/Counterintelligence section review of Gomez rejected his application for career CIA officer employment because "he was unable to [provide credible answers regarding drug trafficking]. Consequently, [Gomez] was amicably terminated effective 31 March 1988." Volume II detailed the findings of the CIA's interview with Gomez concluding the interviewer "believes Gomez directly participated in illegal drug transactions, concealed participation in illegal drug transactions, and concealed information about involvement in illegal drug activity."

Unfortunately, the information of Gomez' drug trafficking was not included in Volume I, despite the extensive discussion of Ivan Gomez in "Volume I: The California Story." In Volume I, Carlos Cabezas stated that Gomez was with the CIA, and that Gomez was at meetings with Cabezas and other drug traffickers "to ensure that the profits from the cocaine went to the Contras and not into someone's pocket." Volume II filled in the blanks showing how Ivan Gomez was involved in drug money laundering before and after drug trafficker Carlos Cabezas met Gomez to give him drug money for the Contras. Volume II also unambiguously states that Gomez was a CIA "agent" and "covert action asset."

In another example, Sebastian Pinel was identified as a "leader of one counterrevolutionary group in Honduras" in a number of CIA cables to Langley Headquarters. Pinel had previously been identified as one of the sources of cocaine for the Carlos Cabezas/Julio Zavala cocaine ring at the center of the San Francisco Frogman case. By identifying Pinel as both a Los Angeles distributor of cocaine for Cabezas/Zavala, and a leader of a Honduran Contra organization, Volume II adds more direct evidence of Contra involvement in the Frogman drug smuggling case.

Manuel Porro Rubiales, identified in Volume II as a 15th of September Legion leader and member of the FDN General Staff support unit, was previously known to Federal law enforcement officials because he was arrested for drug trafficking as part of the DEA's Operation Alligator sweep in New Orleans in 1979. When he was arrested, Manuel Porro identified Norwin Meneses as a supplier to his drug ring. The new information in Volume II sheds light on how future Contra leaders were involved in bringing drugs into the U.S. even before they became Contra leaders.

### **1982 Memorandum of Understanding Shows Premeditation**

As you are also aware, the Report describes the previously secret 1982 Memorandum of Understanding (MOU) between the CIA and the Department of Justice that allowed drug trafficking by CIA assets, agents, and contractors to go unreported to federal law enforcement agencies. In my opinion, it provides documented evidence of the conscious effort by the Attorney General and the Director of Central Intelligence to protect their Contra warriors from being prosecuted for their widespread drug trafficking.

Volume II detailed how effective the MOU was in protecting the involvement of CIA assets in drug trafficking. Ivan Gomez' case was reviewed by the CIA's Office of General Counsel (OGC) which detailed how Gomez had received "\$35,000 cash in a paper bag" and admitted that "Gomez could be guilty as a principal, accessory after the fact, or of conspiracy if he knew the money was part of a

drug transaction."

But the CIA's General Counsel then explained that any charge of Gomez trafficking drugs "is not a non-employee offense required to be reported under the [MOU's] procedures ... Although Gomez ... has ... been an independent contractor (for the CIA), he has never been an "employee' as defined in the MOU]." As a result of this legal hairsplitting allowed by the 1982 Memorandum of Understanding, the CIA never issued a referral to the FBI or DoJ for Gomez' drug trafficking and money laundering. Volume II also clearly states that no information relating to Gomez' possible involvement in drug trafficking was ever provided to Congress by the CIA.

**The Intelligence Committee needs to identify and question every individual that was part of developing and implementing this incredible MOU. Justice demands that those responsible for this governmental license to traffic drugs are held responsible for the damage to our nation which this MOU allowed.**

There are many CIA sources that remain anonymous and protected in these Reports despite their possible involvement in drug trafficking. Many unnamed sources are identified only as a CIA officer or CIA personnel throughout Volume I and II. In addition, the CIA devoted entire sections of Volume II to "A CIA Independent Contractor," "A Second CIA Independent Contractor," and "A Third CIA Independent Contractor." These CIA contractors were identified as drug traffickers, yet these drug traffickers had their identities protected in the CIA's Report. Why?

It is my belief that the Committee must address the many questions of Executive misconduct and probable criminal activity when full Committee hearings commence. I believe it is particularly important to identify the many unnamed sources of information that were discussed in the declassified versions of the CIA's reports.

**At the end of Volume II, the Inspector General of the CIA laid down a challenge for legislators and law enforcement officials to continue the investigation of the CIA's protection of Contra drug traffickers, stating simply, "[t]his is grist for more work, if anyone wants to do it."** We must rise to meet his challenge in the 106th Congress. I call on you, as Committee Chair, to ensure we meet this challenge when the 106th Congress convenes.

Sincerely,

Maxine Waters  
Member of Congress

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**On May 14, 1999 Maxine Waters added an amendment to The Intelligence Authorization Bill (Intelligence budget) banning members of the intelligence community from trafficking drugs.**

[http://www.house.gov/waters/pr\\_99514.htm](http://www.house.gov/waters/pr_99514.htm)

**FOR IMMEDIATE RELEASE**

**May 14, 1999 CONTACT: Ruffin Brown (202) 225-2201**

**CONGRESSWOMAN MAXINE WATERS DRUG TRAFFICKING AMENDMENT PASSES ON THE HOUSE FLOOR**  
**Washington, D.C. - Representative Maxine Waters' drug trafficking amendment to "The Intelligence Authorization Bill," entitled "Prohibition on Drug Trafficking by Employees of the Intelligence Community," was passed today by the House of Representatives without opposition.**

Source:

<http://www.scribd.com/doc/117070568/Waters-1998-Review-of-Reports>

**EXHIBIT 7: David Corn and Robert Parry comments on the CIA clearing itself of drug trafficking allegations. The House Permanent Select Committee on Intelligence (HPSCI) chaired by former CIA officer Porter Goss decides to take no further action or hold further hearings. Goss would later serve as Director of Central Intelligence (DCI) under George W. Bush's administration (September 24, 2004 until April 21, 2005)**

[The Nation](#) / By [David Corn](#)

**LOYAL OPPOSITION: In Plain Sight: The CIA Keeps Getting Away With It**

"The House intelligence committee released a report that declared the CIA had nothing to do with the rise of crack in Los Angeles in the 1980s. This was a response to a controversial series by reporter Gary Webb, which exposed a group of California-based Nicaraguan drug-dealers supporting the Nicaraguan contra rebels battling the leftist Sandinista regime. But the case is not closed -- that is, it should not be closed."

*June 4, 2000 |*

A few weeks ago, the House intelligence committee released a 44-page report that declared the CIA had nothing to do with the rise of crack in Los Angeles in the 1980s. Why did the Agency need to be exonerated of such malfeasance? Because a controversial 1996 San Jose Mercury News series by reporter Gary Webb exposed a group of California-based Nicaraguan drug-dealers who in the 1980s had supported the Nicaraguan contra rebels battling the leftist Sandinista regime. The contras, of course, had been a pet project of President Ronald Reagan and the covert cowboys he put in charge at the CIA. The headlines on the Mercury News pieces suggested that this particular band of contra backers shared responsibility for triggering the crack wave that wreaked havoc on inner-city communities across the nation. "America's crack plague has roots in Nicaragua war," read the day-one headline. "Shadowy origins of 'crack' epidemic," read the next day's. "Role of CIA-linked agents a well-protected secret until now." Thousands rushed to read the stories on the newspaper's website. The phonelines at black radio talk shows lit up. Members of Congress, particularly those in the Congressional Black Caucus, demanded answers from the CIA. (Even today, the CIA says that its recruitment of African-Americans suffers because of these stories.) The CIA director at the time, John Deutch, felt obligated to attend a town meeting in Watts to deny the charges.

And what passes for investigation in Washington began. The CIA's inspector general examined the allegations of the "Dark Alliance" series. The Justice Department did the same. Not surprisingly, the CIA's own gumshoes -- and those of Justice -- pronounced the CIA not guilty of complicity in the crack explosion. Webb's series had its problems. He had unearthed a good tale of contra drug involvement, but he had not uncovered a definite link between the Agency and these dealers, and his suggestion that this one drug outfit was instrumental to the birth of crack epidemic was far-fetched. Now, the House intelligence committee, nearly four years later, has seconded the verdicts of the CIA and the Justice Department: "The committee found no evidence to support the allegations that CIA agents or assets associated with the contra movement were involved in the supply or sale of drugs in the Los Angeles area."

But the case is not closed -- that is, it should not be closed. The spies' overseers in the House -- the people who keep an eye on the CIA for the rest of us -- also confirmed, in a quiet fashion, the real dirty secret of the CIA: that during the contra war, the Agency worked hand-in-cloak with persons it had reason to believe were smuggling drugs. In a report released in late 1998, the CIA inspector general acknowledged that the Agency, obsessed with its contra mission, had on a number of occasions collaborated with suspected drug-runners. This should have been a scandal in itself. The report provided the details of several examples. It also noted that the "CIA did not inform Congress of all allegations or information it received indicating that Contra-related organizations or individuals were involved in drug trafficking." Put more bluntly: the CIA had covered up the contra-drug connection. A CIA official who served in Central America told the inspector general, "Yes there [was] derogatory stuff [on the contras] ... but we were going to play with these guys." Webb had gotten near this truth. In the middle of the just-say-no Reagan years, a federal agency had indeed struck a "dark alliance" -- not the one Webb had depicted, but one as disturbing. This revelation, though, received scant media attention; most news coverage echoed the CIA's self-exoneration regarding the crack charges.

The House intelligence committee investigation repeats the pattern. The bulk of the report is directed at disputing the crack allegations. But toward the end there is understated recognition that scandalous CIA activity did happen: "As described in Volume II of the CIA IG report, under various circumstances, the CIA made use of or maintained relationships with a number of individuals associated with the Contras or the Contra-supply effort about whom the CIA had knowledge of information or allegations indicating the individuals had been involved in drug trafficking."



Now why does the House intelligence committee have nothing else to say on this front? It preferred flogging Webb one more time to examining the real skulduggery. Moreover, the committee interviewed several senior CIA managers, and these people insisted they could only recall only one single report of contra-related drug-dealing. But with the CIA inspector general having determined there had been many such instances, it's plausible (make that, likely) that these CIA officials did not speak truthfully to the committee. Did the committee's report address this contradiction and the possibility CIA officials had once again withheld information from Congress? Not at all. And the House's report registered barely a blip in the national news media.

When the CIA released the IG report that acknowledged the contra program had been tainted by drugs, Frederick Hitz, then the inspector general, said the study was merely a start: "This is grist for more work, if anyone wants to do it." A year and a half has passed since then, and it is clear that no one in government has the desire to pursue this topic. The House intelligence committee is positioned to do so. But it is more concerned with bolstering the CIA than in providing an independent and thorough look at this ugly piece of recent history. Al Gore could raise the issue -- as a reminder of what happened the last time Republicans controlled the CIA -- but then he would have to explain why his administration has shown no inclination to hold the Agency accountable. George W. Bush is hardly able to complain about lackadaisical oversight of the CIA. When the spies were hobnobbing with suspected drug runners, they were doing so to implement the pro-contra policies of the Reagan-Bush White House. (And the CIA headquarters is now named after George the Elder, who was a CIA director in the 1970s.) It's in no one's interest in Washington to make a stink. The CIA is permitted to slither off. This is not a cover-up; it's a look-away. Reagan and Bush's CIA made common cause with suspected drug thugs and ... no big deal. Nevertheless, it will be worth keeping this nasty episode in mind, for when the ailing Reagan expires, the media hoopla will overflow with praise of the Old Man. Yet nothing that happened in Bill Clinton's Oval Office was as untoward as what went on in Reagan's CIA.

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June 8, 2000

## CIA Admits Tolerating Contra- Cocaine Trafficking in 1980s

By Robert Parry

In secret congressional testimony, senior CIA officials admitted that the spy agency turned a blind eye to evidence of cocaine trafficking by U.S.-backed Nicaraguan contra rebels in the 1980s and generally did not treat drug smuggling through Central America as a high priority during the Reagan administration.

"In the end the objective of unseating the Sandinistas appears to have taken precedence over dealing properly with potentially serious allegations against those with whom the agency was working," CIA Inspector General Britt Snider said in classified testimony on May 25, 1999. He conceded that the CIA did not treat the drug allegations in "a consistent, reasoned or justifiable manner."

Still, Snider and other officials sought to minimize the seriousness of the CIA's misconduct -- a position echoed by a House Intelligence Committee report released in May and by press coverage it received. In particular, CIA officials insisted that CIA personnel did not order the contras to engage in drug trafficking and did not directly join in the smuggling.

But the CIA testimony to the House Intelligence Committee and the body of the House report confirmed long-standing allegations -- dating back to the mid-1980s -- that drug traffickers pervaded the contra operation and used it as a cover for smuggling substantial volumes of cocaine into the United States.

Deep in the report, the House committee noted that in some cases, "CIA employees did nothing to verify or disprove drug trafficking information, even when they had the opportunity to do so. In some of these, receipt of a drug allegation appeared to provoke no specific response, and business went on as usual."

Former CIA officer Duane Clarridge, who oversaw covert CIA support for the contras in the early years of their war against Nicaragua's leftist Sandinista government, said "counter-narcotics programs in Central America were not a priority of CIA personnel in the early 1980s," according to the House report.

The House committee also reported new details about how a major Nicaraguan drug lord, Norwin Meneses, recruited one of his principal lieutenants, Oscar Danilo Bandon, with promises that much of their drug money would go to the contras. Meneses and Bandon were key figures in a controversial 1996 series in the *San Jose Mercury News* that alleged a "dark alliance" between the CIA and contra traffickers.

That series touched off renewed interest in contra-drug trafficking and its connection to the flood of cocaine that swept through U.S. cities in the 1980s, devastating many communities with addiction and violence. In reaction to the articles by reporter Gary Webb, U.S. government agencies and leading American newspapers rallied to the CIA's defense.

Like those responses, the House Intelligence Committee report attacked Webb's series. It highlighted exculpatory information about the CIA and buried admissions of wrongdoing deep in the text where only a careful reading would find them. The report's seven "findings" – accepted by the majority Republicans as well as the minority Democrats – absolved the CIA of any serious offenses, sometimes using convoluted phrasing that obscured the facts.

For instance, one key finding stated that "the CIA as an institution did not approve of connections between contras and drug traffickers, and, indeed, contras were discouraged from involvement with traffickers." The phrasing is tricky, however. The use of the phrase "as an institution" obscures the report's clear evidence that many CIA officials ignored the contra-cocaine smuggling and continued doing business with suspected drug traffickers.

The finding's second sentence said, "CIA officials, on occasion, notified law enforcement entities when they became aware of allegations concerning the identities or activities of drug traffickers." Stressing that CIA officials "on occasion" alerted law enforcement about contra drug traffickers glossed over the reality that many CIA officials withheld evidence of illegal drug smuggling and undermined investigations of those crimes.

Normally in investigations, it is the wrongdoing that is noteworthy, not the fact that some did not participate in the wrongdoing.

A close reading of the House report reveals a different story from the "findings." On page 38, for instance, the House committee observed that the second volume of the CIA's inspector general's study of the contra-drug controversy disclosed numerous instances of contra-drug operations and CIA knowledge of the problem.

"The first question is what CIA knew," the House report said. "Volume II of the CIA IG report explains in detail the knowledge the CIA had that some contras had been, were alleged to be or were in fact involved or somehow associated with drug trafficking or drug traffickers. The reporting of possible connections between drug trafficking and the Southern Front contra organizations is particularly extensive.

"The second question is what the CIA reported to DOJ [Department of Justice]. The Committee was concerned about the CIA's record in reporting and following up on allegations of drug activity during this period. ... In many cases, it is clear the information was reported from the field, but it is less clear what happened to the information after it arrived at CIA headquarters."

In other words, the internal government investigations found that CIA officers in Central America were informing CIA headquarters at Langley, Va., about the contra-drug problem, but the evidence went no farther. It was kept from law enforcement agencies, from Congress and from the American public. Beyond withholding the evidence, the Reagan administration mounted public relations attacks on members of Congress, journalists and witnesses who were exposing the crimes in the 1980s.

In a sense, those attacks continue to this day, with reporter Gary Webb excoriated for alleged overstatements in the *Mercury News* stories. As a result of those attacks, Webb was forced to resign from the *Mercury News* and leave daily journalism. No member of the Reagan administration has received any punishment or even public rebuke for concealing evidence of contra-cocaine trafficking. [For details on the CIA's internal report, see Robert Parry's *Lost History*.]

Besides confirming the CIA's internal admissions about contra-drug trafficking and the CIA's spotty record of taking action to stop it, the House committee included in its report the Reagan administration's rationale for blacking out the contra-cocaine evidence in the 1980s.

"The committee interviewed several individuals who served in Latin America as [CIA] chiefs of station during the 1980s," the report said. "They all personally deplored the use and trafficking of drugs, but indicated that in the 1980s the counter-narcotics mission did not have as high a priority as the missions of reporting on and fighting against communist insurrections and supporting struggling democratic movements.

"Indeed, most of those interviewed indicated that they were, effectively speaking, operating in a war zone and were totally engaged in keeping U.S. allies from being overwhelmed. In this environment, what reporting the CIA did do on narcotics was often based on one of two considerations: either a general understanding that the CIA should report on criminal activities so that law enforcement agencies could follow up on them, or, in case of the contras, an effort to monitor allegations of trafficking that, if true, could undermine the legitimacy of the contras cause."

In other words, the CIA station chiefs admitted to the House committee that they gave the contras a walk on drug trafficking. "In case of the contras," only monitoring was in order, as the CIA worried that disclosure of contra-drug smuggling would be a public relations problem that "could undermine the legitimacy of the contra cause."

The House report followed this CIA admission with a jarring – and seemingly contradictory – conclusion. "The committee found no evidence of an attempt to 'cover up' such information," the report said.

Yet, that "no cover-up" conclusion flew in the face of both the CIA inspector general's report and the report by the Justice Department's inspector general. Both detailed case after case in which CIA and senior Reagan administration officials intervened to frustrate investigations on contra-connected drug trafficking, either by blocking the work of investigators or by withholding timely evidence.

In one case, a CIA lawyer persuaded a federal prosecutor in San Francisco to forego a 1984 trip to Costa Rica because the CIA feared the investigation might expose a contra-cocaine tie-in. In others, Drug Enforcement Administration investigators in Central

America complained about obstacles put in their path by CIA officers and U.S. embassy officials. [For more details, see *Lost History*.]

In classified testimony to the House committee, CIA Inspector General Snider acknowledged that the CIA's handling of the contra-cocaine evidence was "mixed" and "inconsistent." He said, "While we found no evidence that any CIA employees involved in the contra program had participated in drug-related activities or had conspired with others in such activities, we found that the agency did not deal with contra-related drug trafficking allegations and information in a consistent, reasoned or justifiable manner."

Even in this limited admission, Snider's words conflicted with evidence published in the CIA inspector general's report in October 1998. That report, prepared by Snider's predecessor Frederick Hitz, showed that some CIA personnel working with the contras indeed were implicated in drug trafficking. The tricky word in Snider's testimony was "employees," that is, regular full-time CIA officers.

Both the CIA report and the House report acknowledged that a CIA "contractor" known by the pseudonym Ivan Gomez was involved in drug trafficking. In the early 1980s, the CIA sent Gomez to Costa Rica to oversee the contra operation. Later, Gomez admitted in a CIA polygraph that he participated in his brother's drug business in Florida.

In separate testimony, Nicaraguan drug smuggler Carlos Cabezas fingered Gomez as the CIA's man in Costa Rica who made sure that drug money went into the contra coffers.

Despite the seeming corroboration of Cabezas's allegation about Ivan Gomez's role in drug smuggling, the House committee split hairs again. It attacked Cabezas's credibility and argued that the Gomez drug money could not be connected definitively to the contras. "No evidence suggests that the drug trafficking and money laundering operations in which Gomez claimed involvement were in any way related to CIA or the contra movement," the House report said.

What the report leaves out is that one reason for this lack of proof was that the CIA prevented a thorough investigation of Ivan Gomez's drug activities by withholding the polygraph admission from the Justice Department and the U.S. Congress in the late 1980s. In effect, the House committee now is rewarding the CIA for torpedoing those investigations.

In one surprise disclosure, the House committee uncovered new details about the involvement of Nicaraguan drug smuggler Oscar Danilo Blandon in trafficking intended to support the contras financially. Blandon, a central figure in the *Mercury News* series, said he was drawn into the drug business because he understood profits were going to the contra war.

In a deposition to the House committee, Blandon described a meeting with Nicaraguan drug kingpin Norwin Meneses at the Los Angeles airport in 1981. "It was during this encounter, according to Blandon, that Meneses encouraged Blandon to become involved with the drug business in order to assist the contras," the House report stated.

"We spoke a lot of things about the contra revolution, about the movement, because then he took me to the drug business, speaking to me about the drug business that we had to raise money with drugs," said Blandon. "And he explained to me, you don't know, but I am going to teach you. And, you know, I am going to tell you how you will do it. You see, you keep some of the profit for you, and some of the profit we will help the contra revolution, you see. ... Meneses was trying to convince me with the contra revolution to get me involved in drugs. Give a piece of the apple to the contras and a piece of the apple to him."

Blandon accepted Meneses's proposal and "assumed the money he had given Meneses was being sent by Meneses to the contra movement. However, Blandon stated that he had no firsthand knowledge that this was actually occurring," the House report said.

Though Blandon claimed ignorance about the regular delivery of cocaine cash to the contras, other witnesses confirmed that substantial sums went from Meneses and other drug rings to the contras. A Justice Department investigation discovered several informants who corroborated the flow of money.

One confidential informant, identified in the Justice report only as "DEA CI-1," said Meneses, Blandon and another cohort, Ivan Torres, contributed drug profits to the contras.

Renato Pena, a money-and-drug courier for Meneses, also described sharing drug profits with the contras, while acting as their northern California representative. Pena quoted a Colombian contact called "Carlos" as saying "We're helping your cause with this drug thing. ... We're helping your organization a lot."

The Justice report noted, too, that Meneses's nephew, Jairo, told the DEA in the 1980s that he had asked Pena to help transport drug money to the contras and that his uncle, Norwin Meneses, dealt directly with contra military commander Enrique Bermudez.

The Justice report found that Julio Zavala and Carlos Cabezas ran a parallel contra-drug network. Cabezas said cocaine from Peru was packed into hollow reeds which were woven into tourist baskets and smuggled to the United States. After arriving in San Francisco, the baskets went to Zavala who arranged sale of the cocaine for contra operatives, Horacio Pereira and Troilo Sanchez. Cabezas estimated that he gave them between \$1 million and \$1.5 million between December 1981 and December 1982.

Another U.S. informant, designated "FBI Source 1," backed up much of Cabezas's story. Source 1 said Cabezas and Zavala were helping the contras with proceeds from two drug-trafficking operations, one smuggling Colombian cocaine and the other shipping cocaine through Honduras. Source 1 said the traffickers had to agree to give 50 percent of their profits to the contras.

The House report made no note of this corroborating evidence published in the DOJ report.

The broader contra-cocaine picture was ignored, too. The evidence now available from government investigations over the past 15 years makes clear that many major cocaine smuggling networks used the contra operation, either relying on direct contra assistance or exploiting the relationship to gain protection from U.S. law enforcement.

Sworn testimony before an investigation by Sen. John Kerry, D-Mass, in the late 1980s disclosed that the contra-drug link dated back to the origins of the movement in 1980. Then, Bolivian drug lord Roberto Suarez invested \$30 million in several Argentine-run paramilitary operations, according to Argentine intelligence officer Leonardo Sanchez-Reisse.

The Suarez money financed the so-called Cocaine Coup that ousted Bolivia's elected government in 1980 and then was used by Argentine intelligence to start the contra war against Nicaragua's leftist government. In 1981, President Reagan ordered the CIA to work with the Argentines in building up the contra army.

According to Volume Two of the CIA report, the spy agency learned about the contra-cocaine connection almost immediately, secretly reporting that contra operatives were smuggling cocaine into South Florida.

By the early 1980s, the Bolivian connection had drawn in the fledgling Colombian Medellin cartel. Top cartel figures picked up on the value of interlocking their operations with the contras. Miami-based anti-Castro Cubans played a key matchmaker role, especially by working with contras based in Costa Rica.

U.S. agencies secretly reported on the work of Frank Castro and other Cuban-American contra supporters who were seen as Medellin operatives. With the Reagan administration battling Congress to keep CIA money flowing to the contras, there were no high-profile crackdowns that might embarrass the contras and undermine public support for their war.

No evidence was deemed good enough to justify sullying the contras' reputation. In 1986, for example, Reagan's Justice Department rejected the eyewitness account of an FBI informant named Wanda Palacio. She testified that she saw Jorge Ochoa's Colombian organization loading cocaine onto planes belonging to Southern Air Transport, a former CIA-owned airline that secretly was flying supplies to the contras. Despite documentary corroboration, her account was dismissed as not believable.

Another contra-cocaine connection ran through Panamanian Gen. Manuel Noriega, who was recruited by the Reagan administration to assist the contras despite Noriega's drug-trafficking reputation. The CIA worked closely, too, with corrupt military officers in Honduras and El Salvador who were known to moonlight as cocaine traffickers and money-launderers.

In Honduras, the contra operation tied into the huge cocaine-smuggling network of Juan Ramon Matta Ballesteros. His airline, SETCO, was hired by the Reagan administration to ferry supplies to the contras. U.S. government reports also disclosed that contra spokesman Frank Arana worked closely with lieutenants in the Matta Ballesteros network.

Though based in Honduras, the Matta Ballesteros network was regarded as a leading Mexican smuggling ring and was implicated in the torture-murder of DEA agent Enrique Camarena.

The CIA knew, too, that the contra-cocaine taint had spread into President Reagan's National Security Council and into the CIA through Cuban-American anti-communists who were working for two drug-connected seafood companies, Ocean Hunter of Miami and Frigorificos de Puntarenas in Costa Rica. One of these Cuban-Americans, Moises Nunez, worked directly for the NSC.

In 1987, the CIA asked Nunez about allegations tying him to the drug trade. "Nunez revealed that since 1985, he had engaged in a clandestine relationship with the National Security Council," the CIA contra-drug report said. "Nunez refused to elaborate on the nature of these actions, but indicated it was difficult to answer questions relating to his involvement in narcotics trafficking because of the specific tasks he had performed at the direction of the NSC."

The CIA had its own link to the Frigorificos/Ocean Hunter operation through Felipe Vidal, a Cuban-American with a criminal record as a narcotics trafficker. Despite that record, the CIA hired Vidal as a logistics coordinator for the contras, the CIA report said. When Sen. Kerry sought the CIA's file on Vidal, the CIA withheld the data about Vidal's drug arrest and kept him on the payroll until 1990.

These specific cases were not mentioned in the House report. They also have gone unreported in the major news media of the United States.

Now, with the Democrats on the House Intelligence Committees joining with their Republican counterparts, the official verdict on the sordid contra-drug history has been delivered – a near full acquittal of the Reagan administration and the CIA. The verdict is justified as long as no one reads what's in the government's own reports.

**Written Statement of Celerino Castillo, 3rd  
(Former DEA Special Agent)**

**JULY 2000**

**For**

**THE HOUSE SELECT COMMITTEE ON INTELLIGENCE**

**The CIA Inspector General Report of Investigation**

**VOLUME II :**

**THE CONTRA STORY**

**Released October 8, 1998**

**And**

**REPORT ON THE CIA's ALLEGED INVOLVEMENT IN  
CRACK COCAINE TRAFFICKING IN THE LOS ANGELES AREA**

**HOUSE OF REPRESENTATIVES**

**ONE HUNDRED SIXTH CONGRESS**

**SECOND SESSION**

**FEBRUARY 2000**

Several years ago, as a patriot, I took an oath to protect the Constitution of the United States and its' citizens. I fought for it in Vietnam and as a Special Agent with the Drug Enforcement Administration. And now, I find myself ready to fight for it once more. Sadly enough, it's a battle against the criminals in my own government. It has cost me so much to become a complete human being. I realize that by exposing these powerful criminals I have placed my life in danger. However, I strongly believe, then and now, that by placing my life on the line, I will make a difference in preserving my country from these criminals. Some of the evidence that you are about to view has never been exposed to the public. These atrocities were committed by my government, from drug trafficking to obstruction of Justice to murder, with relative at ease.

The following statement would have been my testimony before the government committees investigating the allegations of US drug trafficking. However, for apparent reasons, I was never summoned to testify. My only condition was that if I was to be interviewed, I would be allowed to record the interview. Because of my prior experience with the government, that would have been my only proof of what I did or did not say.

You will view some, but not many, quotations that you have read in the past. However, I hope that the viewer will focus on these quotations as part of my foundation of evidence for the criminal cases. You will also view some quotations that haven't been witnessed by many. This is essentially important in building my cases against these criminals.

As a twenty year criminal investigator, specifically drug cases, I have found overwhelming evidence that would convict, without reasonable doubt, these criminals in my own government. I will also prove, emphatically and without equivocation, that high US Government officials "Obstructed Justice". These individuals should be held accountable for deceiving the American people, judges and members of Congress.

My first responds would have been to Senator John Kerry's "Senate Committee Report on Drugs, Law Enforcement and Foreign Policy". At the time, as a special agent with the Drug Enforcement Administration (DEA), I should have had a "God given right" as a citizen and as a government agent to testify before this committee. One of the reasons that the committee gave for not interviewing me, was that the DEA had established, "*That no evidence was found that the Contras were involved in drug trafficking.*" As you read my evidence, you will sense the massive cover up by the DEA and other government agencies because they were terrified of the CIA. Most of the evidence will fall, with confirmation, that Ilopango Air Base in El Salvador was the "O'Hare Airport" of drug trafficking. It still boggles my mind why a criminal investigator, for these investigative committees, never bothered to travel to Guatemala or El Salvador to interview US elements of the US Embassies. Some of these agents had gathered the intelligence and evidence that implicated the US Government in drug trafficking. The only reason I could gather would be that the committees came to an understanding with the government about the "drug issue".

*"In 1995, Deutch, fired two CIA officials from the Office of Operation for Guatemala."*

**NOTE:** Chances are that they were hired back as "contract labor". *"If this information turns up wrong doing, we will bring these people to justice and make them accountable."* John Deutch, DCI - 11-15-96

**OVERT ACT :** *An open, manifest act from which criminality may be implied. An outward act done in pursuance and manifestation of an intent or design. An open act, which must be manifestly proved.*

## **Selections from the Senate Committee Report on Drugs, Law Enforcement and Foreign Policy chaired by Senator John. F. Kerry 1988**

*"We permitted narcotics, we were complicit, as a country, in narcotic trafficking. At the same time, we are spending countless dollars in this country to try to get rid of this problem. As law enforcement officials risk their lives, how can you ask a DEA agent to go out their and risk his life, when there is a whole other policy out there that is willing to overlook narcotics. It's mind boggling." Senator, John Kerry, 1988*

### ***INTRODUCTION***

SPRING OF 1986,...On the basis of this evidence, it is clear that individuals who provided support for the Contras were involved in drug trafficking, the supply network of the Contras was used by drug trafficking organizations, and element of the Contras themselves knowingly received financial and material assistance from drug traffickers.

**NOTE:** I will prove that, not only did the CIA turned a "blind eye", but were complicit in drugs and arms trafficking. Not to mention the participation in assassinations by CIA assets. As you view the evidence, you will find dates, times, places - and for the first time names of CIA officials who participated in the approval as these murders.

*"There is no question in my mind, "one or more agencies" of the US government had information regarding the involvement either while it was occurring, or immediately thereafter. Reports were reaching the highest councils of*

*our government in the White House and the Justice Department. There is no question about that. I can document that." John Kerry*

## **THE EXECUTIVE BRANCH RESPONSE TO CONTRA-DRUG CHARGES**

In the wake of press accounts concerning links between the Contras and drug traffickers beginning DECEMBER, 1985, with a story by the Associated Press. Both Houses of the Congress began to raise questions about the drug-related allegations associated with the Contras, causing a review in the spring of 1986 of the allegations by the State Department, in conjunction with the Justice Department and relevant *US intelligence agencies*.

Following the review, the State Department told the Congress in April, 1986 that it had at that time "*evidence of a limited number of incidents in which known drug traffickers tried to establish connections with Nicaraguan resistance groups.*"

NOTE: *John (Jack) McCavett was the CIA Chief of Station in Guatemala and El Salvador during this time period (1980s).*

Spring of 1986, ...At the time, the FBI had "*significant information*" regarding the involvement of narcotics traffickers in Contra operations and Neutrality Act violations.

NOTE: Costa Rica and El Salvador airbase "Ilopango" were the main targets of these investigations.

Footnote: See extensive FBI investigative materials released in discovery in *US v Corbo* and *US v Calero*, SD Florida, 1988, documenting information the FBI had collected regarding these matters from 1984 - 1986. See *Iran/Contra Deposition of FBI Agent Kevin Currier*, Appendix B, Vol. 8 pp. 205-206. FBI 302's of SA Kisyznski, released in *US v Corbo*, SD Florida 1988.

The FBI had already assembled substantial information *confirming* the Neutrality Act violations, including admissions by some of the persons involved indicating that crimes had taken place. In fact, as the FBI had previously learned from *informants*, that Cuban-American supporters of the Contras had shipped weapons from south Florida to Ilopango....Corbo, one of the principals in the shipment, explicitly told the FBI that he had participated in shipping weapons to the Contras in violation of US Neutrality laws.

NOTE: Did Jack McCavett know this? He states in his responds to the Permanent Select Committee on Intelligence, that "*The Contra effort at Ilopango was Closely Supervised*".

In August 1987, the CIA's Central American Task Force Chief became the first US official to revise that assessment to suggest instead that the links of the Contras to narcotics trafficking was in fact far broader than that acknowledged by the State Department in 1986. Footnotes: *Iran-Contra testimony of Central American Task Force Chief August 5, 1987, 100-11, pp. 182-183. "Drugs moved in and out"--"Fiers on Ilopango", interview with Iran Contra investigators, 1991*

## **OVERT ACTS OF DRUG TRAFFICKING**

1987, DEA Assistant Administrator David Westrate said of the Nicaraguan war: "*It is true that people on both sides of the equation (in the Nicaraguan war) were drug traffickers, and a couple of them were pretty significant*". Footnote: Subcommittee testimony of David Westrate, Part 4, July 12, 1988, p. 144.

## **THE CONTRA STORY VOL. II (THE AMERICAN CITIZEN)**

NOTE: DEA at that time, had assembled substantial information of drug trafficking at Ilopango Air Base during Jack McCavett's watch. However, when DEA asked where SA Cele Castillo or SA Sandy Gonzlaes agent's reports were, they testified that there were no reports to implicate the Contras in drug trafficking.

Example: Walter Grasheim, US citizen, was running a covert operation at Ilopango since 1984. On May 3, 1986, he was forced to land his aircraft in Florida. He had with him two suitcases which contained suspected cocaine. He alleged that he was transporting top secret documents in the suitcases for the CIA. After the incident, he went back to his operation at Ilopango.

Jack McCavett was aware of the incident and permitted him to continue his support for the Contras. Jack could have warned everyone at the embassy about the Grasheim allegation.

## ***Overt "Obstruction of Justice" by both the DEA & CIA***

### ***THE PILOTS***

Gary Wayne Betzner, drug pilot who worked for convicted smuggler George Morales, testified that twice in 1984 he flew weapons for the Contras from the US to northern Costa Rica and returned to the US with loads of cocaine. Betzner testified that his first delivery of arms to the Contras was in 1983, when he flew a DC-3 carrying grenades and mines to Ilopango in El Salvador. His co-pilot on the trip was Richard Healey, who had flown drugs for Morales. **Footnote:** Subcommittee testimony of Gary Betzner, Part 3, April 7, 1988, pp.262-265. Address book seized by Customs, Port Charlotte, Florida, N2551, March 16, 1987.

DC-4 seized by the DEA on March 16, 1987. DC-4 was registered to drug traffickers. ...US Law enforcement personnel also found an address book aboard the plane, containing among other references the telephone numbers of some Contra officials and the Virginia telephone number of Robert Owen, Oliver North's courier.

**NOTE:** US Col. Oliver North (*DEA file # GFGD-91-9139*) was working out of Ilopango during that time period. It is suspected that this DC-4 flew out of Ilopango. Jack McCavett was still in El Salvador. *Who was the plane registered to? Col. North was documented in DEA files going back to 1980s. Two years before running for US Senate, he was documented "smuggling weapons to the Philippines with known drug traffickers." HOW ARE WE, AS AMERICAN CITIZENS, TO INTERPRET THIS?*

### ***OVERT ACTS OF DRUG & ARMS TRAFFICKING***

In October 1984, Colombian drug trafficker, George Morales, transported a C-47 from Haiti to Ilopango Air Force Base in El Salvador. Morales donated the aircraft to the Contras at Ilopango. **NOTE:** Ilopango had been utilized by drug trafficker since 1984. Jack McCavett was in Central America or on his way at that time. He should have been briefed prior to his arrival. Where are his reports? **Footnote:** *ibid.*, p. 15.

Adolfo "Popo" Chamorro gave the Subcommittee a list of flights made by that C-47 to ferry arms from Ilopango to Costa Rica and La Penca. Between October 18, 1984 and February 12, 1986, some 156,000 pounds of material were moved from Ilopango to air fields in Costa Rica. **NOTE:** A clear violation of the Neutrality Act. **Footnote:** Chamorro, *ibid.*, pp. 11-12.

In addition, Cesar told the Subcommittee that he told a CIA officer about Morales and his offer to help the Contras.

**Senator KERRY:** "Did you have occasion to say to someone in the CIA that you were getting money from him and you were concerned he was a drug dealer? Did you pass that information on to somebody?"

Mr. Cesar: *"Yes, I passed the information on about the --not the relations--well, it was the relations and the airplanes; yes. And the CIA people at the American military attaché's office that were (sic) based at Ilopango also, and any person or any plane landed there, they had to go..."*

Morales continued to work with the Contras until January 1986. He was then indicted for a second time in Florida and was arrested on June 12, 1986. In November 1988, the DEA gave Morales a lengthy polygraph examination on his testimony before the Subcommittee and he was considered truthful. **Footnote:** See correspondence from DEA Mr. Lawn to Senator Kerry, Jan.13, 1989.

### ***My Own Investigations At Ilopango: Evidence From My Journals***

**Note:** Every DEA 6 report or cable that I submitted was approved by my Country Attache, Robert J. Stia

**November 08, 1985,** Placed a Contra pilot-DEA Informant (Manundo) on a flight to the US from Guatemala. This pilot had severely hurt his leg in an airplane accident in a clandestine airstrip in Costa Rica. His brother, Charlie Manundo



also became a DEA informant. DEA Russell Reina was the case agent. FOOTNOTE: DEA case file TG-85-0014, Frank Carvajal-Florez

December 05, 1985, Libyans came to Guatemala in an attempt to assassinate Jack McCavett. Information was provided by the DEA Airport detail. A couple of days later, the Libyans were found murdered. Information about the Libyans was given to Cuban-American CIA Officer, Manny Brand. He then gave the order to the Guatemalan G-2. A couple of days later, the Libyans were found murdered. This was reported in the local newspaper. NOTE: The information on the Libyans was given to FBI agent Sullivan (Panama Attaché). Jack McCavett had been stationed in Libya.

## ***Overt Act of Murder***

January 13, 1986, I wrote a DEA 6 report on El Salvador (GFTG-86-9145).

January 14, 1986, Met with V.P George Bush re: Contras at Ilopango. NOTE: Bush was forewarned of the Contras-Drug connection.

January 16, 1986: Report on aircraft Colombian aircraft -- HK-1217W--Contra pilots Carlos Silva and Tulio Pedras.

January 28, 1986: Contra supporter Sofie Amuary, gave the names of Raul Samana and Adela Herrera (Brigada 2506). Salomon Nassad (Armenia) NOTE: DEA file TG-86-0003

Feb. 05, 1986, I seized \$800,000 in cash, 35 kilos of cocaine, and an airplane at Ilopango airport in El Salvador. Colombian M-19 terrorist. Note: The above latter case was initiated by Jack McCavett's asset. The operation was conducted by the CIA "goon squad". The squad members were made up of several former Venezuelan Police Officers working as advisors for McCavett. Leader of this group was Victor Rivera who was involved in several murders for the CIA in El Salvador and Guatemala. This is a FACT that is well documented in DEA files. Footnote: DEA-6 Case file TG-86-0001, Giatan-Giatan, Leonel

Example: A Salvadoran Military Major was kidnapped in Guatemala by Rivera and his crew. The Major was then tortured and assassinated by Rivera. This was done with the approval of Jack McCavett and CIA agent Manny Brand. I assisted the squad in the capture of the Major in Guatemala City under the pretext that the Major was a fugitive. Who was the plane register to at Ilopango?

## ***Overt Act of Murder***

April 17, 1986, wrote DEA 6's reports on Costa Rican Contra Pilots at Ilopango. Footnote: El Salvador case file GFTG-86-9999, Air Intelligence.

March 24, 1986, I wrote a DEA 6 report (GFTG-86-4003) on the Contra operation in El Salvador. It was on Frigorificos de Puntarenas, S.A. US registration on aircraft N-68435 (Cessna 402) white/brown at Ilopango. NOTE: DEA files GFTF-86-9999 (Air Intelligence) and GFTF-86-4003, IE4-C0, Frigorificos de Puntarenas, SA. *Who was the plane register to?*

March 25, 1986, HK-2281P (Tail Number) Juan Mata-Ballesteros

Early part of 1986, I received a cable from DEA SA Sandy Gonzales in Costa Rica. He was requesting me to investigate Hangers 4 and 5 at Ilopango. He advised that they had received reliable information that the Contras were flying cocaine into the hangers. Both hangers were owned and operated by the CIA and the National Security Council. Operators of hanger 4 were US Lt. Col. Oliver North and former CIA agent Felix Rodriguez. (See attached letter by Bryan Blaney (OIC) dated March 28, 1991)

FOOTNOTE: Southern Front Contras 447---In April 1986, a CIA cable to Headquarters reported information from a March 18, 1986 DEA report regarding Carlos Amador. According to the cable, the DEA report noted that Amador had recently flown a Cessna 402 from Costa Rica to San Salvador where he had access to Hanger 4 (Felix Rodriguez) at Ilopango air base. The cable also indicated that a "DEA source stated that Amador was probably picking up cocaine in San Salvador to fly to Grand Caymen and then to Florida." The cable also asked that DEA request the San Salvador police investigate Amador and anyone associated with Hangar 4. It linked Amador with Hangar 14 at Tobias Bolanos International Airport in San Jose. The hangar was owned by Segio and Jorge Zarcovic. These two individuals reportedly under DEA investigation in connection with a shipment of cocaine that was seized in Miami. NOTE: See DEA 6s from Costa Rica and El Salvador.

## ***Overt Acts of Drug Trafficking & Money Laundering***

April 1986, The Consul General of the US Embassy in El Salvador, Robert J. Chavez, forewarned me that CIA Officer George Witters was requesting a US visa for a documented Nicaraguan drug trafficker and Contra pilot by the name of Carlos Alberto Amador, mentioned in 6 DEA files. NOTE: McCavett was questioned by me as to why the CIA was issuing a US visa to a drug trafficker. Answer: "We just need to get the guy to the US."

April 17, 1986, I wrote a Contra report DEA 6 (GFTG-86-9999 Air Intelligence) on the Contra operation on Arturo Renick and Johnny Ramirez (both Costa Ricans) at Ilopango air field. Tail numbers of aircraft: TI-AQU and BE-60 NOTE: Who did the planes belong to?

June 06, 1986, I send a DEA cable to DEA HQS re: Contra pilots, Carlos Alberto Amador and Carlos Armando Llamos (Honorary Ambassador to Panama). Llamos flew from Ilopango to Panama on an air plane tail number N-308P. Llamos delivered 4 1/2 million dollars to Panama for the Contras. Leon Portilla - TI-ANO; Navajo 31 and YS-265-an American pilot: Francisco Vidal (sic). Roberto Gutierrez (N-82161; Mexican (X-AB) NOTE: Who do these planes belong to?

June 11, 1986, Oscar Alvarado-Lara (Guatemalan Contra Pilot) DEA NADDIS number 1927543, transported 27 illegal Cubans to Ilopango, where they were then smuggled into Guatemala. Lara is documented in several DEA files and is a personal pilot for the CIA in Guatemala and El Salvador. His aircraft is identified as TG-REN. "Again this is proof that the CIA participated with documented drug traffickers." NOTE: Who does this plane belong to?

June 18, 1986, Francisco Rodrigo "Chico" Guirola-Beeche, Contra Pilot and documented cocaine and weapons smuggler, departed Ilopango with large shipment of cocaine and monies to the Bahamas.

June 21, 1986, On Chico's return flight he arrived with passengers Alejandro De Urbizu and Patricia Bernal. In 1988, De Urbizu was arrested in the US in a cocaine conspiracy case. Note: In 1985, Guirola was arrested with 5 1/2 million dollars cash by US Customs. It was suspected that the money came from drug traffickers in Los Angeles for the Contras. He was released because of his support for the CIA. "Once more, Guirola went back to working at Ilopango as a document drug trafficker with the approval of the CIA."

Aug. 15, 1986, I met with Jack McCavett and CIA Official, Don Richardson in El Salvador re: drug trafficker Fernando Canelas Sanz.

Aug. 18, 1986, I received \$45,000.00 in cash from CIA Chief of Station, Jack McCavett. This was witnessed by DEA informant Ramiro Guerra and US Lt. Col. Albert Adame. This money was turned over to them with receipt. NOTE: This information is in my Journals and I have the original receipt of the \$45,000.00.

Aug. 28, 1986, I had a meeting with El Salvador US Ambassador, Edwin Corr re: Wally Grasheim (mentioned in several DEA and FBI files), Pete's Place and Carlos Amador re: CIA US visa for Amador (documented drug trafficker). Visa requested by CIA agent George Witter.

Sept 28, 1987, Oscar Alvarado transported CIA Official Randy Capister from Puerto Barrios, Guatemala to Guatemala City after a joint DEA, CIA and Guatemala Military (G-2) operation. In this operation several individuals were murdered by G-2 and witness by the DEA (Castillo) and CIA Officer Capister. NOTE: Reported in DEA file TG-86-0005. Also reported was Guatemalan Congressman: Carlos Ramiro Garcia de Paz, who as of this date, has a US visa.

## ***Overt Act Of Murder***

Sept. 01, 1986, Walter Grashiem residence in El Salvador was raided by a DEA task force. US military munitions were found. This individual is mentioned in The Contra Story Vol. II. He is documented in several DEA, CIA, US Customs and FBI files. Footnote: January 20, 1987, Joel Brinkley, special to the New York Times, "Contra Arms Crew said to Smuggle Drugs".

Note: In late 1984, Donald P. Gregg introduced Col. Oliver North to Felix Rodriguez, (a retired CIA agent) who had already been working in Central America for over a year under George Bush's direction. Gregg personally introduced Rodriguez to Bush on Jan. 22, 1985. Two days after his January 1985 meeting, Rodriguez went to El Salvador and made arrangements to set up his base of operations at Ilopango air base. On Nov. 01, 1984, the FBI arrested Rodriguez's partner, Gerard Latchinian, and convicted him of smuggling \$10.3 million in cocaine into the US.

October 21, 1986, Sent a telex/cable to Washington DC on the Contras at Ilopango.

April 01, 1987, Bob Stia, Walter Morales and myself flew to Ilopango Airbase and met with two CIA Officials who advised us that we could no longer utilize Mario Murga because he was now working with them. Note: Mario Murga was our DEA informant who initiated the flight plans for the Contra pilots at Ilopango. CIA George Witter stole Murga from DEA so that there would be no more reporting on CIA assets.

*"The CIA has jurisdiction above US federal agencies in foreign countries" ... "McCavett maintained good liaison relationships with the DEA..." John McCavett interview by HPSCI*

August 30, 1988, Received intelligence from the number three man (Guido Del Prado) at the US embassy in El Salvador re: Carlos Armando Llemus-Herrera (Contra pilot). NOTE: See DEA 6 on Carlos Armando Llemus-Herrera

December 03, 1988, Seized 356 kilos of cocaine in Guatemala DEA report TG-89-0002, Hector Sanchez. NOTE: This case was initiated on Gregorio Valdez, owner and operator of Piper Co. in Guatemala. Personal pilot of Jack McCavett, and CIA Officer Randy Capister. Mr. Valdez and Piper Co. are well documented in DEA files in drug trafficking. For several years, this company was contracted by the CIA and the DEA for support. Thousands of dollars were paid to this company even after they had been documented in DEA files. Several Contra pilots flew out of Piper. "Once more it proves that the CIA & DEA were sleeping with the enemy"

## **OVERT ACTS OF DRUG TRAFFICKING**

### **Documented Drug-Traffickers (Contra Pilots) Flying Out of Ilopango**

Col. Enrique Bermudez, the former Nicaraguan military attaché in Washington, D.C., who had already been placed on the CIA payroll to organize an anti-Sandinista force. Colonel Bermudez would serve as the "Commander in Chief: of the FDN forces at Ilopango. He is well documented in DEA, FBI and CIA files as a suspected drug trafficker. This goes back to 1981. This was never reported to Congress by the CIA.

Marcos Aguado, Chief pilot for the Meneses drug organization [see *Dark Alliance*] who operated out of the FDN clandestine military base at Ilopango. Flew El Salvadoran Air Force planes to Colombia to pick up cocaine and delivered them to US military base (Carswell Air Force base) in Texas. He was also personal pilot for Eden Pastora. Worked hand in hand with another documented drug trafficker, Duran. Aguado was sent to Ilopango to destroy the Islander aircraft, circa July 1984. In 1986, he was documented by DEA as a drug trafficker after an interview. He still flew out of Ilopango with the approval of CIA.

1987: A Congressional report identifies Aguado as an associate of Colombian drug trafficker George Morales. Oliver North aide Rob Owen also identifies Aguado as a Contra pilot operating out of Ilopango. Footnote: Southern Front Contras-277- and 278--In October 1984, the CIA got their first indication that Aguado was involved in drug trafficking. January 1986, CIA cable, Aguado associates were arrested with 600 kilos of cocaine in the US. In April 1986, CIA cable: Adolfo Chamorro "plans to denounce Aguado as being involved in drug trafficking activities.

Felix Rodriguez, In March 1986, according to a sworn statement of pilot Michael Tolliver, under Felix Rodriguez's instructions, Tolliver flew a DC-6 aircraft to a Contra base in Honduras, picked up 12 tons of marijuana, and flew the dope to Homestead Air Force Base in Florida. Rodriguez paid Tolliver \$75,000. Tolliver said that on another return trip to the US he carried cocaine for Rodriguez. In another circuit of flights, Tolliver and his crew flew between Miami and El Salvador's Ilopango airbase. Tolliver said that Rodriguez "instructed me where to go and who to see." *While making these flights, he "could go by any route available without any interference from any agency. We didn't need a stamp of approval from Customs or anybody."* Rodriguez was placed at Ilopango airbase by the National Security Council and the CIA. He worked under Jack McCavett (U.S. vs George).

In a June 26, 1987 closed session of the Kerry's Subcommittee's, Miliam Rodriguez testified that in a meeting between Felix Rodriguez and himself an agreement was made within themselves to furnish the Contras with drug money. Felix accepted the offer and \$10 million in such assistance was subsequently provided the Contras through a system of secret couriers. Gregg's notes read: *Felix knew him at Bay of Pigs, also close to Tom Clines whom Felix used to know---split over Libya."*

Luis Posada Carriles, In 1985, Felix Rodriguez helped Posada get to Salvador from a Venezuelan prison and brought him straight to Ilopango to work with him. Posada had participated in *blowing up* a Cuban airliner which took the lives of 78 individuals. Rodriguez gave him the name of Ramon Medina, gave him bogus papers and put him to work for the Contra operation at Ilopango. The job description for this individual was to be head of Logistics. Posada was a "gofer" for the Contra pilots, accommodating them with safe-houses and paying them with cash from banks in Florida and Panama.

Note: Lawrence Victor Harrison (DEA informant) testified that he had been present when two of the partners of Felix Gallardo and Matta Ballesteros, Rafael Caro Quintero and Ernesto Fonseca, met with American pilots working out of

Ilopango air base in El Salvador, providing arms to the Contras. The purpose of the meeting was to work out drug deals. FOOTNOTE: DEA 6 Report out of Los Angeles "*Debriefing of Harrison*"

Carlos Alberto Amador, A Nicaraguan pilot mentioned in six DEA files by 1987. He is alleged to have smuggled narcotics and weapons to Ilopango from Costa Rica for the Contras. He was carrying credentials signed by General Bustillo, Chief of the Air Force at Ilopango. Individuals known to have flown with him are Carlos Viques, Jorge Zarcovick, Nicola Ly Decker, and Maria Elens Lydecker. Zarcovick was arrested in the US for smuggling large quantities of cocaine. Footnotes: SOUTHERN FRONT CONTRAS- 444-- A July 1985 CIA cable..."Carlos Amador on June 8 that a 150 kilo shipment of cocaine that had been seized near Barra Del Colorad, Costa Rica, ...was destined to the United States." SFC- 445 and 446--CIA cable Aug. 1985..."Carlos Amador was to ferry two airplanes from Miami to Colombia, via San Salvador and Belize... and used in a drug smuggling operation..." NOTE: CIA Agent George Witter attempted to give him a US visa by orders of Jack McCavett, COS at El Salvador.

## **OVERT ACTS OF DRUG TRAFFICKING & MONEY LAUNDERING**

Francisco Rodrigo Guirola-Beeche, DEA NADDIS # 1585334 and 1744448. This individual is documented in FBI, CIA and US Custom files. On *February 6, 1985* Guirola departed Orange County, California in a private airplane with 3 Cuban Americans. It made a stop in South Texas where US Customs seized 5 1/2 million dollars in cash. It was alleged that it was drug money but because of his ties with the Salvadoran death squads and the CIA he was released and the airplane given back. NOTE: In May 1984 Guirola accompanied Major Roberto D'Aubuisson, head of the death squads in El Salvador, to a very sensitive meeting with former CIA Deputy Director Vernon Walters in the US. Walters was sent to stop the assassination of the U.S. ambassador to El Salvador, Thomas Pickering. Guirola was documented by me at Ilopango from 1986 to 1989 while Jack McCavitt was in El Salvador.

Walter Lee Grasheim (Wally), This individual is a US citizen who was, as far as I was concerned, a mercenary operating a covert operation out of Ilopango. He arrived at Ilopango in 1984. By his own admission he claimed to be working for the CIA, US Army and other government agencies. On Sept. 01, 1986, his residence in El Salvador was raided by a DEA Task Force. Found were huge amounts of US military munitions that he had no business with, since he was a civilian. Also found was approximately a pound of Marijuana and Marijuana plants. growing in the back yard. He had just violated Salvadoran Law for having these munitions. The Salvadoran Constitution prohibits any foreign nationals or national from having war munitions. *The question remains, where did he get these munitions from and who approved it?* US Custom agent Richard Rivera attempted to trace the munitions but was stopped short of finding out. An arrest warrant was issued by Lt. Franco of the Salvadoran National Police. In late 1986, Grasheim threatened US Ambassador Edwin Corr, claiming that, "*If he went down half of the Mil-group would go down with him.*"

On December 13, 1990, FBI SA Michael S. Foster, interviewed Walter L. Grasheim on behalf of the Office Of Independent Counsel on Iran-Contra. Grasheim claims that he arrived in El Salvador in early 1984. Upon his arrival, he met with Art McArney who was now employed by Bell Helicopter. *Grasheim claimed to be selling night vision equipment to the Salvadoran Military. He was Litton Corporation representative in El Salvador.* He claimed to have several retired special operations officers working for him. He further claimed that he was doing very well, not only financially but in assisting the Salvadoran Military.

Grasheim claims that in 1985, he had had a conversation with US 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 claims that 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 had requested that Grasheim provide him with prices and availability of various military items. Grasheim believed this was also related to the CONTRAS.* Also in 1985, or early 1986, Col. Steele told Grasheim that the Contras had paid too much for their aircraft, meaning the caribou and the C-123s.

Grasheim then identified Mario del Amigo, known as "Mr. Contra" in Honduras. During that time period Grasheim and Mr. del Amigo would travel back and forth to Honduras and El Salvador. *Grasheim introduced del Amigo to Rafael Bustillo, Jim Steele and others, "Who were involved with the Contras."* Grasheim claims that *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 claims that *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 re-supply operation in El Salvador. Grasheim was in the US military from 1959 to 1961. Grasheim has never had any other affiliation with the military other than this tour of duty and he has never had any affiliation with the CIA.*

Grasheim then gave up a former Marine by the name of Boykin. He was part of the Mil Group in El Salvador. Boykin retired from the Marines and 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.

He also claimed to have known Felix Rodriguez in El Salvador when Rodriguez flew a C-12 from Panama to Ilopango. Grasheim also claimed to have known Luis Rodriguez, a close friend of Felix Rodriguez. Grasheim claims that he had learned that the US Embassy was paying for Felix Rodriguez's car and the fuel for the Contra Re-supply aircraft. He claims that the embassy would send checks to Mexico where the fuel was provided to the re-supply operation.

Grasheim acknowledged that his Salvadoran house was raided by DEA agent Celerino Castillo and the local police. *Grasheim admitted that he had automatic weapons in the residence.* He claims that the raid totally destroyed his business and ruined his reputation. Grasheim states that about a month and a half after the raid, he saw a "state Department guy" in New Orleans. The guy told him, "We were asked to do that (the raid)." After the raid he claims that the US embassy would not help him and that The Litton Corporation took away Grasheim's orders for equipment. Grasheim then claims that he went to the National Police and that he had been advised by the Chief of Police (Regalado) that the raid was ordered by the US embassy.

Also in 1986, *Grasheim claims that the US military asked him to get night vision goggles to the Contras. Grasheim recalls the incident because he had to make up the sets himself. A US military helicopter took the goggles to the Contras in Honduras. Grasheim also claims that he 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 US Army helicopter pilot.* NOTE: Mike Timpani was the copilot and navigator of the suspicious transportation of "Lady Ellen" from the US to Ilopango. It was a 25 year-old UH-1B (rebuilt Helicopter) to be used for medevac on Contra operations. See Soldier of Fortune Magazine June of 1987 issue.

Grasheim claims that he got an 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. Rodriguez told Grasheim that he was talking to the White House and the NSC but he didn't tell him any specifics. Rodriguez did tell Grasheim that he talked to Vice President George Bush. Finally, Grasheim admits that he knew *Alan Fiers* and stated he is another one who was involved in the situation in El Salvador and was aware of *Contra* re-supply activity. NOTE: In his interview, Grasheim admits to a couple violations of the Neutrality Act.

**NEUTRALITY LAWS:** ACTS OF CONGRESS WHICH FORBID THE FITTING OUT AND EQUIPPING OF ARMED VESSELS, THE ENLISTING OF TROOPS, OR THE ENGAGING IN OTHER SPECIFIED ACTIVITIES; FOR THE AID OF EITHER OF TWO BELLIGERENT POWERS WITH WHICH THE UNITED STATES IS AT PEACE.

## **HPSCI VOLUME II: THE CONTRA STORY**

CIA RECORDS: A US CITIZEN: This "US citizen" that they are discussing is Walter L. Grasheim.

1035--..."Also, no information has been found to indicate that the U.S. citizen's activities in El Salvador were related to the Contras in any manner,... NOTE: (Count 1) Obstruction of Justice by Hitz. Apparently he did not check with Iran-Contra on the Interview of Grasheim on 12-13-90 or did he?

1036---...The April 25, 1986 cable---as mentioned earlier--also made a reference to the US citizen and the Contras. This cable provided an update regarding, the arrest of American citizens suspected of being mercenaries in Brazil. According to the cable, the detainees had been visited in prison by the US citizen and another person, "both of whom are apparent friends of several of the detained mercenaries. Regarding the US citizen, the cable stated that: ...visiting US consul...who previously served in San Salvador, told [CIA] in San Salvador he was a military advisor to Contras operating on the Honduran border with El Salvador... NOTE: The CIA fails to tell us who the mercenaries were.

On March 14, 1986, eight American mercenaries were arrested by Brazilian Federal Police off the coast of Rio de Janeiro; their ship, The Nobistor, and its cargo of weapons, ammunition and other military gear was seized. Their mission was the overthrow of the west African country of Ghana. After contacting the American Consulate in Rio, "State Department Guy" Ken Sackett, told them, "I've got some close friends in immigration." We will take care of everything and make sure you're all on the boat to go home." There were identified as "The RIO 8": Steve Sosa, Julio Raul Rodriguez, John Early, Tim Carmody, Fred Verduin, Sheldon Ainsworth, Steve Hedrick and Bob Foti. Most of these individuals had seen action in various hotspots around the world ---Vietnam, Rhodesia, South Africa, EL SALVADOR ( I wonder who gave them approval), Lebanon and other places. Twenty-five days in jail and didn't hear a word from Sackett. Sackett finally showed up and told them that, "They would be going home, that it was just a visa problem and won't need lawyers." In July they were sentence to 4 to 7 years for "Suspicious of contraband and of forming a group to create that suspicion." They were sent to Agua Santa prison where the warden advised them, "The American Consul had # \* @ % them." It was obvious that "some government wanted them to vanish."

Based on the way they were treated by the "State Guy" and the obstacles their families received from US government, most of the mercs theorized the US government wanted them kept imprisoned and out of the way. If this turned out to be a US government's covert operation, too many perplexing questions might arise if the mercs were on the loose and free to talk. The FBI, US Customs and other law enforcement agencies conducted an investigation into the Ghana

coup attempt. What do you think the final outcome was? Why did Vol. II, The Contra Story, fail to explain the "Rio 8" mercenaries? Because it was another covert operation on top of another. Same mercenaries who, more than likely, conducted covert operation in El Salvador. FOOTNOTE: The San Jose Mercury News and Soldier of Fortune magazine 1987 issue.

1038--A March 26, 1987, cable to Headquarters reported that the US citizen and another individual had been arrested by Dominican Republic authorities upon landing an airplane in that country. The airplane contained various types of military-related equipment. NOTE: Where are the criminal investigations by our federal agencies in this case?

1047--CIA Records: Castillo's contact with CIA officials...*although no information has been found to indicate the process by which the vehicle were purchased and given over to the Salvadorans, no information has been found to indicate that the transaction involved Castillo or DEA in any manner...*

NOTE: Count 2 "Obstruction of Justice" by Hitz. *He seems to get into the habit of misleading the Congress, members of the committee and the American people.*

He implies that there are no records to be found, to explain where the money was spent on. To start out with, he should have checked with the Salvadoran National police and checked out the vehicles that had been purchased. Lt. Franco could have been one of the individuals to have been interviewed about the vehicles. Did he check with DEA reports on the vehicles that were purchased? NO! Did he check with the Mil-group in El Salvador who purchase the vehicles? NO! It's obvious, that the CIA sent out a "Boy Scout" to conduct a criminal investigation. But then again, maybe they didn't want someone who would find out the truth. As I stated before, I have the original receipt of who the money was given to for the purchase of the vehicles.

1054--...."The CIA officer says he has no knowledge of drug trafficking at Ilopango..." NOTE: Where in the world was this so call CIA Official. Did he not read his own agency's report on drug trafficking during the early 1980's.

1063: "This officer (CIA) emphatically denies that he had any knowledge of Contra trafficking activities at Ilopango or elsewhere..." NOTE: This individual is Randy Capister who should be charged with murder in Guatemala for the murders of several Colombians and Mexicans. DEA file TG-86-0005, Carlos Ramiro Garcia de Paz. Capister's association with drug traffickers is also well established: Gregorio Valdez and Oscar "El Negro" Alvarado.

1064: "...he has no knowledge of any alleged Contra drug trafficking activities being conducted from Ilopango or elsewhere...or that the US citizen had no apparent links to the Contras..." NOTE: Let the record speak for it self. This CIA official should be arrested for making a false statement. I guess he forgot the information on Mr. del Amigo and Oliver North's Notebook and Grasheim interview with OIC.

On February 28, 1998, I met with Walter L. Grasheim at his attorney's office in McAllen, Texas. Grasheim had advised me that he was in the process of filing a civil law suit against the U.S government. He was requesting if I was willing to bestow upon him a deposition regarding my knowledge of him while he was in El Salvador. I advised him that I did not have a problem with telling the truth.

To make a very long story short, he admitted, in the depo, that he had manufactured night vision equipment for the Contras. He also admitted that he was on contract by the US Army to train the Salvadorans. Grasheim advised me that his case would never go to trial because he had a video of CIA Officials on search and destroy missions with the Salvadoran Military. Grasheim proceeded to show the video, and we witnessed several American individuals in military uniforms on patrol with Salvadoran military. One of the American was Grasheim. Another American was seen in a class room instructing the Salvadoran Military on operations. You could witness the American cautioning (who ever was shooting the film) to stop filming.

FOOTNOTE: For a nice view of a Special Forces trooper, on the ground in El Salvador, see the July 1992 issue of Soldier of Fortune magazine, "Salvador's Unsung Heroes". These US soldiers were asking for credit for a combat tour for 6 month work on covert operation in El Salvador. As a former Vietnam combative veteran, I spent 5 years in and out of Salvador not only fighting the drug traffickers but also the corruption at the US embassy and the host government. The only thing I asked for "was the truth." Please read this article because it's a blueprint of what the US government is ready to do in Colombia. Also for a good laugh read SOF magazine Oct. 1983 issue, EDITORIAL by Richard M. Nixon, Perilous Parallel: El Salvador and Vietnam. All you have to change is the name from El Salvador to Colombia for Congress's approval.

In my opinion, Grasheim was attempting to black mail the government. At the end, I was also named in his law suit as a defendant. In early part of 2000 a federal court threw out the law suit. Witness to the deposition was Grasheim's attorney: Honorable Tom Wilkins of Wilkins & Slusher 800 Neuhaus Tower PO Box 3609 McAllen, Texas 78502, W. Lee Grasheim, Tony Cordova, Tim Wilkins and myself.

*"From the very beginning, the Central Intelligence Agency (CIA) have not been able to understand that there are rules and laws that this country wants followed. If you undermine the basic values of this country, in the name of*

*defending it, what do you have left? For several decades, the CIA has violated the laws of the United States of America and other countries. Laws that we at home, abide by and respect. They need to take seriously that no governmental institution will survive without the support of its citizens - not the Congress, not the President, but the citizens. -- Admiral Stansfield Turner, CIA Director 1977-1981*

This reminds us that if Congress will not lead a resistance to covert power, it may respond to popular pressure. But before that happens, the press must give the American people a much better picture of the extent to which counter-terrorist campaigns have been turned into covert drug alliances in Central and South America. One of the first targets for an effective drug strategy should be Washington D.C. itself, and specifically its own support for corruption and drug-trafficking. *I bring this to you as a veteran of my third and perhaps most dangerous war, the war against the criminals in my own government.*

Sincerely Yours,

**Celerino "Cele" Castillo, 3rd**

**[powderburns@prodiqy.net](mailto:powderburns@prodiqy.net)**

## **EXHIBIT 9: DEA Agent and contract pilots help exfiltrate a CIA Agent accused of trafficking drugs in Costa Rica. DEA OPR clears them after the DEA contractor lies and fails a polygraph examination. The investigation began because John Hull boasted in public that he escaped Costa Rica with help from the DEA.**

From the Department of Justice OIG report:

<http://www.justice.gov/oig/special/9712/ch11p2.htm>

### **4. Allegation that a DEA Agent helped Hull Flee Costa Rica**

In January 1989, John Hull was indicted in Costa Rica on murder, narcotics, and "hostile acts" charges arising out of his alleged role in the 1985 bombing attempt on Eden Pastora's life, in which several journalists were killed. In July 1989, Hull fled to Haiti and then to the United States.

On May 17, 1991, Costa Rican journalist Jorge Valverde told Ronald E. Lard, then DEA's Country Attache in Costa Rica, that Hull had claimed to have received help from a DEA Special Agent in his escape from Costa Rica. This agent was stationed in Costa Rica at the time that Hull fled the country. Lard advised DEA's Office of Professional Responsibility (OPR) and the Charge d'Affaires at the United States Embassy in Costa Rica about the allegation.

Within a week of being informed of the allegations, DEA OPR initiated an investigation. According to OPR records, OPR Senior Inspector Anthony Ricevuto interviewed the accused agent on May 30, 1991. The accused agent stated that he had been introduced to Hull by an acquaintance and had thereafter spoken to Hull perhaps four or five times. The accused agent said that he did not know how Hull escaped from Costa Rica and signed a statement to that effect.

After learning from a private investigator working for a criminal defendant in an unrelated case that "a DEA contract pilot" had flown Hull from Costa Rica to another country, and learning from Lard that one of the accused agent's informants in Costa Rica, Harold Wires, was a pilot, Ricevuto interviewed Wires on July 23, 1991. Wires claimed the accused agent had given him between \$500 and \$700 to fly Hull in a Cessna aircraft to Haiti. There, they met Jorge Melendez, a pilot for the DEA in Costa Rica, who flew back to back to Costa Rica with Wires in the Cessna. Hull was flown to the United States by Ron Lippert who, according to Wires, was a close friend of the accused agent. According to Wires, he, Kornicki, Hull, Lippert, and Melendez had had breakfast together in Haiti, before going their separate ways. Wires said that he had not spoken to the accused agent since shortly after Hull's escape, when he and the accused agent had a "verbal disagreement."

Ricevuto confirmed that Jorge Melendez had been a DEA informant and a freelance pilot at the time of Hull's flight from Costa Rica. He then interviewed Melendez, who stated that he and Lippert had flown to Haiti on behalf of a private transportation company. After staying overnight in Haiti with Lippert, Wires and Kornicki, Melendez had returned to Costa Rica in the Cessna. Melendez said he had never seen Hull in Haiti, and had no idea whether Hull had flown to Haiti with Kornicki and Lippert.

Twenty days later, Inspector Ricevuto received a telephone call from Harold Wires and Bobby Kornicki, who both said that the accused agent had not known Hull was on the Cessna going to Haiti. The accused agent knew only that the Cessna was to return to Costa Rica after it had picked up Melendez. When Ricevuto noted that this account conflicted with Wires' earlier statements, **Wires repeated that the accused agent had not known about the plan to help Hull flee. Wires explained that he had "set up" the plan because he had felt that the CIA had "abandoned" Hull in Costa Rica. At a subsequent interview on September 26, 1991, Wires stated that the accused agent had given him \$700 to refuel the Cessna in Haiti for the flight back to Costa Rica.** It was Lippert who had asked Wires to fly Hull from Costa Rica to Haiti. The accused agent had never asked Wires to do anything to assist Hull. He noted that Hull had recently called him, upset after having read an article by Martha Honey, alleging that the accused agent had been involved in Hull's flight. Wires signed a statement saying the accused agent "was never a part or ever had knowledge of" the plans for Hull's escape. Wires was asked to take a polygraph and stated that he would discuss it with his attorney. It does not appear that Wires was polygraphed regarding his statement.

Ricevuto interviewed Ron Lippert on August 9, 1991. Lippert stated that the accused agent had helped plan Hull's escape, a claim he reiterated during a second interview with Ricevuto on September 30, 1991. Lippert agreed to a polygraph examination, which DEA SA John Schuller administered immediately after the second interview. SA Schuller found that Lippert was "deceptive in his answers."

On September 26, 1991, OPR Inspector Sandalio Gonzalez received a telephone call from a man who identified himself as John Hull, who said he was calling because he had spoken to Gonzalez when Gonzalez was Assistant Country Attache in Costa Rica. Hull was very upset about the newspaper article written by Martha Honey and said "they are framing [the accused agent]." Hull added that he had proof that the accused agent had nothing to do with Hull's departure from Costa Rica. Hull asked who he could contact at the DEA to discuss the allegations against the accused agent. Gonzalez told Hull to contact Senior Inspector Ricevuto.

On October 7, 1991, Hull wrote Ricevuto a letter responding to questions Ricevuto had posed to Hull by telephone on October 4, 1991. In his letter, Hull wrote:

I have no close personal friendship, interest or animosity toward [the accused agent] . . . The only people that know the truth about how I left Costa Rica are the pilots and myself . . . I have no idea if [the accused agent] knew how and when I was leaving Costa Rica. I assumed the ambassador was fully aware of my intentions. However[,] I have no direct knowledge to verify this, and no way to know what was discussed between [the accused agent] at any time, anyplace or to anyone . . . (Q) Did I ever pay money to [the accused agent? ] (A) No . . . Hopefully this will clear up your investigation and stop the injustices being carried out against [the accused agent].

DEA's Board of Professional Conduct reviewed all of the evidence and testimony collected by Senior Inspector Ricevuto. On January 15, 1992, the Board recommended that the accused agent be issued a letter of clearance. Although our review is limited and we did not reinterview the persons involved in the incident, the DEA file indicates that DEA OPR's conclusion was reasonable.

Read More about John Hull's Great Escape here:

"A letter, signed by senior Democrat Rep. Lee Hamilton and others, threatened to cut off U.S. economic aid if Hull were not released."

<http://consortiumnews.com/2011/12/09/john-hulls-great-escape/>

FAIR coverage on the case:

### **Oliver North & Co. Banned From Costa Rica**

<http://www.fair.org/extra/8910/north-banned.html>

In July 1989, North and other major Contragate figures were barred from Costa Rica. President Arias was acting on recommendations from a Costa Rican congressional commission investigating drug trafficking. The commission concluded that the Contra resupply network in Costa Rica that North coordinated from the White House doubled as a drug smuggling operation. The narcotics commission started probing the Contra network centered around the northern Costa Rican ranch of U.S.-born John Hull because of the "quantity and frequency of the shipment of drugs that passed through the zone." North's personal notebook mentioned "the necessity of giving Mr. Hull protection."

Media Censor CIA Ties with Medellin Drug Cartel

<http://www.fair.org/index.php?page=1190>



## EXHIBIT 10: Statements and Interview of Michael Levine (DEA-Retired)

I was a 25 year veteran, highly decorated international deep cover agent, who witnessed, first hand, how the CIA, State Department and the Department of Justice teamed up to kill every major international drug case I was involved in, for political and economic reasons. At the same time our politicians and bureaucrats lied to the American people and taxed them hundreds of billions of dollars to fight drugs. I was a witness to the highest kind of treason imaginable committed by our government's covert agencies, politicians and bureaucrats, against their own people. After my brother, a heroin addict for 25 years, committed suicide and my son, a highly decorated New York City police officer was killed by crack addicts during a holdup, I had experienced enough. I decided I would use whatever talents God gave me and training the government gave me, against the criminals responsible for the immense and deadly fraud known as "The War on Drugs." You can read the truth in my books, my articles and hear it on my radio show

- Mike Levine

## CIA ADMITS TO DEAL WITH JUSTICE DEPARTMENT TO OBSTRUCT JUSTICE.

Michael Levine & Laura Kavanau-Levine

THE EXPERT WITNESS radio show

March 24, 1998

As an ex DEA agent I found the complete lack of coverage by mainstream media of what I saw last night during the congressional hearings into CIA Drug Trafficking, on CNN both depressing and frightening.

I sat gape-mouthed as I heard the CIA Inspector General, testify that there has existed a secret agreement between CIA and the Justice Department, wherein "during the years 1982 to 1995, CIA did not have to report the drug trafficking its assets did to the Justice Department." (This is the agreement, by the way, that lead directly to events described in our non-fiction books, *The Big White Lie* and *Deep Cover*. Those many who have read the books will know instantly what I am talking about).

To a trained DEA agent this literally means that the CIA had been granted a license to obstruct justice in our so-called war on drugs; a license that lasted-so CIA claims-from 1982 to 1995, a time during which Americans paid almost \$150 billion in taxes to "fight" drugs. Of course the evidence indicates that they did not stop obstructing justice in 1995 either, but that I suppose is going to be another congressional hearing. As far as the current hearings go this Catch 22 "revelation" means that all the present hearings are for nothing; that-if they are caught violating the drug laws-they had been given "secret" license to do so by our Justice Department. This might also explain Janet Reno's recent and unprecedented move in blocking the release of a Justice Department investigation into CIA drug trafficking.

God, with friends like these, who needs enemies? It is now clear that this agreement began with the events described in *THE BIG WHITE LIE*; that the top drug traffickers in Bolivia, then supplying virtually all the world's cocaine-including Sonia Atala-were CIA assets that had to be protected from our deep cover probe. Laura and I still have the proof of this that we used to back up the publication *THE BIG WHITE LIE*. The same proof was later incorporated into other data backing up the publications of *DEEP COVER* and *TRIANGLE OF DEATH*.

Our evidence-which congress has been craning its neck not to see- for instance, shows clearly that during Operation Hun (the story in *The Big White Lie*), secret meetings were held with CIA and Justice Department wherein all indictments of top government officials in Bolivia were blocked. We now believe this agreement began because of Operation Hun. CIA had to hide the fact that they were supporting the people manufacturing virtually all the cocaine being produced in the world, at that time.

In *Deep Cover* we showed that, during Operation Trifecta-a highly successful deep cover probe into the top of the drug world in three countries (Panama, Bolivia and Mexico) -Attorney General of the US Ed Meese found it necessary to warn the Attorney General of Mexico about DEA's case. We, (undercover DEA agents and Customs agents), found links between top US government officials and the people who murdered DEA agent Kiki Camarena, that to this day go unexamined by our congress or anyone else.

In "*TRIANGLE OF DEATH*, a work of "faction" we showed CIA's real-life involvement in the protection and creation of one of the most murderous criminal organizations to ever plague America, an organization created by escaped Nazi fugitives under CIA protection-events occurring long before this alleged CIA Justice agreement.

And so the dance continues.

If anyone watched the CNN show you cannot have helped but notice the snickering on the part of Congressional chairman Porter Goss (an ex CIA officer), as congresswoman Maxine Waters spoke. Now here's the reason why: Sources of mine, who speak to me from inside this veil of secrecy out of conscience and because I am cheaper and more reliable than a psychiatrist, have already told me the following:

1. There is secret communication between CIA and members of the Congressional staff-one must keep in mind that Porter Goss, the chairman, is an ex CIA official- indicating that the whole hearing is just a smoke and mirror show so that the American people-particularly the Black community- can "blow off some steam" without doing any damage to CIA. The CIA has been assured that nothing real will be done, other than some embarrassing questions being asked.

2. That the hearings will result in the CIA receiving even a larger budget than the current \$26 billion that they admit to. One of the most distressing things for me, a 25 year veteran of this business, to listen to was when Congresswoman Waters said that the hearings were not about CIA officers being indicted and going to jail. "That is not going to happen," she said. Almost in the same breath she spoke of a recent case in Miami wherein a Venezuelan National Guard general was caught by Customs agents smuggling more than a ton of cocaine into the US. Despite named CIA officers being involved in the plot, as Congresswoman Waters stated, the Justice Department will not tell her anything about the case because of "secrecy laws." No wonder chairman Goss was snickering. She could not have played more neatly into CIA hands than to surrender before the battle was engaged.

For the entire existence of CIA they have gotten away with doing more damage to the American people than all our traditional enemies combined, precisely because no one was ever prosecuted. From the CIA protection of Nazi criminals from war crimes prosecution as they set up criminal organizations that preyed on America (Triangle of Death), to their lies to President Kennedy that dragged us into Bay of Pigs, to their lies to President Johnson that dragged us into the Vietnam War, to their creation of a pan Arab army of American hating, drug trafficking terrorists during the Afghan War, to the Church Commission hearings, to MK-Ultra, to the Bolivian Cocaine Coup ("The Big White Lie"), to their protection of the world's top cocaine traffickers as they laid waste to American streets (Deep cover), the CIA has acted exactly as Senator Frank Church once described them: "a runaway rogue elephant...completely unresponsive to Congress...they (the CIA) have not only been unproductive, they have been counterproductive. they have brought great shame on America."

And the dance continues.

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## THE EXPERT WITNESS RADIO SHOW

Host: Michael Levine, 25 year veteran federal agent and author of NY Times best seller DEEP COVER, THE BIG WHITE LIE and TRIANGLE OF DEATH.

## IS ANYONE APOLOGIZING TO GARY WEBB?

by Michael Levine

Gary Webb, just in case you've already forgotten him, was the journalist who, in a well researched, understated article entitled "The Dark Alliance," linked the CIA supported Contras to cocaine and weapons being sold to a California street gang and ended up literally being hounded out of journalism by every mainstream news peddling organization in the Yellow Pages. Even his own employer, The San Jose Mercury piled on for the kill.

And guess what? The CIA finally admitted, yesterday, in the New York Times no less, that they, in fact, did "work with" the Nicaraguan Contras while they had information that they were involved in cocaine trafficking to the United States.

An action known to us court qualified experts and federal agents as Conspiracy to Import and Distribute Cocaine—a federal felony punishable by up to life in prison.

To illustrate how us regular walking around, non CIA types are treated when we violate this law, while I was serving as a DEA supervisor in New York City, I put two New York City police officers in a federal prison for Conspiracy to distribute Cocaine when they looked the other way at their friend's drug dealing. We could not prove they earned a nickel nor that they helped their friend in any way, they merely did not do their duty by reporting him. They were sentenced to 10 and 12 years respectively, and one of them, I was recently told, had committed suicide.

I have spent three decades as a court qualified expert and federal agent and am not aware of any class of American Citizen having special permission to violate the law that we have been taxed over \$1 trillion in the past two decades to enforce; the law that every politician, bureaucrat and media pundit keeps telling us protects us against the most serious danger to American security in our history.

The interesting thing to me, about the Webb article is that the CIA is provably (and now admittedly) responsible for much larger scale drug trafficking than Webb alleged or even imagined in his report.

In fact, according to a confidential DEA report entitled "Operation Hun, a Chronology" that I used as part of the proof to back up the undercover experiences detailed in my book *The Big White Lie*, (optioned for a movie by Robert Greenwald Productions) the CIA was actively blocking DEA from indicting many members of the ruling government of Bolivia, from, 1980-83—during a time period that these same people were responsible for producing more than 90 percent of the cocaine consumed in the United States. As CIA Inspector General Hitz himself stated before congress, it was during this time period that Nicaraguan Contra supporters were buying large amounts of cocaine from these same CIA protected Bolivians.

Do you think Congress wants to see this proof?

The gang that can't spy straight, as they are known to my listeners and about whom President Lyndon Johnson once said, "When Rich folks don't trust their sons with the family money they send them on down to the CIA," certainly did a lot more damage to this nation than, for example, computer company owner Will Foster who was sentenced to 93 years in prison for possession of 70 marijuana plants for medicinal use.

Of course, true to their shifty, sleazy form, while admitting that they did aid and abet Contra drug trafficking, they are now refusing to release their own final investigative report which details the damning proof. The same report that CIA Inspector General Fredrick Hitz, during February, 1998, had promised congress and the American people was forthcoming "shortly", because, as CIA Director George Tenet now claims, CIA does not have enough money in its budget to properly classify it.

You believe that then I know an old guy with a beard named Fidel, wandering the streets of South Miami with an Island about 90 miles off the coast for sale. He says the money is for his retirement.

How, you ask, do they get away with it?

Well for one thing, mainstream media, the so-called Fourth Estate, does all it can to help. During the Iran-contra hearings, when Senators Kerry and D'amato were making pronouncements before the Senate indicating that the CIA was involved with drug trafficking, Katherine Graham the owner of *The Washington Post* addressed a class of CIA recruits at CIA's Langley headquarters in November, 1988, by saying: "There are some things the general public does not need to know and shouldn't. I believe democracy flourishes when the government can take legitimate steps to keep its secrets, and when the press can decide whether to print what it knows.."

Apparently CIA protection of drug trafficking was among those secrets. Thus, it should have been no surprise to those CIA agent recruits when *Washington Post* reporter and drug expert Michael Itsikoff wrote that there was "no credible evidence" linking the CIA supported contras to cocaine trafficking at the same time very credible evidence was being heard by Senator Kerry's committee indicating that the Contras may have been the top purveyors of drugs to Americans in our history.

Neither should it have been a surprise to anyone who heard her statement when mainstream media refused to print the news that Oliver North, US Ambassador to Costa Rica, Lewis Tams and various top level CIA officers were banned from ever entering Costa Rica by Nobel Prize winning President Oscar Arias, for drug running. The drugs, by the way, all going to us.

Nor should it have been a surprise when Gary Webb was destroyed by mainstream media, for doing nothing more or less than telling the truth as he found it. And now, while CIA admits their felonies to the press but refuses to release the proof, and, Janet Reno, the head of the Obstruction of Justice Department has done the unprecedented by classifying her own department's investigation into CIA drug trafficking, the partnership for a Drug Free America is spending \$2 billion of our tax money on already-proven-fruitless anti-drug ads. And where do you think the money goes? Answer: to every major media corporation on the big board. Gary Webb, my friend, you are owed a huge apology. But I doubt that you'll get it. Not in this lifetime.

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## **I Volunteer to Kidnap Oliver North** **by** **Michael Levine**

Undercover DEA agent Enrique "Kiki" Camarena was tortured to death slowly by professionals. Every known maximum-pain technique, from electric shocks to his testicles to white hot rods inserted in his rectum, was applied. A doctor stood by to keep him alive. The heart of the thirty-seven year old father of two boys refused to quit for more than twenty-four hours. His cries, along with the soft-spoken, calm voices of the men who were slowly and meticulously savaging his body, were tape-recorded.

Kiki, one of only three hundred of us in the world (DEA agents on foreign assignment), had been kidnapped in broad daylight from in front of the U.S. Consular office in Guadalajara, Mexico by Mexican cops working for drug traffickers and, apparently, high level Mexican government people whose identities we would never know. They would be protected by people in our own government to whom Kiki's life meant less than nothing.

When teams of DEA agents were sent to Mexico, first, to find the missing Kiki, then to hunt for his murderers, they were met by a the stone wall of a corrupt Mexican government that refused to cooperate. To the horror and disgust of many of us, our government backed down from the Mexicans; other interests, like NAFTA, banking agreements and the covert support of Ollie North's Contras, were more important than the life of an American undercover agent. DEA agents were ordered by the Justice Department, to keep our mouths shut about Mexico; an order that was backed up by threats from the office of Attorney General Edwin Meese himself. Instead of tightening restrictions on the Mexican debt, our Treasury Department moved to loosen them as if to reward them for their filthy deed. As an added insult Mexico was granted cooperating nation in the drug war status, giving them access to additional millions in American drug war funds and loans.

Somehow a CIA—unaware that their own chief of Soviet counter intelligence, Aldrich Ames, was selling all America's biggest secrets to the KGB for fourteen years with all the finesse of a Jersey City garage sale—was able to obtain the tape-recordings of Kiki's torture death. No one in media or government had the courage to publicly ask them explain how they were able to obtain the tapes, yet know nothing of the murder as it was happening; no one had the courage to ask them to explain the testimony of a reliable government informant, (during a California trial related to Camarena's murder), that Kiki's murderers believed they were protected by the CIA. Nor did our elected leaders have the courage to investigate numerous other reports linking the CIA directly to the murderers.

Our government's sellout of Kiki Camarena, of all DEA agents, of the war on drugs, was such that United States Congressman, Larry Smith, stated, on the floor of Congress:

"I personally am convinced that the Justice Department is against the best interests of the United States in terms of stopping drugs... What has a DEA agent who puts his life on the line got to look forward to? The U.S. Government is not going to back him up. I find that intolerable."

What does Oliver North have to do with this?

A lot of us, Kiki's fellow agents, believe that the Mexican government never would have dared take the action they did, had they not believed the US government to be as hypocritical and corrupt as they were and still are. And if there was ever a figure in our history that was the paradigm of that corruption it is the man President Reagan called "an American hero"; the same man Nancy Reagan later called a liar: Oliver North.

No one person in our government's history more embodied what Senator John Kerry referred to when he called the US protection of the drug smuggling Contras a "betrayal of the American people."

**Few Americans, thanks to what one time CIA chief William Colby referred to as the news media's "misplaced sense of patriotism," are aware that the Nobel prize winning President of Costa Rica, Oscar Arias—as a result of an in-depth investigation by the Costa Rican Congressional Commission on Narcotics that found "virtually all [Ollie North supported] Contra factions were involved in drug trafficking"—banned Oliver North, U.S. Ambassador Lewis Tambs, National Security Advisor Admiral John Poindexter, Presidential Advisor Richard Secord and C.I.A. station chief José Fernandez, by Executive order, from ever entering Costa Rica— for their roles in utilizing Costa Rican territory for cocaine trafficking.**

**In fact, when Costa Rica began its investigation into the drug trafficking allegations against North and naively thought that the U.S. would gladly lend a hand in efforts to fight drugs, they received a rude awakening about the realities of America's war on drugs as opposed to its "this-scourge-will-end" rhetoric.**

**After five witnesses testified before the U.S. Senate, confirming that John Hull—a C.I.A. operative and the lynch-pin of North's contra re supply operation—had been actively running drugs from Costa Rica to the U.S. "under the direction of the C.I.A.," Costa Rican authorities arrested him. Hull then quickly jumped bail and fled to the U.S.—according to my sources—with the help of DEA, putting the drug fighting agency in the schizoid business of both kidnapping accused drug dealers and helping them escape; although the Supreme Court has not legalized the latter . . . yet.**

**The then-President of Costa Rica, Oscar Arias was stunned when he received letters from nineteen U.S. Congressman—including Lee Hamilton of Indiana, the Democrat who headed the Iran-contra committee—warning him "to avoid situations . . . that could adversely affect our relations." Arias, who won the Nobel prize for ending the contra war, stated that he was shocked that "relations between [the United States] and my country could deteriorate because [the Costa Rican] legal system is fighting against drug trafficking."**

In my twenty-five years experience with DEA which includes running some of their highest level international drug trafficking investigations, I have never seen an instance of comparable allegations where DEA did not set up a multi-agency task force size operation to conduct an in-depth conspiracy investigation. Yet in the case of Colonel North and the other American officials, no investigation whatsoever has been initiated by DEA or any other investigative agency.

The total "public" investigation into the drug allegations by the Senate was falsely summed up in the statement of a staffer, on the House select committee, Robert A. Birmingham who notified Chairman Hamilton on July 23, 1987, that after interviewing "hundreds" of people his investigation had not developed any corroboration of "media-exploited allegations that the U.S. government condoned drug trafficking by contra leaders . . . or that Contra leaders or organizations did in fact take part in such activity." Every government official accused of aiding and covering up for the contra drug connection, Colonel Ollie included, then hung his hat on this statement, claiming they had been "cleared."

The only trouble was that investigative journalists, Leslie and Andrew Cockburn—after interviewing many of the chief witnesses whose testimony implicated North and the contras in drug trafficking, including several whose testimony was later found credible enough to be used to convict Manuel Noriega—could find not one who had been interviewed by Bermingham or his staff. In fact, the two journalists seem to have caught Bermingham red-handed in what can only be described, at best, as a gross misrepresentation of fact, when he (Bermingham) quoted the chief counsel of a House Judiciary subcommittee, Hayden Gregory as dismissing the drug evidence and calling it "street talk." Gregory told the Cockburns that the "street talk" comment was taken out of context; that he had not even met Bermingham until July 22 (two days before Bermingham wrote the report) and that he had in fact told Bermingham that there were "serious allegations against almost every contra leader."

When President Bush said, "All those who look the other way are as guilty as the drug dealers," he was not only talking about a moral guilt, but a legal one as well. Thus, if any U.S. official knew of North and the contra's drug activities and did not take proper action, or covered up for it, he is "guilty" of a whole series of crimes that you go to jail for; crimes that carry a minimum jail term; crimes like Aiding and Abetting, Conspiracy, Misprision of a Felony, Perjury, and about a dozen other violations of law related to misuse and malfeasance of public office. I'm not talking about some sort of shadow conspiracy here. As a veteran, criminal investigator I don't deal in speculation. I document facts and evidence and then work like hell to corroborate my claims so that I can send people to jail.

What I am talking about is "Probable Cause"—a legal principle that every junior agent and cop is taught before he hits the street. It mandates that an arrest and/or criminal indictment must occur when there exists evidence that would give any "reasonable person" grounds to believe, that anyone—U.S. government officials included—had violated or conspired to violate federal narcotic laws. Any U.S. government law enforcement officer or elected official who fails to take appropriate action when such Probable Cause exists, is in violation of his oath as well as federal law; and under that law it takes surprisingly little evidence for a Conspiracy conviction.

As an example, early in my career I arrested a man named John Clements, a twenty-two year old, baby-faced guitar player, who happened to be present at the transfer of three kilos of heroin—an amount that doesn't measure up to a tiny percentage of the many tons of cocaine, (as much as one half the U.S. cocaine consumption), that North and his Contras have been accused of pouring onto our streets. Clements was a silent observer in a trailer parked in the middle of a Gainesville, Florida swamp, while a smuggler—whom I had arrested hours earlier in New York City and "flipped" (convinced to work as an informer for me)—turned the heroin over to the financier of the operation. Poor John Clements, a friend of both men, a "gofer" as he would later be described, was just unlucky enough to be there.

The twenty-two year old guitar player couldn't claim "national security," when asked to explain his presence, nor could he implicate a President of the United States in his criminal activities as Colonel North did. John Clements wrote no self-incriminating computer notes that indicated his deep involvement in drug trafficking, as North did; he didn't have hundreds of pages of diary notes in his own handwriting also reflecting narcotics trafficking. John Clements did not shred incriminating documents and lie to congress as North did; nor was he responsible for millions in unaccounted for U.S. government funds as North was. Clements did not have enough cash hidden in a closet slush fund to pay \$14,000 cash for a car, as North did while earning the salary of a Lieutenant Colonel. John Clements only had about \$3 and change in his pocket.

Nor did John Clements campaign for the release from jail of a drug smuggling, murderer whose case was described by the Justice Department as the worst case of narco terrorism in our history, as North did. Poor young John wouldn't have dreamed of making deals with drug dealer Manny Noriega to aid in the support of the drug smuggling Contras, as North did. No, John Clements was certainly not in Ollie North's league, he couldn't have done a millionth of the damage North and his protectors have been accused of doing to the American people, even if he wanted to.

But John Clements did do something Ollie North never did and probably never will do—he went to jail. A jury of his peers in Gainesville, Florida found more than enough evidence to convict him of Conspiracy to violate the federal drug laws. The judge sentenced him to thirty years in a Federal prison. Ollie North on the other hand was only charged with lying to a Congress so mistrusted and disrespected by the American people that he was virtually applauded for the crime.

Criminality in drug trafficking cases is lot easier than proving whether or not someone lied to Congress and is certainly a lot less "heroic." Statements like "I don't remember," "I didn't know," and "No one told me," or "I sought approval from my superiors for every one of my actions," are only accepted as valid defenses by Congressmen and Senators with difficulties balancing check books—not American jurors trying drug cases. And when you're found guilty you got to jail—you don't run for a seat on the Senate.

And why would I volunteer to kidnap Ollie? For three reasons: first, kidnapping is now legal; second, I have experience kidnapping; and third, it is the only way those tens of millions of Americans who have suffered the betrayal of their own government will ever see even a glimmer of justice.

Several years after Kiki's last tape-recorded cries were shoved well under a government rug, a maverick group of DEA agents decided to take the law into their own hands. Working without the knowledge or approval of most of the top DEA bosses, whom they mistrusted, the agents arranged to have Dr. Humberto Alvarez Machain, a Mexican citizen alleged to have participated in Kiki's murder, abducted at gun point in Guadalajara Mexico and brought to Los Angeles to stand trial.

On June 16, 1992, the United States Supreme Court ruled in the landmark Machain Decision that the actions of those agents was "legal." The ruling said in no uncertain terms that U.S. law enforcement authorities could literally and figuratively kidnap violators of American drug law in whatever country they found them and drag them physically and against their will to the U.S. to stand trial. Immediately thereafter the Ayatollahs

declared that they too could rove the world and kidnap violators of Islamic law and drag them back to Iran to stand trial. Kidnapping, therefore, has now become an accepted tool of law enforcement throughout the world.

Resorting to all sorts of wild extremes to bring drug traffickers to justice is nothing new for the U.S. government. At various times during my career as a DEA agent I was assigned to some pretty unorthodox operations—nothing quite as radical as invading Panama and killing a thousand innocents to capture long-time CIA asset Manny Noriega—but I was once, (long before the Machain Decision), assigned to a group of undercover agents on a kidnapping mission. Posing as a soccer team, we landed in Argentina in a chartered jet during the wee hours of the morning, where the Argentine Federal Police had three international drug dealers—two of whom had never in their lives set foot in the United States—waiting for us trussed up in straight-jackets with horse feed-bags over their heads, each beaten to a pulpy, toothless mess. In those years we used to call it a "controlled expulsion." I think I like the honesty of kidnapping a little better.

By now you're probably saying, "Get real Levine you live in a nation whose politicians ripped their own people off for half a trillion dollars in a savings and loan scam, a nation whose Attorney General ordered the FBI to attack a house full of innocent babies, and this is the decade of Ruby Ridge, Waco and Whitewater-gate; your own people sent Kiki Camarena to Mexico to be murdered and then gave aid and comfort to those who murdered him—how can you expect justice?"

If you aren't saying these things you should be. And you'd be right. Under the current two-party, rip-off system of American politics with their complete control of main stream media, I expect Ollie North to have a bright future in politics, while hundreds of thousands of Americans like John rot in jail. Ollie North, after all, is the perfect candidate. But there is one faint glimmer of hope remaining, and it isn't in America.

Since the democratic and staunchly anti-drug Costa Rica is, thus far, the only nation with the courage to have publicly accused Oliver North, a US Ambassador and a CIA station chief of running drugs from their sovereignty to the United States, I find myself, duty-bound to make them, or any other nation that would have the courage to make similar charges, the following offer:

I, Michael Levine, twenty-five year veteran undercover agent for the Drug Enforcement Administration, given the mandate of the Supreme Court's Machain Decision and in fulfillment of my oath to the U.S. government and its taxpayers to arrest and seize all those individuals who would smuggle or cause illegal drugs to be smuggled into the United States or who would aid and abet drug smugglers, do hereby volunteer my services to any sovereign, democratic nation who files legal Drug Trafficking charges against Colonel Oliver North and any of his cohorts; to do everything in my power including kidnapping him, seizing his paper shredder, reading him his constitutional rights and dragging his butt to wherever that sovereignty might be, (with or without horse feed-bag); to once-and-for-all stand trial for the horrific damages caused to my country, my fellow law enforcement officers, and to my family. Source: <http://ciadrugs.homestead.com/files/ml-kiki-north.html>

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**GOING BAD:**  
*Corruption in the war on drugs, from the inside out.*  
By Michael Levine  
Copyright, December, 1990

*There is something in corruption which, like a jaundiced eye, transfers the color of itself to the object that it looks upon, and sees everything stained and impure. - Thomas Paine, The American Crisis (1776-83).*

"It's like they want us to go bad," said Al, using the not-so-euphemistic term DEA (Drug Enforcement Administration) agents use to describe the taking of a bribe, the stealing of drugs and money, the selling of drugs or any of the other myriad of ways a law enforcement officer can cross the line from upholder of the law to violator of the law. He picked up a heavy barbell and continued speaking through a violent, chest-slamming, set of curls.

"They give the FBI an extra twenty-five thousand bucks a year... to work in this God damned city...and us nothing...and half those feebs come to work in car pools... And Lawn (Jack Lawn, ex-Administrator, DEA) doesn't say a fucking word....What does he care?...He retired and got himself a big paying job...Vice President... of the fucking Yankees. "

I paused in the middle of a set of push-ups to listen. The place was the New York, DEA office Gym, which I continued to use after my retirement. Street agents and cops will always be my favorite people; not the "suits"—the political appointees and administrative types who direct this whackier-every-day War on Drugs from behind desks. I had levelled some strong criticisms against them in my book, Deep Cover, accusing them of an incompetence that cost agents' lives; of running a fraudulent drug war; of being motivated by greed, self-aggrandizement and a quest for media exposure and lucrative second careers—of everything and anything, other than really winning. I doubted that they were happy that I was still using the gym. But I figured after retiring with three herniated discs, a bad knee and shattered ankle—moments of my career—I had earned the right.

"Yeah," said another agent skipping rope. "He took care of himself pretty good, didn't he. And Stutman's no better. (Robert Stutman, retired head of DEA's New York office) Now that he cashed in on his DEA job and got named the CBS drug expert, he's saying the government oughtta spend less for law enforcement..."

"Christ," said Al in exasperation. "They're all whores. A fucking saint would go bad in this business."

The words jarred some old memories loose—and some not so old. I had known too many guys who had gone bad and every one of them was the last guy in the world anyone would have believed it of; and most of them had "gone over" during the past thirteen years. The past decade, in fact, has brought with it the worst epidemic of corruption in the history of law enforcement, making the years of prohibition look like a Boy Scout weenie roast—and almost all of it related to our war on drugs.

Within the ranks of DEA, alone, cases of "misconduct" have increased during the past several years at a whopping rate of 176 percent, 40 percent of which involved cases of bribery, fraud, obstruction of justice and the selling of drugs. The situation has become so critical according to the DEA brass that experts are being consulted to determine what the problem is and how to meet it.

A little more than a decade ago cases of corruption were rare. The idea among DEA agents, that one of us would go bad was almost inconceivable. Most of the people selected for the position of Special Agent were, and still are, products of a highly moral background, (as verified by lengthy and exhaustive reputation and background investigations); conservative men and women who seem to take the job out of the highest of ideals (as verified by intensive personal interviews before panels of agents and supervisors). If anything, events of recent years have made DEA more discriminating than ever about its candidates; only granting employment interviews to those who have graduated college with a cumulative B average or higher, and who have passed the Federal Entrance Examination in the top ten percentile.

If you add to that the continuous brainwashing we are subjected to, driving home the message that failure to inform on a fellow agent you know to have violated the law makes you as guilty as he and subject to the same penalties, the incongruously rough sentences narcotics officers convicted of corruption are given, and our intimate knowledge of the, particular, horrors awaiting us as inmates in the penal system—to be caught going bad, for a DEA agent, is a fate worse than death. I had known men, during those early drug war years, who, on learning that they were under investigation—even for seemingly minor violations of law like overstated voucher expenses—committed suicide.

So what is happening to cause DEA agents—once thought of as the least likely candidates for corruption imaginable—to suddenly go bad at a record pace? I think I know the answer; and it's not one the politicians and drug war bureaucrats want you to discern or spend much time thinking about.

### **A Strange Case and the Beginning of a Trend**

On a warm spring day in 1977, I found myself in a Connecticut motel room, with an informer with the unlikely name of James Bond, on one of the strangest undercover assignments of my career—posing as a Mafia hood trying to buy information from DEA's secret files.

In 1977, for a DEA agent, the drug war was still a simple matter of good versus evil. I had been a federal law enforcement officer for twelve years in four federal agencies, (IRS, Intelligence Division; Alcohol, Tobacco And Firearms; Bureau of Customs, Hard Narcotics Smuggling Division and DEA beginning in 1973) during which time I had personally known only three men who had been arrested and accused of corruption; and only one of them was a DEA agent who was accused of stealing money. Most of us actually believed the rhetoric of the politicians; that the youth of our nation were being poisoned by the deadliest and most loathsome enemy Americans have ever had to face—the evil drug dealer. And that putting them in jail—by any means—was God's work. And with a brother who had just committed suicide after nineteen years of heroin addiction, I doubt that there was another agent or cop more fanatically dedicated to doing just that, than I was. I could not have been more "off the wall."

There were of course some disquieting rumors that the CIA was involved in protecting drug dealers in the Far East for political reasons. There were even some who claimed the agency itself was involved in drug trafficking—but who the hell would believe that? A meticulously researched and documented book like *The Politics of Heroin in Southeast Asia* by Alfred McCoy, that should have had Americans screaming for investigations into the conduct of a drug war already dripping with evidence of high-level government deception and fraud and the senseless sacrifice of human life, was little known, poorly distributed and successfully ignored by the bureaucrats and politicians. No right-thinking DEA agent would ever read anything like it, anyway. To do so was damned near un-American. What kind of man—CIA agent or not—could protect a drug dealer and still call himself an American? The rumors were obviously part of some commie disinformation plot.

So in the Spring of 1977, I was the quintessential representative of a DEA still in its years of innocence; a fledgling agency not yet adept enough internationally to threaten special interests like the \$40 billion debt the cocaine producing nations owed American bankers; or people with "special" relationships with the CIA, Pentagon or State Department—people like Manuel Noriega. We just didn't know what the score was. But times were changing, and changing quickly.

There was a light knock on the motel door. I raised my arms and signalled at the hidden cameras. In another room video and sound equipment began recording what would be the first case of its kind in DEA's history.

A short while later in the smoke filled motel room, a young, clean cut looking guy by the name of George Girard promised me that for \$500 a name he could check out any name I gave him in the DEA computer system.

"You could tell me if the guy's an informer?" I asked.

"No sweat," said Girard who had quit DEA after seven years on the job to open a private detective agency.

I couldn't believe my ears. No DEA agent alive would sell the name of an informer—it was murder. Girard was out of DEA, so there was no way he could make good on the promise. I was sure he was just running a con job on me. He probably figured stealing money from the Mafia's no crime, so screw it! But still, before I gave him the name that had already been rigged into the DEA computer system as an informant, I had to be sure he knew that—if he did get me the information—he was killing a man, just as surely as if he were pulling a trigger.

"If this guy is a stool pigeon," I said, trying to rivet him with my eyes. "I'm going to kill him."

"I don't want to know that," said Girard quickly. "That's your business."

"The name's Lumieri," I said. "Richard Lumieri."

Days later I met with Girard in the motel and was stunned when he gave me, almost verbatim, the information that had been planted in the DEA computer system. Over the next several weeks I kept feeding the ex-DEA agent requests for information from DEA's files. He was unflinching in his ability to furnish me with everything I requested including the identities of other informers. To see how far he would go, I offered him cocaine as payment instead of money, and he accepted.

I kept dealing with Girard until we learned that his inside connection was an agent named Paul Lambert, one of the best thought of agents in DEA headquarters. The whole agency was shocked as Lambert was arrested at his desk and led out in handcuffs. The Administrator of DEA, Peter Bensinger, who had been kept in the dark throughout the investigation, was outraged. Nothing like it had ever happened before. Lambert, besides having a promising DEA career was known to be independently wealthy. The few hundred-dollars a name he received for running computer checks could not have meant anything to him. He hired—at no small cost—one of the best defense attorneys in the land, Charles Shaffer, who also defended John Dean of Watergate fame.

After a two month, well-publicized trial, Girard and Lambert were convicted and sentenced to ten and twelve years in prison, respectively. Their lives were destroyed.

But why? And, for what?

During the weeks of undercover with Girard I had tried to get some idea of what motivated him. The clearest answer I got was his description of the drug war as, "The whole thing was bullshit." I never knew Lambert; although those who did, said that his participation in the scheme made less sense than Girard's. For me the whole episode ended with the unanswered question—Why?

DEA, of course, revamped its security system and the suits breathed a sigh of relief. The case was an aberration, they said. It was not—they assured the media—part of a growing pattern of corruption.

They could not have been more wrong. And all of us on the inside could feel it—the times were changing.

### **The Strange Case of Sandy Bario**

"The Case Of Agent Bario," was the title that Time magazine used in its January, 29, 1979, edition, reporting the strange life and even stranger death of DEA agent Sante Bario. The article synopsis how one of DEA's top undercover agents went bad, using his post as DEA's, Assistant Country Attache in Mexico City to smuggle drugs into the United States. "Sandy," as those of us who knew him well called him, was arrested by DEA's Internal Security Division after he had allegedly conspired with one of his informants in the smuggling and distribution of eleven pounds of cocaine stolen during a DEA raid in Mexico City.

On December 16, 1978, while sitting in his jail cell, Sandy took a bite of a peanut butter sandwich. He stood up and threw the rest in the toilet. Moments later, according to reports, he was found in convulsions. He slipped into a coma from which he would never recover. Preliminary tests made while he was still alive revealed strychnine in his blood. The warden told Sandy's wife that he had been poisoned. Subsequent tests, according to DEA, mysteriously, failed to reveal any traces of poison. The first tests were ruled "in error." The final autopsy report indicated that Sante Bario had "choked to death" on his peanut butter sandwich. To this day there are many in DEA who secretly (and not so secretly) believe that Sandy was either killed by DEA's Internal Security, or the CIA because "he knew too much about secret U.S. government involvement in narcotics trafficking."

But who, in 1979 could believe that?

I was already stationed in Argentina when I heard about Sandy's arrest and death. The news was more than a shock to me. I had known him for many years. He was one of the best, most decorated undercover agents this government has ever had, laying his life on the line on a daily basis with the kind of courage that only comes from the deepest of conviction. Sandy was a legend among undercover agents. I doubt that his record of arrests and convictions for a deep cover penetration of the Mafia will ever be equalled.

Sandy and I had known each other for more than ten years. We had met as agents in the IRS Intelligence Division. "This country's biggest enemy is going to be drugs," he told me before transferring to the Federal Bureau of Narcotics in 1965. His words—and then later learning of my brother's heroin addiction—were what convinced me to follow his path.

In 1975 we were working in the same DEA, international enforcement group when Sandy was transferred to Mexico. An Internal Security Division—at the time without much corruption to investigate—tried to hold up Sandy's transfer, investigating him for living with his girlfriend "out of wedlock." I don't think there are any words to convey the pain a man who daily lays his life on the line for his government suffers when that same government turns on him in such a shabby, cheap way.

Sandy—in righteous indignation and without any of the traditional fear agents have for standing up to the dreaded Internal Security Division—fought the investigation boldly and finally won a written apology from one of the suits. He was a man with nothing to fear or hide—a truly heroic figure. There is no way I will ever believe that the Sandy Bario who left for Mexico in 1975 was the same man who smuggled drugs and died in a Texas jail four years later. Something had to have happened that changed him; and it had to be something radical.

Within months of Sandy's death my education into the realities of our so-called War on Drugs would begin. It would leave me with an understanding of why Sandy and scores of men like him have gone bad and why countless more will follow, unless things are changed quickly and drastically.

### **The "Coca Revolution" (The Sellout of The Cocaine War)**

Early in 1980, from my post in Buenos Aires, I began to put together a deep cover "sting" operation against a Bolivian named Roberto Suarez who was putting together a combine of all his country's major coca growers for mutual protection, economy of production and to eliminate competition. It was the birth of what, nine years later, DEA would call "the General Motors of cocaine." The deep cover operation—in spite of



many behind-the-scenes moves on the part of DEA and other government agencies to sabotage it—was eventually accomplished. Attempts at destroying the investigation were so overt, frequent and outrageous—at times exposing us to life-threatening situations—that by the end of the operation the rallying cry of the undercover team had become, "Let's make this case in spite of DEA."

Our efforts; however, turned out to be in vain. After the arrests, seizures, indictments and the media ballyhoo giving the suits and politicians credit for "the greatest sting operation in history;" those of us who had accomplished the feat, then watched horrified and helpless as the CIA supported the same people we had arrested, indicted and identified as the biggest drug dealers in history, in their takeover of the Bolivian government in the now infamous July, 1980 "Cocaine Coup," one of the bloodiest revolutions in Bolivian history. Our government's greatest drug war victory had been turned into its greatest defeat; a fact that received no media coverage whatsoever.

I would later learn that the Suarez organization had convinced the CIA that the civilian government—some of whom had cooperated with us in the sting operation—were "leftists." Our secret government then made what they had been conned into believing was a choice between communism and drugs, for us. They helped in the destruction of the only Bolivian government officials having any anti-drug sentiments at all. And if any proof of the new military government's real aims were needed, their first act was to destroy all the drug trafficking files in Bolivia's Hall of Justice. Bolivian cocaine trafficking would never again be truly threatened. The drug war had taken a back seat to politics, as it still does.

From that point on Bolivia began supplying cocaine base to the then fledgling Medellin Cartel in Colombia as though it were a legal export. At the same time the demand for cocaine in the United States began to boom. It was the beginning of a decade that gave us crack, crack babies and the worst crime and violence statistics of any nation in history; and it could not have been done without the help of our own government.

I, along with many of my brother DEA agents, watched the fraud from the sidelines with aching and frightened hearts. The times indeed were a changing.

The Roberto Suarez case also heralded in a decade during which the drug economy's value as a political and economic tool rose sharply while, in contrast, the value of the lives of American's in general and narcotics officers in particular, plummeted. Within the U.S., police and narcotic agents fought a bloody, urban drug war, while our politicians, CIA and Pentagon were in bed with the biggest drug dealers alive. Many DEA agents began to realize that they were sacrificial pawns in a fraudulent, no-win war like Vietnam; that their true purpose was to pile up meaningless arrest and drug seizure statistics—and at times, die in the streets—in order to convince voting and tax-paying Americans that there was a drug war; and that international narcotic enforcement was a "minefield" of Roberto Suarezes and Manuel Noriegas.

It seemed no small coincidence to me that, during the same time period the incidents of corruption in DEA began to spiral upward, involving criminal indictments against the least likely people imaginable. People like my friend DEA agent Darnell Garcia—a legendary martial arts expert and profound believer in Bushido, (The Way of the Warrior), as antithetical a system of beliefs to acts of corruption, as exists on this earth—who was arrested and charged with stealing and selling drugs, and money laundering. People like my friend Tom Traynor—a deeply religious father of five and highly decorated DEA agent who neither drank, smoked nor (and I'm not kidding) used profanity—who was arrested and charged with smuggling large quantities of cocaine from South America. And more just like them followed—too many more. To me it was mind boggling.

The increase in drug war corruption was not only limited to DEA, it was happening everywhere. Law enforcement officers, elected officials and even judges were being indicted for everything from accepting bribes to selling drugs. In one investigation that I supervised in the New York City Joint Task Force (US V Cesar Ramirez), I arrested two New York City detectives who had accepted bribes and helped a drug dealer in covering up the murder of his wife, and was then astounded to learn that some of the cocaine and money we had seized during the investigation had been stolen by Assistant United States Attorney Daniel Perlmutter—a Phi Beta Kapa graduate of Williams College and NYU Law School—the man charged with prosecuting the case. The scholarly prosecutor—married to another prosecutor—had been stealing the drugs and money to support his and a model girlfriend's cocaine habits.

To a DEA agent in the 1980s, the whole world had become corrupt. No one could be trusted—not even our own government. And if we needed proof of how little our lives were valued alongside our government's special interests in the drug war, the death of DEA agent Enrique "Kiki" Camarena was all the proof necessary.

### **The "Sacrifice" of Enrique Camarena**

It was almost inevitable that the sacrifice of the life of DEA agent Enrique Camarena would occur in Mexico, one of the countries in this hemisphere most corrupted by the drug economy and most protected by our government's special political and economic interests. It was also a country that would play a heavy role in events that would mold the rest of my life; events during which I often thought of Sandy Bario and wondered what secrets he might have revealed about the hypocrisy and corruption of our drug war, had he lived—and how much he had been through before he had gone bad.

Some six years after Sandy's death, Kiki Camarena and his brother DEA agents assigned to Guadalajara Mexico, would write memorandums and cables to DEA headquarters in Washington and Mexico city, complaining of the anarchic conditions in Mexico and pleading for additional agents, more DEA, State and Justice Department support or—at the very least—getting diplomatic status for agents assigned there so that they might arm and protect themselves.

They were ignored.

Economic and political considerations were deemed more important than our drug problem. No one wanted to "upset" Mexican officialdom by bringing up the "D" word (drugs)—or worse yet: the "C" word (corruption). And the DEA suits—more politicians than law enforcement

officers, and willing pawns of any special interest group—were more interested in maintaining the illusion of a "special" and "cordial" relationship between the U.S. and Mexican governments than the complaints of a couple of street agents. Camarena finally prophesied his own death when he said, "Does someone have to die before something is done?"

On February 7, 1985, DEA agent Enrique Camarena, married and the father of three young boys—who, on his own, working around and in spite of obstacles placed in his path by DEA suits, the State Department and other special interest groups, managed to cause the biggest Mexican marijuana seizure in history—was kidnapped in broad daylight in front of the American Consul in Guadalajara by Mexican policemen working for drug traffickers. He was tortured to death over a twenty four hour period, while his murderers tape-recorded his cries.

Mexican government officials were so disdainful of our hypocritical drug war that they aided his killers in escaping from right under the noses of frustrated and powerless DEA agents. It would be a month before Camarena's body would be found and years before some—but not all—of those responsible for his death would be brought to justice. The whole affair, were it not for the rage of Kiki's brother street agents in keeping the investigation alive, would have been quickly swept under a rug.

The suits were in a rush to "normalize" U.S. relations with Mexico. There were items far more important than Kiki's murder—items like the Mexican debt, and trade and oil agreements, not to mention secret Mexican support of the Contras and other CIA programs. Instead of pressuring Mexico economically to aid in identifying those responsible for the murder, our Treasury Department was negotiating a new bail-out package of loans and the State Department was planning to increase Mexico's share of the narcotics aid budget. And among the supporters of this move was DEA Administrator, John Lawn. Hearings into the Camarena murder and the actions—or lack thereof—of our drug war "leaders," by the House Foreign Affairs Committee's task force on international narcotics control, would result in its chairman, Representative Larry Smith saying,

"I personally am convinced that the Justice Department is against the best interests of the United States in terms of stopping drugs...I just don't think the Justice Department is committed to pushing the Mexicans on a resolution to the Camarena case. What has a DEA agent who puts his life on the line got to look forward to? The United States Government is not going to back him up. I find that intolerable!"

So did we DEA agents, but what could we do? Where and how could we vent our rage and frustration?

In the years following Kiki's death, drug war corruption increased to levels unprecedented in our nation's history. Of course I would be remiss if I didn't mention that during the same period of time evidence was revealed during the Iran-Contra hearings indicating that secret elements of our government were using the proceeds of drug sales to fund the Nicaraguan Contra movement and circumvent the wishes of our elected officials; and that evidence that might have convicted high level U.S. government officials of drug trafficking was withheld from senate investigators for "national security" reasons.

It was a time when "heros" like Colonel Oliver North and other U.S. officials were banned from Costa Rica for "drug and gun running activities" by that country's very credible, Nobel Prize winning president, Oscar Arias; a time when the DEA agent assigned to Honduras documented 50 tons of cocaine entering the U.S. at the hands of U.S. supported Contras and Honduran military, (half the estimated U.S. cocaine consumption), and was then immediately transferred out of Honduras to get him out of the hair of the Pentagon and CIA; a time when DEA agents like Everett Hatcher and local cops like New York City patrolman Chris Hoban would be gunned down trying to take grams and ounces of drugs off our streets, while our own government aided and abetted in the trafficking of tons.

It was a time when our President would tell us that "everyone who looks the other way" condoning drug trafficking was "just as guilty" as the drug traffickers. He would then order our troops to invade Panama at a cost of hundreds of innocent lives to arrest a drug dealer whose activities our government had condoned by looking the other way for almost two decades. It was a time when I would witness the intentional destruction of one of the biggest and most far-reaching drug cases in the history of the drug war (Operation Trifecta, the subject of Deep Cover ) because it threatened other U.S. interests deemed more important.

It was a time when we DEA agents would realize that, as Pogo said, after tracking full circle, "We have found the enemy and he is us."

A mighty thump brought me back to the present. Al was now pounding a heavy-bag suspended from the ceiling in the middle of the gym. "In a dirty card game," he grunted, jabbing at the bag, "only a fool plays it straight." He punctuated the sentence with a thumping right cross. He turned from the bag shaking his head in frustration. No amount of sweat would lighten the burden all narcotics officers carry. "How do they blame a guy for going bad, when the whole fucking government has gone bad?"

One of the defenses classically used by people arrested for selling drugs to an undercover agent, is claiming that the conduct of the government's agents was either criminal, immoral, or such that the defendant was enticed into doing something he ordinarily would never have done—entrapment. It seems to me that our government's conduct in its so-called war on drugs has become so criminal and immoral, that anyone arrested for going bad might have a valid entrapment defense.

What do you think?

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# DEA agent Micheal Levines's findings of CIA involvement with narco-militarists in Latin America

**Interview with Michael Levine  
From The People's Spellbreaker  
Edited by John DiNardo**

ROBERT KNIGHT: This is UNDERCURRENTS for Monday, November 11th, 1991. I'm Robert Knight, with Paul DeRienzo in the field, at the Marble Collegiate Church in New York City where Saturday there was held a conference -- a 100-city national teleconference called, "Causes and Cures: A National Campaign on the Narcotics Epidemic." Present at that teleconference were such experts in the drug field as Michael Levine, Peter Dale Scott, Alfred McCoy and Daniel Sheehan of the Christic Institute.

In today's program, we'll be hearing a special interview, conducted by Paul DeRienzo, with former United States Drug Enforcement Agency officer Michael Levine.

MICHAEL LEVINE: I was a very wild kid from the South Bronx. Really bad. By some miracle I never got into heroin. Heroin was already rampant in the '50s in my neighborhood. My brother David became a heroin addict at fifteen. But I was a wino -- a wino who joined the Military. I was a very violent kid, looking for some direction. In the Air Force, I became a boxer. I was still looking for direction, for some meaning in my life.

The odyssey began with a fight that I had with another guy in the Air Force. We were both military policemen -- dog-handlers. It was over a three-dollar hat. He stuck a gun in my stomach -- pulled the trigger. It misfired. Of course, everyone was arrested. The gun was test-fired. It fired every time after that. From that point on, I considered my life a gift. And I became, I guess .... I don't want to sound too Shirley MacLaineish, but I became very much a fatalist. I thought: "Well, I must be here for some reason, because it was just too fantastic that I should survive that."

Again, in searching for meaning in my life, what evolved out of that incident was someone who was really terrified of reaching the end of my life and having to say the words: "I wish I had done it." I wanted to experience everything. I wanted to go everywhere. I wanted to taste it. I wanted to visit every country. Because, at that moment, I realized that that Arab saying, "Any day is a good day to die," is very true. So I was in a rush to live.

How I ended up in 1965, graduating from Hofstra University with a degree in accounting, married with a baby -- I don't know. I was a very depressed young man. But again, fate stepped in. I ran into a buddy of mine who was carrying a little folio in his pocket, and it said: "Take the Treasury Department law enforcement test. Become a G-man." I saw a picture of a guy on this folio who looked like James Bond. And there goes the wild imagination of young Michael Levine: "Wow! That's it. That's the key to adventure -- the key to living the full life." I took the Treasury test and, incredibly, I found myself on the job with the Internal Revenue Service Intelligence Division in 1965. My job was working undercover in the Organized Crime Wagering Division. That is, I would ride around wearing a little hat, betting with bookmakers and arresting them for violations of the fifty-dollar wagering tax, which was kind of a joke. I mean, it was a lot of fun. But I became very disenchanted -- depressed. I said: "Was I saved for this?"

Toward the end of that time, in my first year with intelligence, we found out that my brother was a heroin addict. I won't go into the whole thing, but the discovery destroyed my whole family. And, at that point, my brother had been a heroin addict since he was fifteen. He was then twenty. At first, it amazed us that we didn't know. I then jumped into the "War on Drugs," feet first. I was fighting to get into it because I believed that I wanted to do something: "This is what I was saved for!" I took it to be my mission. And I listened to all the words -- all the verbiage of politicians -- all this inflammatory stuff: "They're killing our children. 'THEY,' they're dropping white death bombs on our country. 'THEY' are invading us with powder." And I BELIEVED all of that. And I got into the "War on Drugs" -- became an undercover agent -- started locking up people in droves. A man, Donald Goddard, wrote a book about me called UNDERCOVER wherein the Government itself credited me with three thousand arrests up to 1977.

PAUL DeRIENZO: How dangerous was that?

MICHAEL LEVINE: I was naive and kind of crazed, and angry. I took the "War on Drugs" very personally. I probably was someone very much akin to a Japanese kamikaze or someone who believes that they're on a mission from God. As crazy as it is to look back now, I have to admit that that's what I felt -- that I had been "saved" for something, and that nothing was going to hurt me.

PAUL DeRIENZO: What was the secret to your success? Were you particularly good at undercover work?

MICHAEL LEVINE: The secret to my success was .... A police lieutenant, with whom I worked many years later, looked at me, after I had done, in one day, something like four or five undercover buys from different groups -- from Hispanics, from Blacks, from Whites -- and he was covering me along with my group. He said: "You know what the thing is about you, Levine? You're a guy who should've gone bad. You should have been a gangster. You should have been in jail. But somehow you turned out right. And that's why you're so ..." [convincing]. And I thought about it, and I thought about my youth and about the way I grew up, and I realized that there was a lot of truth in what he said. I was FROM the streets. The streets were in me. There was a thin line between me and the guys who I was working against. And that line was so thin that drug dealers couldn't see it. Do you understand? The line that separated them from me as a suspected agent was so thin that drug dealers could NEVER believe that I was an agent. And that's an attitude .... that's something you can't teach.

I still teach narcotics undercover for a company. The thrust of my teaching is to keep these guys alive. I try to teach young police officers involved in it that: Hey. This isn't for real. If you want to do it -- if you want to take any satisfaction from it, you can take satisfaction from the fact that you're taking bad people -- murderers and rapists, who happen to be drug dealers, off the streets. Okay, in that sense, go ahead out there and risk your butt. But if you're in this business thinking that you're going to save the youth of America from "the white death", I advise you to find another career because you're going to end up dead! It's very dangerous.

PAUL DeRIENZO: How did you wind up doing these foreign operations?

MICHAEL LEVINE: Well, I began working undercover in Southeast Asia in 1970 and '71. Just being really good at what I do, I was asked to do different assignments.

PAUL DeRIENZO: I spoke to Alfred McCoy, and he mentioned that he talked to you afterwards and told you about his book, and that that book influenced the way you thought about the work you were doing in Southeast Asia.

[JD: "THE POLITICS OF HEROIN IN SOUTHEAST ASIA", by Alfred McCoy, has been the bible on U.S. drug trafficking. However, I understand that its sequel, "THE POLITICS OF HEROIN: C.I.A. COMPLICITY IN THE GLOBAL DRUG TRADE" is even better.]

MICHAEL LEVINE: Well, what happened was, the first time that I ran into CIA and other U.S. influences in this "War on Drugs" was on an undercover case that I did into Bangkok, Thailand in 1971, going into 1972. There's no way I can tell you the whole story, but let it end with this: I successfully conned the hell out of Chinese drug dealers who were also the source of an investigation of drug dealers on a case titled, "the Herman Jackson Organization." In essence, Herman Jackson and a bunch of G.I.s from Vietnam were buying heroin in Thailand and putting the heroin into dead bodies of G.I.s killed in Vietnam, and the bodies were being funneled through Thailand and then home to the United States. And they were using the bodies of our 19- and 20-year-old young men, killed in that "holy war", as conduits for heroin.

Now, at that time, young Michael Levine, young undercover agent -- I'm dealing with the same people who are supplying that [Herman Jackson] group. The Chinese drug dealers, who really bought my act, wanted to invite me to a laboratory in Chang Mai where they were producing hundreds of kilos. Now, this was at a time in our history when the biggest heroin seizure was "the French Connection", sixty-five or sixty-seven kilos of heroin. Now here are people inviting me to a factory that produces hundreds of kilos of heroin A WEEK!

Mysteriously -- strangely, I was instructed that: "You're not going!" The case was ended right at the point I had gone to; that is, at the Chinese dealers in Bangkok itself. Arrests were made. A lot of publicity. The United States Government told the American Public: "Another great Drug War victory." I was told: "There are a lot of things you don't understand. You see, there are priorities." And, of course, I accepted that because I was, again, the "GOOD soldier".

Now, Al McCoy's book came out around the same time. Now -- when I look back, when I talk about Al McCoy's book and my experience, what I point out is that even if I had Al McCoy's book in my hands in 1971 and '72 -- a book that pointed out CLEARLY why I was not allowed to go to Chang Mai .... WHAT an incredible thing that is to accept! That my OWN government could protect people who were using our DEAD G.I.s - - dead young Americans as heroin conduits! HOW could I accept that?! It was just too MUCH! What can I give you as a comparison? It's a man who's been married to a wife who doted on him for twenty years (well, at that point in my career it was seven or eight years) whose fidelity he never questioned; and then suddenly coming in and finding her in bed with, not just the postman, but the butcher, the dogcatcher, ..... It's just too much for you to accept as real. Had I had Al McCoy's book in my hands, I would've considered it an Un-AMERICAN thing to read. That's why I can UNDERSTAND what happens to young men who are in law enforcement -- why they refuse to look at the reality of this situation. It's just TOO MUCH for Americans to accept. It's too much for young narcotics agents to accept. You don't TAKE a job like this for civil service security. You take it because you BELIEVE in it! And most of these guys DO. And then, when these events happen, and they're told: "This is a priority that you don't understand. You just go ahead about your business" .... and when they see, around them, things like Oliver North, who ..... It's really funny; he's got a book out. I don't even want to say the title -- but I looked in the index and he's got three pages devoted to drug trafficking; yet, in his OWN notebooks (he's got twenty-six-hundred-page notebooks) he's got FIVE HUNDRED pages of NOTATIONS about drug trafficking. There's something he's not TELLING us. You know? So, when young agents see things like this .... when young agents see that people like Oliver North and Lewis Tams were banned from Costa Rica for DRUG running, it's HARD for them to accept. They consider this like: "Well this is a plot. We don't want to believe this." Because, to accept it and to believe it is to accept that your career is a LIE! Your chosen goal in life is a total lie.

PAUL DeRIENZO: Then you wound up in South America. Why don't you tell us about your book, "DEEP COVER" [Delacorte Press, New York, 1990.]

MICHAEL LEVINE: There'll be another book out called "THE QUEEN OF COCAINE" that will cover, in detail, these years. In '78, '79, '80, '81, I was stationed in Buenos Aires, Argentina. I was the country attaché for the U.S. Drug Enforcement Administration. I covered Argentina and Uruguay. This was during the years of "the dirty war", "la guerra sucia" when the Argentine hit-squads were disappearing any number of young Argentines for being political activists. And I was there on a holy mission from the "War on Drugs," -- as focused on the "War on Drugs" as I ever was. I was blind to anything else. I was there for MY country, to protect the AMERICAN children from "the white death." And I quickly penetrated an organization called "the Roberto Suarez Cocaine Organization."

I should say that, during my years in Argentina ..... of course, I've been criticized as being some sort of a low-level DEA employee, which is not true. During my years in Argentina -- during two years -- I was THE senior U.S. law enforcement representative in the southern cone. The FBI closed their office. I fielded their work. Bolivia closed down the DEA operations. I fielded their work. I was THE senior man!

So I penetrated the Roberto Suarez Cocaine Organization. It's an INCREDIBLE story. But let me put it this way. I was being offered THOUSANDS of kilos of cocaine a month, at a time when the then-biggest drug seizure was two hundred and forty kilos of cocaine, on a casual stop by border patrolmen. They found it in the trunk of a car. The first man I met was Marcello Ybanéz, who was the ex-Minister of Agriculture of Bolivia, who told me there's a man named Roberto Suarez, who was now putting together ALL the drug producers in Bolivia under one umbrella organization, which later became "La Corporacion," the General Motors of cocaine.

Now, I go to DEA and ask for funding and approval to set up a sting operation. And I'm called a liar! I'm told that Roberto Suarez isn't in the computer. Neither was Marcello Ybanéz. I go to the CIA and check his name. They have NOTHING on him. Of course, three or four months later, on SIXTY MINUTES, Mike Wallace called him "the biggest drug dealer who ever lived." There had to be something wrong at that point. But I continued to desist. The lie .... I was, at one point, accused of trying to run a scam on DEA -- getting an all-expenses-paid undercover trip up to the States.

I kept meeting with these Bolivians, still pretending to be a half-Sicilian, half-Puerto Rican drug-buyer, representative of the Mafia. Finally, I literally forced DEA into setting up a sting operation, and they did all they could to destroy the case. But they set up the operation. I managed to rally a team of undercover agents who, like me, didn't believe that anybody [in the U.S Government] could go AGAINST an operation like this. We got the support of elements of the Bolivian Government, the Litiagala [sp?] Government -- who were genuinely, then, in 1980, ANTI-DRUG! -- to carry out a huge sting operation that ended with the seizure of about a thousand pounds of cocaine, with me paying nine million dollars to José Roberto Gasser, one of the richest and most powerful Bolivians from one of the most powerful Bolivian families -- again, parenthetically, a family that had long been linked to the World Anti-Communist League and the C.I.A. He was arrested leaving the bank with my nine million dollars, along with Alfredo Cutucci Gutierrez, a man who was, in fact, in the DEA computer as one of the biggest drug dealers in the World. And before I could get back to Argentina, my post of duty, the United States Attorney in South Florida -- a man who is now prosecuting Noriega, Michael Sullivan, RELEASED Gasser without putting the case before a grand jury. He just dropped all charges!

Again, these details will be in a forthcoming book [QUEEN OF COCAINE]. Some of it is in DEEP COVER. But I'll explain why I didn't write this in detail with the chronology of my life.

Gasser goes back to Bolivia, publishes a full-page replica of his release, making a laughing stock of the American "War on Drugs". Where? Not in America, but where it really counts: in South America. Within months, Alfredo Gutierrez is released -- walks free. So the biggest drug sting in history -- as it was called by Penthouse Magazine and others -- was left without any of its defendants. The American People were the only ones who didn't know that.

Now, what do these people do? José Roberto Gasser, Roberto Suarez, Gasser's father, Edwin Gasser, have a meeting with the Military. They begin to foment what became "the Cocaine Coup", the 1980 Bolivian Revolution, in which, for the first time in history, drug dealers -- the people I was investigating, the people I had indicted, the people I had arrested -- NOW TOOK OVER THEIR COUNTRY!

During that coup, all the people who had helped DEA with this sting were either exiled or killed or tortured. During my time in South America, I learned that the CIA was a supporter of this revolution. Then, it seemed really clear to me -- at least I had a strong circumstantial-evidence case -- that that was why Gasser was released in the first place. How else would he be released? There was no other logical explanation!

So, at that moment, I began, for the first time in MY LIFE, to see the truth! In SPITE of everything else, I had no CHOICE, but to look at the truth! And that is that this "War on Drugs" was not for real.

MICHAEL LEVINE: Well, I began to complain. And my complaints went unheeded within DEA. I wrote a letter to the media. A month later, I was mysteriously put under investigation -- a very, very heavy personnel investigation. It went into every corner of my life. I was falsely accused of everything from black marketeering to "playing my radio too loud in the American Embassy." This is on paper. And no stone was left unturned in trying to make me an incredible person. No stone was left unturned in trying to destroy my career, my reputation and my credibility. I managed to survive that, but they did frighten me into keeping my mouth shut.

I was force-transferred up to the U.S. from where I was put undercover in an operation called "Operation Hun", which was even more -- more of a fiasco -- more of a scandal than the Suarez case. During my entire time undercover in "Operation Hun", I was kept under investigation by DEA, and I was frightened to death. During this same investigation, we learned that my daughter had become a cocaine addict. So most of my attention then went toward getting a hardship transfer back to New York. I wanted to just forget everything that had happened to me. I just didn't want to believe what I had just lived through for the previous five to six years. And I managed to get a transfer back to New York.

I probably would have gone to the end of my career keeping my mouth shut, had not "Operation Trifecta" happened at the end of '87. And "DEEP COVER". When "DEEP COVER" happened, that was the straw that broke the camel's back, and I decided that I'd have to speak out. I couldn't keep my mouth shut.

I think that there are two books which every American should read before they even think of voting. One is "COCAINE POLITICS" by Peter Dale Scott, and the other is my own book ["DEEP COVER", Delacorte Press, 1990] which I would GIVE to every American, if I could afford it, and could afford to stop looking over my shoulder. It's such a sad commentary to spend almost twenty-six years of my life as a Government agent, believing in what I was doing for a good part of that time, and then coming to the realization that I have to be more afraid of my own leaders than I ever was of a drug dealer.

PAUL DeRIENZO: Did you receive threats?

MICHAEL LEVINE: Yes. I've been threatened throughout my life, but one of the scariest threats that I've ever had came in the form of advice from a friend of mine in DEA, who is now one of the high-level people in DEA, who called me during the hottest part of their investigation into me, when I was criticizing the Government. I guess I'll have to tell a quick, little story that will clarify this comment that I'm about to tell you.

Sandy Barrio was a DEA agent who was sent to Mexico. I considered him a well-motivated -- one of the top undercover agents in DEA, who became involved in all kinds of CIA-type operations with drugs. He was involved in "Operation Silver Dollar". He eventually ended up being arrested, smuggling drugs himself. He was held in jail on the Texas-Mexican border. He was a senior official when he was arrested in Mexico where, of course, there is no such thing as law and order -- really; and where the "War on Drugs" is really not a drug war. It's really just a drug economy. And Sandy was part of that. I won't even comment on whether he became corrupt or whether the whole system is so corrupt that no one can go into it without becoming corrupt.

But Sandy took a bite of a peanut butter sandwich in the jail, fell down in convulsions, went into a coma. The initial tests indicated that Sandy had been poisoned with strychnine. He died three or four weeks later, and the final autopsy said, "death by asphyxiation on a peanut butter sandwich," that he choked on ... which was incredible! In DEA, half of the DEA agents I knew believed that he was either offered by some covert agency in the Government, and possibly by some elements within DEA. I didn't want to BELIEVE anything like that. I COULDN'T believe anything like that.

Now we cut to several years later, and here I am under investigation by DEA, criticizing my own government. And a DEA official calls me and says: "Mike, I like you. Remember -- a peanut butter sandwich!" And I said: "ARE YOU KIDDING??" He said: "No, not at all. And I'm only telling you this because I like you." And he and I never spoke again.

So that was probably one of the most chilling threats I ever got. And it wasn't a threat. It was a guy I know, who really liked me. And .... yeah, it's such a sad commentary, that, by criticizing your government ..... I think I earned the right to criticize my government's "War on Drugs" because I laid my butt on the line -- twenty-five years in it. And then, to have to be afraid for either my freedom or my life FOR criticizing my government -- that's such a terrible, sad thing.

PAUL DeRIENZO: Operation Trifecta. Briefly, what was that?

MICHAEL LEVINE: Operation Trifecta was a three-pronged probe into the top of the drug world. It went into "La Corporacion" in Bolivia, where myself and a team of undercover agents (actually, one other undercover agent, Jorge Ochijo, who was still with U.S. Customs in California) .... we made a fifteen-ton cocaine deal with people in this corporation who were producing four hundred kilos of cocaine a day in their lab. Just think about that: four hundred kilos. And they were only a small part of this huge corporation. In this same operation, we met the top money launderer in Panama, Ramberto Rodriguez, to whom we were instructed to pay our first five million dollar payment. This was a man whom we believed was closely linked to Noriega, when Noriega was being protected [by the U.S. Government]. This was three months before Noriega's indictment. We then met with the grandson of the man who wrote the Mexican Constitution, a Mexican colonel, Colonel Carranza. I bribed him with a million dollars to land the first shipment of cocaine, from Bolivia, in Mexico and to get Mexican military protection in ferrying that load up to the United States.

The case, in all three countries, was truncated by my own government's actions. We were not allowed to go any further than we went. That's when I wrote "DEEP COVER". Then I retired from the Agency.

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Mike Levine's Youtube channel: <http://www.youtube.com/user/michaellevine53/videos>

"CIA are drug smugglers." - Federal Judge Bonner, head of DEA-  
[https://www.youtube.com/watch?v=5\\_UbAmRGSYw&feature=plcp](https://www.youtube.com/watch?v=5_UbAmRGSYw&feature=plcp)  
CIA Drug Smuggling - The Real Body Bag Case. with Undercover DEA Agent Michael Levine (author of NY Times non-fiction bestseller DEEP COVER) being coopted by CIA in South East Asia. Also: DEA busts CIA smuggling ton of cocaine. Head of DEA Judge Robert Bonner Accuses CIA directly of being drug smugglers. You don't need more proof than this. Read the 60 minutes transcript of the Judge Bonner interview here: [http://www.gangstersout.com/cia\\_cocaine.htm](http://www.gangstersout.com/cia_cocaine.htm)

Mike Levine & Gary Webb - The Big White Lie + Dark Alliance= CIA drug cartel

<https://www.youtube.com/watch?v=L68XNFPBPUs&feature=plcp>

Published on Aug 5, 2012 by [michaellevine53](#)

Michael Levine joins Montel Williams with Gary Webb to discuss the CIA's active sabotage against the American people, and their unwillingness to cooperate with open investigations.

DEA Mexico Sting Caught on Camera--15 ton cocaine deal with Mexican Military from "Deep Cover"

<https://www.youtube.com/watch?v=SPAVXNFsic4&feature=plcp>

uploaded by [michaellevine53](#) on Feb 10, 2009

Undercover DEA Agent, Mike Levine, exposes Mexican Drug War Fraud with Bill O'Reilly on Inside Edition. Real undercover video footage. This was the undercover sting operation whose cover was blown by the US Attorney General; as covered in NY Times Best-seller "DEEP COVER." ON camera is Colonel Jaime Carranza, grandson of Mexican President who wrote the Mexican Constitution and a bodyguard for the then incoming president Carlos Salinas de Gortari

**NYT article on CIA drug shipment, Levine alleges the amount was "27 tons minimum"**

<http://www.nytimes.com/1993/11/20/world/anti-drug-unit-of-cia-sent-ton-of-cocaine-to-us-in-1990.html?pagewanted=all&src=pm>

Mainstream Media: The Drug War Shills by Michael Levine -- October 28, 2009

<http://expertwitnessradio.org/site/mainstream-media-the-drug-war-shills/>

I Volunteer to Kidnap Oliver North by Michael Levine

<http://ciadrugs.homestead.com/files/ml-kiki-north.html>

**EXHIBIT 11: Celerino Castillo III responds to IOB report on deaths in Guatemala: On March 30, 1995, President Clinton directed the Intelligence Oversight Board (IOB) to conduct a government wide review concerning allegations regarding the 1990 death of US citizen Michael DeVine, the 1992 disappearance of Guatemalan guerrilla leader Efraín Bamaca Velásquez, and related matters. Under terms of reference issued on April 7, 1995, the scope of this inquiry covers any existing intelligence bearing on the torture, disappearance, or death of US citizens in Guatemala since 1984.**

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**Response by Celerino Castillo III, Ex-DEA Special Agent in Guatemala, To The IOB (Intelligence Oversight Board) Report on Guatemala (IOB Report Released June 28, 1996)**

On June 28, 1996, a special panel appointed by President Clinton released its findings on CIA (Central Intelligence Agency) activities in Guatemala. This 67 page report by the IOB (Intelligence Oversight Board) reveals some of the disturbing aspects of covert operations in that country, but is incomplete and even erroneous in parts. The report alludes to the CIA's support of human rights violators in Guatemala but has barely scratched the surface in revealing the depth to which the CIA has been involved in murders and other crimes in that country.

I spent five years as a special agent for the DEA (US Drug Enforcement Administration) in Central America, based in Guatemala from 1985 to 1990. I participated in numerous joint operations with the CIA And Guatemalan security forces, principally the D-2 (Guatemala Military intelligence, formerly called the G-2). My biggest concern about the IOB investigation is that I see no evidence to indicate that the panel interviewed CIA or DEA agents that worked in the field in Guatemala. If they had, I am sure the report would have come to very different conclusions. The level of CIA and DEA involvement in operations that included torture and murder in Guatemala is much higher than the report indicates. With US Anti-narcotics funding still being funneled to the Guatemalan Military, this situation continues. It is important to be clear about both the CIA and the DEA support of criminal activities. I would urge the IOB to subpoena agents of the DEA and the CIA who were assigned to Guatemala to come forward. We have been ordered not to tell the truth, but many of us would do so if required to give sworn testimony. I, myself participated in several missions in which the Guatemalan Military Intelligence (D-2) killed civilians with the knowledge of DEA and CIA agents. One example in which the D-2, CIA and DEA worked together was the Puerto Barrios case, in which 2,404 kilos of cocaine was seized and in which the D-2 murdered and raped two Mexican females, torture and murder their father and several Colombians. Several US citizens were captured in Guatemala and served several years in a Guatemala prison. These Americans were on board the M/V Daring which was loaded by Guatemalan Congressman with 2,404 kilos of cocaine. CIA agent Randy Capster and myself witness the capture of the mexican females and the others involved. This was investigated by the DEA's OPR (Office of Personal Responsibility). Their conclusion was that the murders were committed by the D-2 with the knowledge of the CIA and the DEA. (See DEA case file number TG-86-0005 entitled "Carlos Ramiro Garcia de Paz", (Guatemalan Congressman). Under the Freedom of Information Act, ABC's "Prime Time Live" was able to obtain the documents that prove these allegations.

On page 20, the IOB report states that "the human rights records of the Guatemalan security services...the D-2 and the Department of Presidential Security (known informally as the "Archivos")...were generally known to have been reprehensible by all who were familiar with Guatemala. US policy makers knew of both the CIA's liaison with them and the services unsavory reputation." The report is referring to the fact that the D-2 and the archivos have been responsible for a continuous stream of kidnappings, tortures, killings and disappearances of civilians. The IOB clearly connects the D-2 and the Archivos to the CIA. ALSO, on page 19, the IOB Report alludes to the fact that there was "cooperation between the Guatemalans, the CIA and the Drug Enforcement Administration." The language here is vague, but it is important that the IOB know that the DEA has worked specifically with the D-2 on most operations in Guatemala. Therefore the IOB should investigate DEA as well as CIA activities in Guatemala. The reason that DEA agents work with the D-2 on most of their missions in Guatemala is that the US Embassy in coordination with DEA Headquarters have ordered them to do so, and because the D-2 controls all the eavesdropping equipment in Guatemala (wiretapping, monitoring fax machines and email, etc.)

**The Administrator of the DEA, Thomas Constantine, claims that the "DEA has never engaged in any joint narcotics programs with the Guatemala military."** (See DEA letter to Congressman Lloyd Doggett sent by Thomas Constantine, dated May 28, 1996, page 2).

However, on September 13, 1989, SA Larry Hollifield and myself, as DEA agents, gave Colonel Ortega, then head of the D-2 (CIA and DEA Asset) \$10,000 in traffickers funds. This is recorded in DEA case file number TG-90-0011 under the title "Dario Restrepo-Fernandez." This is only one of the many case files that documents the DEA's connections to the D-2. I know, because I filed many myself as part of my job.

The connection between the DEA, the D-2 and the CIA (as the liaison to the D-2) still exist, and anti-narcotics funds continue to support the activities of the D-2, despite the many people they murder. One example is the D-2's murder of DEA informant (STG-86-0004) Luis Montoya, "El Coyote". I have been under orders not to reveal the truth. Some of the agents have been forced to lie in their reports to hide the murders. Since we have to work with the D-2 we are not allowed to report on them. I ask that the IOB and Congress call us in for questioning. That is the only way the truth will come out.

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## **THE MICHAEL DEVINE CASE AND THE PROTECTION OF A DRUG TRAFFICKING CIA ASSET:**

The IOB Report refers repeatedly to the fact that the CIA misled Congress by not revealing that its Guatemalan assets had committed human rights violations that included kidnappings and assassination and refers to one protected CIA asset in particular, Colonel Julio Roberto Alpirez. The report states on page 16 that Colonel Julio Roberto Alpirez "clearly participated in the cover-up of the [Guatemalan] military's role in DeVine's death." DeVine was an American innkeeper who owned an inn in Guatemala. He was killed in June 1990, murdered by Guatemalan soldiers, according to the IOB report. What the report does not mention, however, is that Colonel Alpirez was the director of the notorious Archivos while he was also a CIA asset and that he had previously been reported to the DEA for drug trafficking. This is documented in DEA General file number GFTG-88-9077 with file name "Corrupt Official" dated June 09, 1988. I was the agent who initiated the file. Colonel Alpirez is also documented as a narcotics trafficker in DEA case file number TG-88-0009 entitled "Moreno-Campos, Aparicio", dated August 25, 1988 and submitted by me. In both case files, Alpirez is named along with his subordinate, Carlos Rene Perez-Alvarez, who was known as Won Ton of La Mano Blanca (the White Hand of the death squads). Carlos Rene Perez-Alvarez operated "la panel blanca" (the White Van) that has patrolled the streets of Guatemala for so many years, kidnapping and murdering people for the death squads. According to reliable DEA informants, Colonel Alpirez was Won-Ton's superior in these kidnapping and murder operations as well as in illegal drug dealing.

Both files I just mentioned are in the hands of Michael Tubach, the Assistant US Attorney involved in the ongoing Grand Jury investigation of the Dianna Ortiz and Michael DeVine cases. He showed me these reports in January, just before he attempted to discredit my testimony to the Grand Jury. I found out that the Grand Jury had been forewarned about my allegations, creating a very hostile environment for me. In defense of my character and my performance for the DEA, I would like to point out that all evaluations of my work as a DEA special agent have been "outstanding" and "excellent." ABC's Prime Time Live was able to document that fact when they researched my claims about Guatemala for an expose they aired on December 27, 1995. They did a great deal of research and found me credible.

Returning to the case of DeVine, the IOB report gives several possible motives for his murder, but consistently states that the actual killing was committed by Guatemalan soldiers. On page A-3, the report refers to a personality profile on DeVine that was "generally positive, but noted a somewhat aggressive manner and a readiness to denounce people involved in narcotics trafficking." The latter comment is, in my view, a key to the reason that he was killed. The connections of DeVine to Alpirez, Alpirez to the CIA, the CIA to the D-2 and the D-2 to the murder of DeVine can all be found in the IOB report, supporting what I was told about the case.

Here is what I believe to be the truth about the DeVine case, according to my sources.

1. Colonel Alpirez was trafficking drugs. (see DEA case file number GFTG-88-9077 and number TG-88-0009).
2. Colonel Alpirez was a CIA asset (according to the IOB report and numerous other sources).
3. DeVine gained knowledge of Alpirez's drug trafficking activities while Alpirez was training Kaibil forces in the Peten close to his farm.
4. DeVine reported Alpirez's drug trafficking activities to the US Embassy in Guatemala.
5. After DeVine reported Alpirez to the US Embassy, Randy Capister, a CIA agent operating out of the embassy, contacted Colonel Francis (Paco) Ortega, former head of the D-2, and a CIA and DEA asset. He told Ortega that DeVine had reported Colonel Alpirez (another CIA asset) for drug trafficking. (per phone conversation between myself and Randy Capister after the death of DeVine in 1990).
6. Colonel Ortega contacted the new head of the D-2, Colonel Cesar Cabrera, who had been under Ortega's command earlier (When Colonel Ortega was head of the D-2, Cabrera was a lieutenant colonel and Ortega's second in command).
7. Cabrera, chief of the D-2 ordered the so-called "interrogation" of DeVine and was therefore "indirectly responsible for DeVine's death" (See IOB report page A-3). (This "interrogation" included a machete blow that almost completely severed DeVine's head from his body.)

The steps I just outlined are what happened according to the information I received. I believe that the account that soldiers were attempting to recover a rifle or two rifles from DeVine was a cover story to justify an "interrogation" that resulted in his decapitation.

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## **THE CIA'S CONTINUED PERCEPTION OF A COMMUNIST THREAT.**



The writers of the IOB Report found that even after the end of the Cold War, the CIA in Guatemala continued to see themselves battling the War on Communism as their top priority. On page 20, the IOB report states "Station officers continued to view the communist insurgents--who seemed to threaten a more democratic government--as the primary enemy, and they viewed the Guatemalan government and security services as partners in the fight against this common foe and against new threats such as narcotics and illegal alien smuggling."

While in Guatemala working together with the DEA, I learned that the CIA actually planned and supervised raids, allegedly participating in the murders of the 1980's, according to my informants. CIA agent Randy Capister stated that Guatemala and El Salvador were our training ground for CIA agents, the place to see if they had what it took to be CIA operatives. In my view, the US continues to support murders in Guatemala because there is very little oversight by Congress and others over their activities, and because the CIA personnel have an attitude that it has always been that way and have not motive to change. As the IOB Reports suggests on page 20, the CIA justifies its actions by stating that they are fighting the War against Communism. There is more to this attitude than the CIA agents perceiving the rebels (e.g. the URNG and OPRA) as communist enemies. The CIA and Guatemalan army also label as communist sympathizers anyone who opposes the traditional oppressive role of the Guatemalan military. Therefore, they label as communists or communist sympathizers, priests and nuns who work to elevate the position of the poor in society, union organizers endeavoring to achieve just wages and fair working conditions (opposing the elite power structure aligned with the military), indigenous leaders (the Indians are kept down so that they can be used as cheap laborers by the rich, who are supported by the military) and student activists in the university system and the high schools (who are working for a better education and for justice in the Guatemalan society against the forces of corruption and oppression.) The CIA supports the intimidation, kidnapping and torture, surveillance and murder of these people. As an example, look at the case of Dianna Ortiz, the American nun who was working with poor children and was kidnapped, raped and tortured by Guatemalan soldiers. (The IOB report refers briefly to the incident, declining to comment because the case is presently under investigation by the Department of Justice). I was present at the US Embassy in Guatemala, when, just after the incident, several members of the DEA, State Department and CIA jokingly asked me if Dianna Ortiz had been good at sex. The reason they were teasing me was that she had said that an American Hispanic with possible ties to the US Embassy had been present during her torture and rape. Since everyone at the Embassy knew that I worked with the Guatemalan Military's D-2, and Sister Ortiz reported that soldiers had captured her, the people at the Embassy assumed that I was the American involved. (She was later shown photos of me and stated that I was not the person she had seen there, referred to by the soldiers as their boss.) I believe the reason that these DEA, State Department and CIA personnel would joke about such a thing is that they label Dianna Ortiz as a communist sympathizer. People with that mind set do not believe that she should be protected.

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## **FACTS MISSING IN IOB REPORT ON US FUNDS GOING TO GUATEMALAN SECURITY FORCES:**

Speaking of the funding of covert actions in Guatemala, the IOB Report states on page 20, "The funds the CIA provided to the Guatemalan liaison services were vital to the D-2 and the Archivos... The CIA, with knowledge of ambassadors and the State Department and National Security Council officials, as well as Congress, continued this aid after the termination of overt military assistance in 1990... Overall CIA funding levels to the Guatemalan services dropped consistently from \$3.5 million in FY 1989 to about \$1 million in 1995."

This last statement fails to take into account at least two factors:

1. The DEA has also been supplying funds to the D-2 asset and yet there is no mention of DEA monetary contributions to the D-2 in the report.
2. There is no mention of the ongoing funds confiscated in drug busts that were jointly conducted by the CIA, DEA and D-2. These moneys went into the coffers of the D-2 for further support of covert operations. For instance, \$5 million in cash was allegedly taken in during the Puerto Barrios drug bust in which I participated. Informants said the money was split between the CIA and the D-2. In the field, we saw that every time there was a narcotics operation by the CIA, DEA and D-2 working together, the D-2 kept money. On every flight that came clandestine with drugs there was on average, approximately \$100,000 in cash on board (intended to be front money for future illegal drug operational expenses). On several occasions I saw these moneys on the drug busts in which I participated as a DEA agent. This money was confiscated by the D-2 with the knowledge of the CIA and allegedly used as a slush fund for any type of D-2 operations.
3. On Dec. 03, 1988, the DEA and the D-2 seized 356 kilos of cocaine (Case file number TG-89-0002, Hector Sanchez.). Several Colombian pilots were murdered by the D-2 with the knowledge of the DEA. Action pictures of the D-2 were taken during the arrest and other photos were taken after their torture. This case documented the Piper Company in Guatemala City. The company is owned by Gregory Valdez also documented as a narcotic trafficker in said file.

For the past several years before and after the seizure, the DEA and the CIA still rented hangars, purchase gasoline and paid large quantities of Money for storage of our helicopters and aircraft both for the CIA and DEA. Several contract pilots for the DEA and CIA worked out of Piper and most were documented narcotic traffickers. We utilized all operation with the D-2 out of Piper.

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## **EMBARRASSMENT TO US GOVERNMENT AS REASON FOR THE COVER-UP**

I realize that one foreign policy objective is to save the US government from embarrassment. Therefore scandals are covered up. However, I believe there are other considerations more important than saving the US government from embarrassment. If the activities that I have described here are not exposed, then they will continue. There is too much at stake here to allow a cover cover-up. The truth must be brought to light and the facts examined and analyzed so that the problems in our system of covert activities can be addressed. Changes must be made in the congressional oversight process and in the method of recruiting and training CIA and DEA personnel. Every day more drugs flow into the US, destroying the lives of our young people. There is no excuse for the CIA and DEA aiding and abetting drug traffickers.

I still have contact with informants in Guatemala. They tell me that the CIA atrocities continue. The death squads continue, according to MINUGUA (the UN Mission to Guatemala) reports. Only by bringing in DEA agents and CIA agents to testify under oath can this situation begin to be changed. Many CIA and DEA activities go against stated US foreign policy (e.g. the support of human rights and the democratic process.) The US government entities in Guatemala have been focused on how to deal with the communists there and have totally lost sight of what drug trafficking is doing to the United States. They allow powerful individuals in Third World countries to carry on high level narcotics trafficking and justify this in the name of protecting democracies. To illustrate the magnitude of the narcotics problem in Guatemala, the most notorious drug lord (Juan Garcia Abrego) is being prosecuted in the US because of his conspiracy to export large quantities of cocaine from Colombia to the US via Guatemala. It is crucial for the US to stop supporting these activities.

Sincerely

[Signed]

Celerino Castillo III

July 22, 1996

210-631-3818

**EXHIBIT 12: Lawsuit judgment Grasheim V. Corr and Castillo. Grasheim filed suit on September 9, 1998 for the September 1, 1986 raid on his residence.**

**“Grasheim was a mercenary operating a covert operation out of Ilopango. He arrived at Ilopango in 1984. By his own admission he claimed to be working for the CIA, US Army and other government agencies. On Sept. 01, 1986, his residence in El Salvador was raided by a DEA Task force. Found were huge amounts of US military munitions that he had no business with, since he was a civilian.”**

**“On February 28, 1998, I met with Walter L. Grasheim at his attorney's office in McAllen, Texas. Grasheim had advised me that he was in the process of filing a civil law suit against the U.S government. He was requesting if I was willing to bestow upon him a deposition regarding my knowledge of him while he was in El Salvador. I advised him that I did not have a problem with telling the truth.”**

**To make a very long story short, he admitted, in the depo, that he had manufactured night vision equipment for the Contras. He also admitted that he was on contract by the US Army to train the Salvadorans. Grasheim advised me that his case would never go to trial because he had a video of CIA Officials on search and destroy missions with the Salvadoran Military. Grasheim proceeded to show the video, and we witnessed several American individuals in military uniforms on patrol with Salvadoran military. One of the Americans was Grasheim. Another American was seen in a classroom instructing the Salvadoran Military on operations. You could witness the American cautioning (whoever was shooting the film) to stop filming.“**

**“In my opinion, Grasheim was attempting to blackmail the government. At the end, I was also named in his law suit as a defendant. In the early part of 2000 a federal court threw out the law suit. Witness to the deposition was Grasheim's attorney: Honorable Tom Wilkins of Wilkins & Slusher 800 Neuhaus Tower PO Box 3609 McAllen, Texas 78502, W. Lee Grasheim, Tony Cordova, Tim Wilkins and myself.”**

UNITED STATES COURT OF APPEALS

**F I L E D**  
United States Court of Appeals  
Tenth Circuit

DEC 7 2000

**PATRICK FISHER**  
Clerk

TENTH CIRCUIT

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WALTER LEE GRASHEIM,

Plaintiff-Appellant,

v.

No. 99-6259

EDWIN CORR, Individually and in his  
official capacity as Ambassador to El  
Salvador; CELERINO CASTILLO, III,  
Individually, and in his capacity as a Special  
Agent for the Drug Enforcement  
Administration,

(D.C. No. CIV-98-1246-W)

(Western District of Oklahoma)

Defendants-Appellees.

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**ORDER AND JUDGEMENT**<sup>(\*)</sup>

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Before **BALDOCK** and **McWILLIAMS**, Circuit Judges, and **SHADUR**, District Judge.<sup>(\*\*)</sup>

In a 23-page complaint filed on September 9, 1998, in the United States District Court for the Western District of Oklahoma, Walter Lee Grasheim ("Grasheim") brought suit against the United States of America, four of its governmental agencies, eleven named individuals and six John Does. Two of the named individual defendants were Edwin Corr ("Corr"), the ambassador to El Salvador when the events which formed the basis for the complaint occurred, and Celerino Castillo, III ("Castillo"), a special agent for the Drug Enforcement Administration assigned to El Salvador at the time of the underlying events. In this appeal we are only concerned with Corr and Castillo, who, collectively, will hereinafter be referred to as "the Defendants."

In his complaint Grasheim, who apparently was a United States citizen, alleged that from 1984 through September 1, 1986, he was residing in and doing business in El Salvador and, at the same time, was under contract with the Department of Defense to provide equipment in the form of night vision equipment and expertise as well as training the Salvadoran Armed Forces. He further alleged that, when he was temporarily in the United States, the Defendants unlawfully conspired with themselves and others to have the local Salvadoran authorities raid his residence in El Salvador, ostensibly for drugs, which they did on September 1, 1986. In that search, in which no drugs were apparently found, Grasheim alleged that numerous of his personal effects were illegally seized. Based thereon, Grasheim asserted a *Bivens* claim under *Bivens v. Six Unknown Named Agents*, 403 U.S. 388 (1971) and a RICO claim under 18 U.S.C. § 1964, *et seq.*, against Defendants and others. Grasheim then went on to allege that after September 1, 1986, the Defendants "fraudulently concealed" their participation in the raid, tolling any statute of limitations, and that he didn't become aware of the true facts until "late 1996" when he learned that Castillo had published a book wherein he admitted "orchestrating" the raid. Grasheim sought actual damages in the amount of \$2,500,000.00, treble damages for his RICO claim and punitive damages in excess of \$1,000,000.00.

Corr and Castillo filed motions to dismiss or, alternatively, for summary judgment based on the applicable statutes of limitations. (It is agreed that the *Bivens* claim has a two year statute of limitations and the RICO claim a four year statute.) At the hearing on Corr's and Castillo's motions to dismiss, matters were relied on which were outside the pleadings, whereupon the district court elected to treat the motion to dismiss as a motion for summary judgment under Fed. R. Civ. P. 56, and allowed the parties time within which to file "all material" pertinent to a Rule 56 motion.<sup>(1)</sup> On June 21, 1999, after argument, the district court granted summary judgment for both Corr and Castillo, holding that both the *Bivens* claim and the RICO claim were time barred. In so holding, the district court concluded that on the record before it, "Grasheim knew, or should have known, at least by 1990 the critical facts giving rise to his causes of action." The district court further stated that "because Grasheim was aware of sufficient facts at least by 1990 to pursue his lawsuit, the court finds no grounds to support Grasheim's argument that the limitation periods should be equitably tolled until 1996." Grasheim appeals the judgment thus entered.

As stated, the district court concluded that on the record before it Grasheim either knew or should have known "at least by 1990 the critical facts giving rise to his causes of action," which would mean that the complaint, filed in 1998, was well beyond both the two year and four year statutes of limitations. On appeal, Grasheim's position is that he didn't really know of any cause of action he might have against Corr and Castillo until late 1996, when he learned of Castillo's book implicating Castillo, Corr, and others in the unlawful raid of Grasheim's home in El Salvador, which, if correct, would mean that the complaint, filed in 1998, would be within the two year and four year statutes of limitations. The Defendants argue that the district court's determination that Grasheim "knew or should have known" by 1990 is amply supported by the record, and suggest that actually Grasheim "knew or should have known" as early as the fall of 1986.

For purpose of a statute of limitations, a cause of action accrues when the plaintiff knows or has reason to know of the injury which is the basis for the action and its cause. *Baker v. Board of Regents*, 991 F.2d 628, 632 (10th Cir. 1993); *Arvayo v. United States*, 766 F.2d 1416, 1419 (10th Cir. 1985). We reject any suggestion that a plaintiff must "conclusively" know of the injury and its cause before a statute of limitations is triggered. *Chasteen v. Unisia Jecs Corp.*, 216 F.3d 1212, 1218 (10th Cir. 2000); *Baker*, 991 F.2d at 632. Our study of the record convinces us that the district court did not err in holding that Grasheim knew or should have known at least by 1990 the "critical facts," and, indeed, such is amply supported by the record. Events occurring between 1986 and 1990, which are enumerated by the district

court in its order, support its determination that Grasheim's claims are time barred and preclude him from asserting claims made some 12 years after the fact.<sup>(2)</sup>

Judgment affirmed.

ENTERED FOR THE COURT

Robert H. McWilliams

Circuit Judge

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### FOOTNOTES

Click footnote number to return to corresponding location in the text.

<sup>\*</sup> This order and judgment is not binding precedent, except under the doctrines of law of the case, res judicata, and collateral estoppel. The court generally disfavors the citation of orders and judgments; nevertheless, an order and judgment may be cited under the terms and conditions of 10th Cir. R. 36.3

<sup>\*\*</sup> Honorable Milton I. Shadur, District Judge, United States District Court for the Northern District of Illinois, sitting by designation.

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<sup>1</sup>On motion, the district court first dismissed Grasheim's claim against the United States and the agency defendants. Individual defendants severally filed motions to dismiss under Fed. R. Civ. P. 12(b), alleging, *inter alia*, that Grasheim's claims were time barred. Grasheim filed a response to those motions. The district court granted those motions for all individual defendants except Corr and Castillo. At the same time, the district court noted that since Corr and Castillo had presented matters outside the pleadings, it would treat their motions to dismiss as motions for summary judgment under Fed. R. Civ. P. 56. As indicated, we are here only concerned with Corr and Castillo.

<sup>2</sup>In addition to the matter mentioned by the district court in its order, we also note that on December 13, 1990, Grasheim, when interviewed by an FBI agent, stated, *inter alia*, that he had learned that a few days before the September 1, 1986, raid on his house, Castillo and others met with Corr and discussed raiding his house for drugs and that he (Grasheim) believed that the drug charge was "totally trumped up to get him out of the picture for some unknown reason." To counter this and other evidence tending to show "knowledge" by at least 1990, Grasheim by affidavit suggested that he was only "bluffing" in an effort to establish the true facts.

Source:

<http://ca10.washburnlaw.edu/cases/2000/12/99-6259.htm>

## EXHIBIT 13: Oliver North and Drugs

### CONTRA-INTELLIGENCE ON OLIVER L. NORTH

By Celerino "Cele" Castillo, 3rd  
Former Federal Drug Agent and Author of:  
[Powderburns- Cocaine, Contras & the Drug War](#)

*posted at DrugWar.com May 12, 2004*



"Armed speedboats and a helicopter launched from a CIA 'mother ship' attacked Nicaragua's Pacific port, Puerto Sandino, on a moonless New Year's night in 1984. A week later, the speedboats returned to mine the oil terminal. Over the next three months, they laid more than 30 mines in Puerto Sandino and in the harbors at Corinto and El Bluff. In air and sea raids on coastal positions, Americans flew-and fired from-an armed helicopter that accompanied the U.S. financed Latino force, while a CIA plane provided sophisticated reconnaissance guidance for the nighttime attacks. The operation, outlined in a classified CIA document, marked the peak of U.S. involvement in the four-year guerrilla war in Nicaragua. The most celebrated attack, by armed speedboats, came Oct. 11, 1983, against oil facilities at Corinto. Three days later, Latino frogmen sabotaged an underwater pipeline at Puerto Sandino. The message wasn't lost on Exxon, Esso unit, and the international giant informed the Sandinista government that it would no longer provide tankers for transporting oil to Nicaragua."  
The [Wall Street Journal](#)-March 6, 1985

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Top Secret-  
Office of  
Independent Counsel  
File # IC-600-1

Record of FBI Agent Michael S. Foster's interview with Walter L. Grasheim  
Date of Transcription: January 3, 1991

"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...Rodriguez told Grasheim that he was talking to the White House and the NSC..."

On September 10, 1985, NORTH wrote in his notebook:  
"...Introduced by Wally Greshim/Litton Calero/Bermudez visit to Ilopango to estab."

December 21, 1982, the first [Boland Amendment](#) became law. "None of the funds provided in this Act [the Defense Appropriations Bill] may be used by the CIA or the Dept. of Defense to furnish military equipment, military training or advice, or other support for military activities, to any group or individual...for the purpose of overthrowing the government of Nicaragua. This act went into effect until Oct. 3, 1984, when it was superseded by a stronger prohibition known as "[Boland II](#)."

This "Boland II" amendment was designed to prevent any conceivable form of deceit by the covert action apparatus: "During fiscal year 1985, no funds available to the CIA, the Dept. of Defense, or any other agency or entity of the United States involved in intelligence activities may be obligated or expended for the purpose of which would have the effect of supporting, directly or indirectly, military or paramilitary operations in Nicaragua by a nation, group, organization, movement, or individual." The law was effective from October 3, 1984, to December 5, 1985, when it was superseded by various aid-limitation laws which, taken together, were referred to as "Boland III."

North was brought into the National Security Council staff in August 1981. One of the first assignments was to serve as the NSC staff liaison to the Kissinger Commission on Central America beginning in the summer of 1983.

After October 1984, Vice President Bush designated North to coordinate the re-supply operations for the Contra network. At the same time, he was involved in various schemes to ransom U.S. hostages being held in Lebanon, by providing arms to Iran.

For the past ten years, I've been invited to lecture in different parts of this country in regards to the criminal activities of Oliver North. This will be the [second time that I know of that the Salvation Army has invited Oliver North to be their key speaker for another Republican fundraiser](#). During the McAllen fundraiser, the alleged reason for the invitation was that the Salvation Army captain claimed that North has saved his father life in Vietnam. I don't know what the reason is this time around, but I do know that he is once again being paid \$25,000 for his lecture.

At the height of the Contra war, I was stationed in Central America for 5 years as the lead DEA agent in El Salvador. It was there that I came face to face with the contradictions of my assignments. I started to record intelligence on how known drug traffickers, with multiple DEA files, were utilizing hangars 4 and 5 at Illopango airbase in El Salvador, to transport monies and drugs. Those hangars were owned and operated by the CIA and NSC. [The Contra supply operations utilized the most readily available capabilities: drug-smugglers, who had the planes and pilots to conduct clandestine flights from South and Central America to all parts of the United States.](#) "Guns down, drugs back," was the formula.

**During that period, I was warned several times by the DEA and the State Department to shut down my Contra investigations but not to close the files. The reason was that if I did not close the investigation, then the committees would not be able to have access to the files under the Freedom of Information Act. However, I continued to file my reports on the Contras to DEA HQS. These reports on members of the Contra operators went on for several years.**

During the 1980s, [Felix Rodriguez](#) was in charge of the Contras' supply network in El Salvador for Oliver North. In addition, Rodriguez hired a Cuban terrorist by the name of [Luis Posada Carriles](#) to help him run the operation. On October 1976, after an explosion sent a Cuban jetliner plummeting into the sea off Barbados, it was revealed that the mastermind behind the bombing was no other than Luis Posada. In late 2000, Posada was arrested in a plot to assassinate Cuban president Fidel Castro.

The July 9, 1984 entry [in North's diary obligingly published by Senator John Kerry](#), states, in Ollie's own hand, "Wanted aircraft to go to Bolivia to pick up paste, want aircraft to pick up 1,500 kilos."

The July 12, 1985 entry reads, "\$14 millions to finance [arms] Supermarket came from drugs."

August 9, 1985: "Honduran DC-9 which is being used for runs out of New Orleans is probably being used for drug runs into U.S." All told, Ollie referred to CIA drug dealing in more than 250 entries. Oliver North's defense has always been that he allegedly turned all of the drug information to the DEA.

**"North Didn't Relay Drug Tips: DEA Says It finds No Evidence Reagan Aide Talked to Agency," reported the *Washington Post* on Saturday, October 22, 1994.**

Several years ago, the extreme right arm of the Christian Coalition selected to support Oliver North for U.S. Senate. Their support backfired and North became one of two Republicans who lost the elections that year. During North's campaign, I traveled to the Virginia to educate concern citizens on Oliver North. I went out to "grassroots" communities, and educated them on the criminal activities that Oliver North had been involved in during the 1980s. I went as far as challenging North to a debate. Of course, he refused.

During his failed 1994 campaign, he frequently claimed that there was no basis for any charges of his complicity in drug running, because as he keeps saying, "I'm the most investigated man on this planet." The truth of the matter is that the [Iran-Contra special prosecutor, Lawrence Walsh](#), never investigated the drug trafficking allegations, because he did not consider it part of his mandate. The special prosecutor's original mandate from Congress was defined very narrowly, concentrating on the Iranian arms sales, the "diversion" of funds from the Iranian arms sales to the Contra operation, and on the Contra support operation as a violation of U.S. law.

During all the misdirected hoopla about Iran-Contra, the [Senate Foreign Relations Subcommittee \(known as the "Kerry committee"\)](#) continued its work. Jack Blum, an investigator for Senator Kerry, testified to the committee on Feb. 11, 1987 that the Contras move drugs "not by the pound, not by the bag, but by the ton, by the cargo planeloads."



In 1987, Henry Hyde, as a member of the congressional Iran-contra committee and a defense attorney, helped steer the panel away from any serious investigation of the contra-cocaine connection. His focus was to spare President Ronald Reagan and his vice president, George Bush from possible impeachment over the Iran-contra scandal and related drug crimes implicating the Nicaraguan contra army.

More help for North came from an Iran-contra committee staff member Robert A. Bermingham, in a 1987, 900-word memo, claiming that a thorough investigation into drug-trafficking charges had found no evidence that the contra leadership was implicated in narco-trafficking. However, Bermingham's memo offered virtually no documentation from - or even identification of - the "hundreds" of witnesses supposedly questioned. There were no excerpts from depositions, no quotes from the files, no references to specific records examined, no citation of which foreign governments had cooperated or how, no detailing of the witness accounts alleging contra-drug trafficking and how those stories were debunked.

Nevertheless, in March 1998, Oliver North was indicted on Iran-contra charges.

During North's testimony, he revealed the following:

· North claimed no awareness of a \$200,000 investment account that Secord's business partner Albert Hakim set up for North in Switzerland. Although, he did admit that he sent his wife Betsy to Philadelphia in March 1986 to meet with Willard I. Zucker, the Secord-Hakim Enterprise's financial manager. North said he assumed that in the event of his death, something would be done "that was proper and honorable and nothing wrong in any way," denying that the investment account was bribery by Hakim. Hakim pleaded guilty on November 1989 to attempting to supplement the salary of North, based partly on the establishment of the \$200,000 investment account.

On May 6, 1989, North was found guilty on three counts, which included: (1) aiding and abetting obstruction of Congress, (2) shredding and altering official documents, and (3) accepting an illegal gratuity from General Richard V. Secord.

Oliver North had teamed up with four companies owned and operated by drug traffickers - and North helped arrange State Department contracts to pay all four for shipping non-lethal supplies to the contras.

According to government documents, the companies were:

[SETCO Air](#) owned and operated by the notorious Honduran drug trafficker Ramon Matta Ballesteros and the brains behind the killing of DEA agent Kike Camarena.

[DIACSA](#), the Miami-based headquarters for major traffickers, Floyd Carlton and Alfredo Caballero.

[Vortex, an air service partly owned by drug trafficker Michael Palmer](#), described in court records as "working for the largest marijuana cartel in the history of the country."

[Frigorificos de Puntarenas](#), a Costa Rican seafood exporter established by the Medellin cartel and operated by Cuban-American drug trafficking. Oliver North knew that the Cuban had a criminal record as a drug trafficker, according to the inspector general's report.

NOTE: On March 24, 1986, according to my journals, I initiated a case general file: GFTG-86-4003 on Frigorificos de Puntarenas. A day later I wrote a report on Juan Mata-Ballesteros, FGTA-78-8001: Operation Tigere.

A DEA informant, Lawrence Harrison testified that he had been present who two of the partners of Felix Gallardo and Matta Ballesteros, met with American pilots working out of El Salvador providing arms to the Contras. The purpose of the meeting was to work out drug deals. He further related that Nicaraguan contras were being trained at a ranch in Vera Cruz, owned by [Rafael Caro Quintero](#). It was at Quintero's ranch that DEA agent [Enrique "Kiki" Camarena](#), and his pilot were interrogated, tortured and buried alive.

It will surprise many to know that the Nobel Prize winning President of Costa Rica, Oscar Arias, because of an in-depth investigation by the Costa Rican congressional commission on narcotics, found "virtually all [U.S. supported] contra factions involved in drug trafficking." The government banned Oliver North and other American diplomats by Executive Order, from ever entering Costa Rica for their roles in utilizing Costa Rican territory for cocaine trafficking.

Former President Bush once stated, "All those who look the other way are as guilty as the drug dealers."

Just recently, diaries, e-mail, and memos of Iran-contra figure Oliver North, [posted on the Web by the National Security Archive](#), directly [contradict his criticisms a couple of weeks ago](#) of Sen. John Kerry's 1988 Senate Foreign Relations Subcommittee Report on the ways that covert support for Nicaraguan contras in the 1980s undermined the U.S. war on drugs.

Mr. North claimed to talk show hosts Hannity & Colmes that the Kerry report was "wrong," that Sen. Kerry "makes this stuff up and then he can't justify it," and that "The fact is nobody in the government of the United States, going all the way back to the earliest days of this under Jimmy Carter, ever had anything to do with running drugs to support the Nicaraguan resistance. Nobody in the government of the United States. I will stand on that to my grave."

There are several Reports on files that will contradict North's allegations:

- Documentation of Official U.S. Knowledge of Drug Trafficking and the Contras
- Evidence that NSC Supported Using Drug Money to Fund the Contras
- U.S. Officials and Major Traffickers
- Kerry Report - Iran/Contra North Notebook Citation Bibliography

The above documentation can be located here <http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB113/index.htm>

As Kerry's final report summarized "It is clear that individuals who provided support for the contras were involved in drug trafficking. It is also clear that the supply network of the contras was used by drug trafficking organizations, and elements of the contras themselves knowingly received financial and material assistance from drug traffickers.

The report also cited former DEA administrator John Lawn, who testified that North himself had prematurely leaked a DEA undercover operation, jeopardizing agents' lives. North did it for political advantage in an upcoming congressional vote on aid to the Contras.

A government official can be found guilty of violations of The Federal Drug Conspiracy Laws, if he fails to take appropriate action in reporting drug trafficking activity.

In 1974, according to Parade magazine (Nov. 13, 1994) North spent an evening running through a suburban neighborhood naked, waving his .45 automatic pistol and screaming, "I'm no good!" North mentions his subsequent three week stay at Bethesda Naval Medical Center's psychiatric ward in his autobiography, "Under Fire".

"It is said that patriotism is the last refuge of the scoundrel but in Oliver North, it was the first one..."  
Tony Jones- ABC

"I believed that he is one of the best actors that I have seen, he is able to deal in his fantasies rather than the real world...he is a habitual liar and he is just not able to tell the truth..."

"He has that ability to sell himself as a dedicate, patriotic, religious, American who only is interesting in doing what is absolutely right and he is convincing, that is why snake oil salesman, sale snake oil."

"...I am very distress by the fact that we are able, through the media to create images of people that are not true."  
Gen. John Singlaub, who worked hand in hand with North

"I will tell you right now, council and all the members here gathered, that I mislead the Congress, at that meeting, face to face... I did"  
Lt. Col. Oliver L. North Under Oath before congress.

"He knows better and you know better, because I didn't lie to Congress and you know I didn't."  
Oliver L. North

"...It came to a disaster, including the loss of life. I wanted out of it more than anybody, but they kept urging me, the director of CIA, North and the others. North admitted to this in his testimony before Congress, to the extent of even lying to me."  
Gen. Richard Secord, Oliver North's partner during the Contra years

"In every case, in every case, when there was a hint that somebody might be running drugs into this country, we turned it over to the DEA, every single time."  
Oliver North

In 1991, a DEA General File (FGFD-91-9139) was initiated on Oliver North in Washington D.C. "Smuggling weapons into the Philippines with known drug traffickers."

We, Americans, are not hated by other third world countries because we practice democracy, value freedom or uphold human rights. We are hated because our government denies these precious ingredients to people in third world countries whose resources are coveted by our multinational corporations. That hatred we have sown has come back to haunt us in the form of terrorism. War crimes also come easily because the U.S. considers itself the vehicle of a higher morality and truth and can operate in violation of law without cost. Just recently look at how we have abused the POWs in Iraq. This past week, a government official made the comment, in reference to the abuse, "this is not what America has done in the past."

Finally, yet importantly, "Beware of false prophets, which come to you in sheep's clothing but inwardly they are ravening wolves."  
Mathew 7:15

**Note: The videotaped interviews of North, Singlaub, Secord, and others is available at [www.powderburns.org](http://www.powderburns.org)**

## **EXHIBIT 14:**

**George Washington University's National Security Archives declassified documents on the bizarre and outrageous career of assassin and drug trafficker Luis Posada Carriles. These documents show that Posada was an employee and later a contractor- informant of the U.S. government. Posada and his partner Orlando Bosch have a lengthy record of bombings and terrorism plots against Fidel Castro's Cuban government. In 1968, Bosch fired a 57mm recoilless rifle at a Polish freighter in Miami Harbor and then fled his federal prison term. He was also involved in planning the September 21, 1976 assassination of Chilean Ambassador Orlando Letelier and his US assistant, Ronni Moffit in Washington DC.**

**In 1976, Bosch and Posada carried out the mid-air bombing of an airliner which killed 73 people. Posada escaped prison in 1985 and went to work at Ilopango in El Salvador helping Felix Rodriguez oversee the Contra resupply operation. In 1997, Posada plotted and carried out a series of bombings which he discussed openly during interviews with the media. The bombings struck a number of nightclubs in Havana and were designed to discourage vacationers from Cuba's tourism industry. One person was killed and 11 injured in the bombings.**

**In 1987 Bosch was freed with the help of [Otto Reich](#), the White House's leading adviser on Latin America. (Reich also testified at the 2011 trial of Posada) Bosch entered the United States, where he was granted asylum. He was eventually pardoned by President George Bush on 18th July, 1990. Bosch lived in Miami after his return to the United States until he passed away in 2011.**

**On November 17, 2000 Posada had been discovered with 33 pounds of explosives in Panama City where he intended to place a bomb under the podium where Fidel Castro was scheduled to speak. Had he not been arrested, the bomb would have killed hundreds of innocent bystanders in the audience of 2,000 students. He was imprisoned for four years.**

**Posada entered the United States illegally in April, 2005 after being pardoned by the Panamanian President Mireya Moscoso on her last day in office.**

**Found "not guilty" on 11 minor charges April 8, 2011, Luis Posada Carriles is protected by officials at the highest levels of government and resides openly in Miami to this day.**

**Celerino Castillo III Essay on Luis Posada AKA Ramon Medina: <http://powderburns.org/posada.html>**

**Celerino Castillo III Essay on Felix Rodriguez AKA Max Gomez: <http://powderburns.org/felix.html>**

# Former CIA Asset Luis Posada Goes to Trial

Peter Kornbluh | January 5, 2011

On January 10 one of the most dangerous terrorists in recent history will go on trial in a small courtroom in El Paso, Texas. This is not the venue the Obama administration has finally selected to prosecute the perpetrators of 9/11; it is where the reputed godfather of Cuban exile violence, Luis Posada Carriles, may finally face a modicum of accountability for his many crimes.

In the annals of modern justice, the Posada trial stands out as one of the most bizarre and disreputable of legal proceedings. The man identified by US intelligence reports as a mastermind of the midair destruction of a Cuban airliner—all seventy-three people on board were killed when the plane plunged into the sea off the coast of Barbados on October 6, 1976—and who publicly bragged about being behind a series of hotel bombings in Havana that killed an Italian businessman, Fabio Di Celmo, is being prosecuted for perjury and fraud, not murder and mayhem. The handling of his case during the Bush years became an international embarrassment and reflected poorly on the willingness and/or abilities of the Justice Department to prosecute crimes of terror when that terrorist was once an agent and ally of America. For the Obama administration, the verdict will carry significant implications for US credibility in the fight against terrorism, as well as for the future of US-Cuban relations.

Posada's trial gets under way almost six years after he brazenly appeared in Miami and announced that he would seek political asylum in the United States. Here was a fugitive from justice in Venezuela—Posada escaped from prison there in 1985 while on trial for the plane bombing—who had been imprisoned in Panama from November 2000 to August 2004 for trying to assassinate Fidel Castro with more than 200 pounds of dynamite and C-4 explosives. Despite an outstanding Interpol warrant for his arrest, for two months the Bush administration permitted him to flaunt his presence in Miami, where he is still considered a heroic figure in the hardline anti-Castro exile community. Confident of his welcome, Posada even filed an application to become a naturalized US citizen. Only after the media turned their attention to the hypocrisy of a White House that claimed to be leading a war on international terrorism while allowing a wanted terrorist to flit freely around Florida did agents from the Department of Homeland Security finally detain Posada, on May 17, 2005.

Initially Posada was incarcerated in El Paso for illegal entry into the United States. Immigration and Customs Enforcement (ICE) went through the motions of trying to deport him, but no country would take him. At the same time, the United States refused to extradite him to the one country that had a legitimate claim to him—Venezuela. Only after the immigration court decided to release him on bail did ICE officially identify him as a terrorist: Posada's "long history of criminal activity and violence in which innocent civilians were killed," ICE wrote, meant that his "release from detention would pose a danger to both the community and the national security of the United States" [see Kornbluh, "[Test on Terrorism](#) [1]," Oct. 16, 2006].

To its credit, the Justice Department did quietly empanel a grand jury in New Jersey to weigh an official indictment of Posada for masterminding the hotel bombings in Havana. (Evidence gathered by the FBI indicates that Posada raised funds for that operation from Cuban-American benefactors in Union City, New Jersey.) In April 2006 government lawyers decided to hold a naturalization interview with Posada while he was in jail, surreptitiously gathering self-incriminating evidence against him in the hotel bombing case.

But, for reasons that remain under seal, the New Jersey grand jury proceedings stalled. Initially, as a senior State Department official confided, prosecutors were unable to secure a key piece of evidence—the tape recordings of an interview Posada had given to then-*New York Times* contract reporter Ann Louise Bardach in 1998, in which he appeared to take full responsibility for the hotel bombings. "The Italian was in the wrong place at the wrong time, but I sleep like a baby," Posada proclaimed, according to his statements published in the *Times*. Under subpoena, Bardach turned over the tapes to the grand jury on December 15, 2006. But no indictment was ever handed down.

Instead, on January 11, 2007, Posada was indicted in El Paso on six counts of making "false statements" and one of fraud about how he came to the United States and for his use of false names and false passports—charges that carry a maximum sentence of five to ten years each. To make matters worse for the credibility of the US legal system, four months later Judge Kathleen Cardone dismissed all charges against Posada. The government, she ruled, had engaged in "fraud, deceit and trickery" in obtaining evidence against Posada under the guise of conducting a naturalization review. The court, she declared, could "not set aside [Posada's legal] rights nor overlook Government misconduct [just] because Defendant is a political hot potato."

A free man, Posada took up residence in Miami. Since he is on the government's no-fly list, Posada was forced to drive back to Florida, where he has lived openly for the past several years, attending right-wing exile fundraisers and even participating in public protests against Castro's Cuba.

But in August 2008 the US Court of Appeals for the Fifth Circuit overruled Cardone's decision and ordered Posada to proceed to trial. In another positive turn of events in this long, twisted legal saga, in April 2009 the new Obama Justice Department used the *New York Times* tapes of Posada's interview with Bardach to file several additional counts of perjury and fraud relating specifically to lying about "soliciting other individuals to carry out...[the hotel] bombings in Cuba." To be sure, Posada is still not being charged with actually perpetrating those terrorist operations, only with lying about aspects of his involvement in orchestrating them. But for the first time in a US court, a team of lawyers from the Justice Department's Counterterrorism Division will present concrete evidence to prove that Posada was indeed behind a series of terrorist attacks on Cuban soil.

\* \* \*

Obtaining a conviction will not be easy. Posada will turn 83 on February 15; he suffers from a variety of physical ailments and does not fit the image of a "terrorist alien," as government records describe him. Posada's lawyers have charged that the key evidence against him—the Bardach

tapes—contain unexplained gaps and erasures. Bardach, who will be called as a witness to authenticate the tapes, has publicly decried their use in the trial as a government violation of freedom of the press and an assault on the rights of the Fourth Estate.

Moreover, in a pretrial ruling, Judge Cardone denied a Justice Department motion to "exclude all testimony, evidence, questioning and argument concerning defendant's relationship with the Central Intelligence Agency." Posada's past agency associations were "irrelevant to the charges," prosecutors submitted in court filings; introducing his CIA connection in court would "divert the jury's attention away from the basic charges in the indictment." But the judge ruled that Posada could offer the existence of his relationship with the CIA "to show his state of mind" when he allegedly made false statements to authorities—as long as he used only unclassified information.

The government has introduced into the court record an "Unclassified Summary of the CIA's Relationship with Luis Clemente Posada Carriles," which states that he first joined the agency as part of its Bay of Pigs operation in 1961. "Posada was a paid asset of the CIA from 1965 to 1967," when he left the United States to set up operations in Caracas as an intelligence official of the Venezuelan secret police, DISIP, "and again from 1968 to 1974," states the summary. "From 1974 to 1976, CIA had intermittent contact with Posada." The document reveals that in 1993, when Posada was an escaped fugitive wanted by Interpol for the Cuban airplane bombing, the agency intercepted intelligence on an assassination plot against him and surreptitiously "contacted him in Honduras by telephone to warn him about a threat to his life."

CIA documents, obtained and posted by my organization, the National Security Archive, show that in the mid-1960s Posada worked at a salary of \$350 a month as an instructor in sabotage and demolition for the CIA's Maritime Training Section. The declassified records, which identify Posada using his CIA cryptonym, AMCLEVE/15, also reveal his work as an active snitch on other violent Cuban exile groups. "I will give the Company all the intelligence that I can collect," Posada promised his CIA handlers in 1966. "A/15 is dedicated to the overthrow of Castro," his "Company" supervisor Grover Lythcott noted in one secret report on Posada, but he "is not a typical 'boom and bang' type of individual. He is acutely aware of the international implications of ill planned or over enthusiastic activities against Cuba." In an observation that proved to be wholly inaccurate, Lythcott noted that Posada would "discourage activities which would be embarrassing to WOLADY"—the CIA's codeword for the United States.

Ironically, it is now the legal proceedings against Posada that could be embarrassing to, and carry significant implications for, WOLADY. In the six years Posada has been in the United States, his case has become a spectacle around the world. Now, if he is found guilty and in effect proven to be a mastermind of terrorism, the US government will have to address the scandalously short sentence the perjury charges carry. If he is found innocent and released, the Obama administration will have to confront the fact that the US legal system is inadequate to hold Posada even minimally accountable for his violent crimes, and that the United States is, in the end, harboring an international terrorist.

For Havana, where officials routinely refer to Posada as "the Osama bin Laden of Latin America," the case remains a particular sore point in US-Cuba relations. The Cubans have readily assisted the Justice Department by welcoming teams of FBI agents and US prosecutors, turning over more than 1,500 pages of documents as evidence from the hotel bombings and making Posada's alleged accomplices in Cuba available for depositions. But even as the US government allowed Posada to live freely in Miami, it has kept Cuba on its terrorism list because, the State Department claims, Cuba has not done enough to support the international effort against terrorism. To add insult to injury, in the wake of the Christmas 2009 terrorist attempt aboard a Detroit-bound plane, the Obama administration put Cuba on the list of fourteen countries, including Iran and Syria, whose citizens receive extra security screenings when traveling to the States—escalating tensions between Havana and Washington to their highest level since Obama took office.

\* \* \*

As the Posada case illustrates anew, the danger of terrorism relating to Cuba has emanated not from Cuban territory but from the shores of the United States. Just five years ago, Posada's ally and benefactor, Santiago Álvarez, was busted in Miami by the FBI for illegally accumulating a warehouse of war-grade armaments, presumably for use against the island. Indeed, the Cubans are incensed by the contrast between how the US legal system has treated Posada and the severe treatment meted out to five Cuban counterterrorism agents sent to the United States in the mid-1990s as part of *La Red Avispa* (Wasp Network)—an espionage operation to gather intelligence on the activities of Posada's supporters and other violent exile groups in Florida. (It was Cuban agents spying on exile groups who ferreted out information that led to Posada's November 2000 arrest in Panama for the attempted assassination of Castro.) The so-called Cuban Five—Gerardo Hernández, Antonio Guerrero, Ramón Labañino, Fernando González and René González—were arrested in 1998, thrown into solitary confinement, prosecuted on maximum charges of conspiracy and even homicide, and given sentences from fifteen years to life. A court has reduced the sentences of two of them, but the Cuban government continues to make their release a top priority in communications with the Obama administration.

A guilty verdict in the Posada case, and a determination by the Justice Department and the Department of Homeland Security that Posada should be imprisoned indefinitely as a perpetrator of terrorism, could still contribute to conditions for better US-Cuban relations. As the trial starts, however, the last word on its significance belongs to Posada's victims. "He is not being charged as a terrorist but rather as a liar," says Livio Di Celmo, whose brother, Fabio, was killed in one of the hotel bombings in Cuba. "My family and I are outraged and disappointed that a known terrorist, Luis Posada, is going to trial for perjury and immigration fraud, not for the horrific crime of masterminding the bombing of a civilian airliner." Roseanne Nenner, whose 19-year-old brother, Raymond, was aboard the Cuban plane, told *The Nation*. "Our hope is that the US government will designate Posada as a terrorist and hold him accountable for the pain, suffering and loss he has caused to us and so many other families."

## Our Man's in Miami. Patriot or Terrorist?

By Ann Louise Bardach

Washington Post Sunday, April 17, 2005; Page B03

In 1988, the late, great Cuban exile director Nestor Almendros released his critically acclaimed film about political prisoners in his homeland -- a documentary that shattered whatever was left of the utopian view of Cuba. It was called "Nobody Listened." The title would work well for a sequel, this time set in Miami to shatter any lingering illusions about the nature of Cuban exile politics.

The anti-hero could be Luis Posada Carriles, the fugitive militant, would-be assassin of Cuban leader Fidel Castro and prison escapee who is wanted by Venezuela for the 1976 shootdown of a Cuban airliner that killed 73 civilians. Late last month, a South Florida television station offered a startling exclusive: Posada, last seen in Honduras, had slipped into Miami. Then last Tuesday, Posada's newly retained attorney had the temerity to request asylum for him.

Posada must have thought nobody would be listening. How was it possible that a self-described "warrior" and "*militante*" -- long a fixture on the U.S. immigration authorities' watch list -- had crossed into the United States with a bogus passport and visa? And is it remotely conceivable that the Bush administration, notwithstanding its purported commitment to the war on terrorism (Rule 1 of U.S. counterterrorism policy: "make no concessions to terrorists and strike no deals"), would consider residency for a notorious paramilitary commando? He has even boasted of orchestrating numerous attacks on both civilian and military targets (including the 1997 bombings of Cuban tourist facilities that killed an Italian vacationer and wounded 11 others) during his 50-year war to topple Castro.

In any other American city, Posada, who is now 77, might have been met by a SWAT team, arrested and deported. But in the peculiar ecosystem of Miami, where hardline anti-Castro politicians control both the radio stations and the ballot boxes, the definition of terrorism is a pliable one: One man's terrorist is another's freedom fighter. His lawyer made the tortured argument that those who planted bombs in Havana could not be held responsible for innocent victims unless it could be proven that those victims were, in fact, targets. Other supporters have underscored that Posada was once a CIA asset who fought in its ill-fated excursion at the Bay of Pigs, and who played a crucial role in the Iran-contra operations during the Reagan-Bush years.

It is a story of keen interest to me as Posada had granted me an exclusive interview in June 1998. At a safe house and other locations in Aruba, I spent three days tape-recording him for a series of articles that ran in the New York Times. The urbane and chatty Posada said that he had decided to speak with me in order to generate publicity for his bombing campaign of Cuba's tourist industry -- and frighten away tourists. "Castro will never change, never," Posada said. "Our job is to provide inspiration and explosives to the Cuban people."

Instead of undermining Castro, such comments have enabled the Cuban leader to argue that his foes are lawless at best and killers at worst. And so Castro remains in power, and Posada is looking for a new home.

Posada and his Miami strategists are hoping that he can follow in the footsteps of his fellow conspirator, one-time cellmate and convicted terrorist, Orlando Bosch. In 1976, Bosch, Posada and two Venezuelans, were charged and imprisoned for the bombing of the Cuban civilian airliner -- the first act of airline terrorism in the hemisphere -- killing all aboard, including the members of Cuba's national fencing team, many of them teenagers.

The powerful exile leadership in Miami financed a legal crusade to free the two, challenging the trial process in Caracas, where bribery is widespread. Bosch would serve 11 years and Posada nine before their lawyers won acquittals. But both remained jailed pending prosecutors' appeals and new trials, in accordance with Venezuela's labyrinthine judicial system.

Their indictment was the result of the collective data and wisdom of three intelligence organizations: American, Venezuelan and Cuban. "Bosch and Posada were the primary suspects," a retired high-level CIA official familiar with the case confirmed in an interview, adding "there were no other suspects." A close confidante of the two militants told me, "It was a screw-up. It was supposed to be an empty plane." Others contend that the men believed the airliner to be a military craft, though neither man has ever expressed remorse for the civilian death toll. An unrepentant Bosch still calls the plane "a legitimate target," recently telling a Miami reporter, "there were no innocents on that plane."

Posada "escaped" from prison in 1985 after his Miami cohorts paid a \$28,000 bribe to the warden. Three weeks later, he was in El Salvador, where Felix Rodriguez, a comrade from his early CIA days, was waiting for him with a very special job offer: to be his deputy in the covert Contra resupply operation directed by Lt. Col. Oliver L. North. In our conversations, Posada blamed a fellow commando (conveniently dead) for the airline bombing and cited political influence-peddling in the Venezuelan justice system for his and Bosch's long prison stints. Their critics argue the opposite: that Venezuela's endemic corruption enabled Posada and Bosch's supporters to buy them superb accommodations in prison and, ultimately, Posada's escape.



Bosch was allowed to leave Venezuela not long after then-U.S. ambassador Otto Reich voiced concerns about his safety in a series of cables to the State Department. He flew to Miami in December 1987 without a visa and was promptly arrested. Attorney General Richard Thornburgh described Bosch as an "unreformed terrorist," who should be deported. But Bosch had a powerful advocate in Jeb Bush, who at that time was managing the campaign of Ileana Ros-Lehtinen, the first Cuban exile to win a seat in the U.S. House of Representatives. In an unusual presidential intercession on behalf of a convicted terrorist, President George H.W. Bush overruled the FBI and the Justice Department and in 1990 approved the release of Bosch, who won U.S. residency two years later.

Posada is gambling that he will have Bosch's luck and is banking on the same supporters. But Bosch's presence in Miami has often proved to be an embarrassment to the Bush family. When Bill Clinton was questioned by a Newsweek reporter about his pardon of fugitive financier Marc Rich, he snapped, "I swore I wouldn't answer questions about Marc Rich until Bush answered about Orlando Bosch." Few Republicans raised the issue again.

In November 2000, Posada was arrested again, along with three other anti-Castro militants for plotting to assassinate Castro during the Ibero-American summit in Panama. All of the arrested men had impressive rap sheets and had been charter members of the terrorist groups CORU or Omega 7. In April 2004, Panama's Supreme Court sentenced Posada and his associates to up to eight years in prison, but in August the quartet was sprung by a surprise pardon from departing Panamanian President Mireya Moscoso, who maintains good relations with Miami's political leadership. Her pardon outraged U.S. and Latin American law enforcement officials.

Three of the men were flown to Miami and met by their jubilant supporters just days before the 2004 presidential election. But Posada disappeared -- until his emergence here last month.

The quartet are not the only unsavory characters to be given the red carpet in Miami. Reps. Lincoln Diaz-Balart and Ros-Lehtinen, with the backing of Florida Gov. Jeb Bush, wrote letters on behalf of several exile militants held in U.S. prisons for acts of political violence. Some were released in 2001, including Jose Dionisio Suarez Esquivel and Virgilio Paz Romero, both convicted for the notorious 1976 car bomb-murder of Chilean diplomat Orlando Letelier and his American assistant Ronnie Moffitt, in Washington. Once released, instead of being deported like other non-citizen criminals, they have been allowed to settle into the good life in Miami.

South Florida's politicians have also tried, unsuccessfully so far, to convince the Justice Department to release Cuban-born Valentin Hernandez, who gunned down fellow exile Luciano Nieves in 1975. Nieves' crime was speaking out in support of negotiations with the Cuban government. Nieves was ambushed in a Miami hospital parking lot after visiting his 11-year-old son. A year later, Hernandez and an accomplice murdered a former president of the Bay of Pigs Association in an internecine power struggle. Hernandez was finally captured in July 1977 and sentenced to life in prison for the Nieves murder. Exile hardliners, though, continue to refer to him as a freedom fighter.

Polls show that Miami's political leadership and its radio no longer speak for most exiles. The majority of Cuban exiles, like other Americans, abhor terrorism, whether in Cuba or Miami, left or right. But as one convicted killer after another is allowed to resettle in Miami, the political climate there has chilled and few dare to speak out. And when they do, it seems that nobody is listening.

Since 9/11, the administration's double standard on terrorism, with its Cuban exception, is even more glaring. Just before the Justice Department announced a post-9/11 sweep of those "suspected" of terrorism, it had quietly released men who had been convicted of terrorism. Last Thursday, the administration congratulated itself on a sweep that netted 10,000 fugitive criminals, yet somehow Posada eluded it.

I remember Posada's sly smile when he told me that he had at least four different passports from different countries in bogus names, including an American one. When I asked when he last visited the United States, he chortled with amusement. "Officially or unofficially? I have a lot of passports," Posada said. "If I want to go to Miami, I have different ways to go. No problem." Evidently not.

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**A Complete archive on Posada's career is here:** [http://www.bardachreports.com/posada\\_files.htm](http://www.bardachreports.com/posada_files.htm)

## *El Paso Diary: Day 25 in the Trial of Posada Carriles*

### Graymail and Secret Memos

by José Pertierra

Mar. 9, 2011

Reprinted from [CounterPunch](#)

What's going on behind the curtain in the Luis Posada Carriles trial in El Paso? Judge Cardone suspended proceedings for three days. The first day, because the attorneys needed to "attend to some legal matters." The second day, because defense attorney Rhonda Anderson had a "personal tragedy." The third day, because a juror fell ill. The lawyers are not resting, however.

They are busy writing motions, some of them sealed.

#### Secret motions

The website for the Federal Court in El Paso reveals that both the prosecution and the defense have recently filed secret motions with Judge Cardone.

Date Filed	#	Docket Text
02/28/2011	<a href="#">654</a>	Sealed Order. Signed by Judge Kathleen Cardone. (fm, ) (Entered: 03/01/2011)
02/28/2011	<a href="#">653</a>	NOTICE of Ex Parte, In Camera and Under Seal Motion and Memorandum of Law Filed Under Section 4 of the Classified Information Procedures Act by USA as to Luis Posada Carriles (Behling, Bridget) (Entered: 02/28/2011)
02/28/2011	<a href="#">652</a>	SEALED MOTION filed (~Martinez, Javier) (Entered: 02/28/2011)
02/28/2011	<a href="#">651</a>	Minute Entry for proceedings held before Judge Kathleen Cardone:Jury Trial not held as to Luis Posada Carriles held on 2/28/2011 and continued to 3/1/11 at 8:30 am. (Minute entry documents are not available electronically.) (Court Reporter David Perez.) (~Martinez, Javier) (Entered: 02/28/2011)
02/28/2011	<a href="#">650</a>	RESPONSE TO MOTION by USA as to Luis Posada Carriles re <a href="#">645</a> MOTION for Discovery <i>RULE 15 DEPOSITION OF FOREIGN WITNESS</i> filed by Defendant Luis Posada Carriles (Behling, Bridget) (Entered: 02/28/2011)

We don't know exactly what the motions say, because they are sealed. But it is not difficult to figure out what they're about. Prosecutor Bridget Behling filed the latest one. It was titled: Notice of Ex Parte, In Camera and Under Seal Motion and Memorandum of Law Filed Under Section 4 of the Classified Information Procedures Act.

What does this mean? As its title reveals, both the motion and the legal memorandum are *ex parte*. From the Latin "by or for only one side," a government *ex parte* motion in a criminal case is not shared with the defendant. The judge conducts an evidentiary hearing on such a motion only with the prosecutors. The defendant is not allowed to participate. Normally, such meetings are forbidden by the Constitution, although there are some limited exceptions—such as when the national security of the United States is allegedly at stake.

A closer reading of the title of Ms. Behling's motion reveals the legal foundation for her *ex parte* motion: Section 4 of the Classified Information Procedures Act (CIPA).

#### CIPA

The purpose of the CIPA law is to protect classified information to which the defense should ordinarily have access during a criminal trial. The Department of Justice has an obligation to enforce the law and bring criminals to trial, but also to protect the national security secrets of the United States.

Section 4 of the CIPA law is subtitled, "Discovery of classified information by defendants." It concerns discovery requests from criminal defendants for classified information in the possession of the United States. In this case, the defendant, Luis Posada Carriles, is an ex-CIA agent. He is insisting that the government declassify certain documents that would be helpful in preparing a defense to the charges of perjury and false declarations. What could that classified information be?



## Posada Carriles and the CIA

Last February 8, Arturo Hernández, Posada Carriles' lead attorney, told Judge Kathleen Cardone that he had been asking the prosecutors to declassify the payment records of the CIA to his client as well as all the information in its possession about the aliases that the CIA had told his client to use. Hernández also said that he had asked the prosecution to declassify a secret report "that shows that the CIA ordered Posada Carriles to keep quiet, as well as all documents about Posada Carriles' work for the CIA until 1996, plus documentation regarding his work on behalf of the DISIP (the former Venezuelan intelligence service)."

The exchange that occurred that day in court between Judge Cardone and Prosecutor Jerome Teresinski about these defense requests is very interesting. Teresinski told the judge that the information sought by the defendant is irrelevant to the case at bar—that this move was simply another effort by attorney Hernández to "muddy the process." Teresinski added, "Furthermore, the defendant has never presented a public authority defense that he was authorized to use those aliases—he's never done that."

Remember that counts 4 and 11 of the indictment allege that Posada Carriles lied when he said that the only pseudonyms he ever used had been "Ramón Medina" and "Franco Rodríguez." The government has already established that he had a Guatemalan passport bearing his photograph under the alias "Manuel Ernesto Castillo López."

Three weeks ago, the defense attorney told the Court, "My client lied about the aliases because they were given to him by the CIA." Arturo Hernández alleged that "there was complicity between the CIA and Posada regarding the aliases, but I can't go forward with that information without violating the attorney-client privileged information." Hernández punctuated his arguments with the warning that "we will be filing a Section 5."

This is a reference to Section 5 of the CIPA law, which says that if a criminal defendant demands that the government declassify certain documents that are allegedly vital to his case, the defense attorney must first file a formal notice regarding the information sought.

But what classified information is Posada Carriles after?

### A shocking footnote

**A footnote in a document filed by the defense last year on January 28 is quite revealing about the kind of classified information that Posada Carriles threatens to expose. His attorney, Arturo Hernández, argues in that motion, "The Defendant's CIA relationship, stemming from his work against the Castro regime through his anti-communist activities in Venezuela and Central America, are relevant and admissible to his defense."**

**The defense attorney then goes on to make a shocking accusation by way of a mere footnote. He alleges that the U.S. government was complicit in the bombing campaign in Cuba in 1997. There he asks the Court to compel the government to declassify all the information that shows the "involvement, knowledge, acquiescence and complicity [of the U.S. Government] in sabotage or bombings in Cuba." Also, "[t]raining, instructions, memos or other documents reflecting orders to the Defendant to maintain secrecy and not disclose his relationship or information regarding his activities on behalf of the U.S. Government or any of its Agencies."**

**This is a major league threat. Posada Carriles is telling the Court that the Government of the United States was involved in the 1997 terrorist campaign against Cuba—the same terrorist operation that he presumably masterminded.**

### Graymail

The U.S. Congress approved the CIPA law to counteract a problem called graymail—a lighter shade of blackmail. A number of defendants on trial for terrorism have tried to graymail the government by demanding that the government declassify national security information concerning their case. They claim a Sixth Amendment right to the information, lest their due process rights at trial be violated.

### The CIPA threat

The sealed motion that the Government filed yesterday confirms that Posada Carriles is aggressively using graymail to try to get the indictment against him dismissed.

The law outlines the legal process that a Section 5 petition under CIPA generates. Rather than declassify the documents sought by the defendant, the Government could instead provide Posada Carriles with a sanitized summary of the classified information, thus avoiding the declassification of national security secrets.

The Government's proposed summary, however, is subject to Judge Cardone's approval. If she finds that a failure to provide a full declassification jeopardizes Posada Carriles' right to a fair trial, then she can reject the proposal. But she cannot force the

Government to declassify secrets that impact on the national security of the United States. In a case where the defendant's due process rights are at stake, the judge's only remedy is a dismissal of the indictment.

This is exactly what attorney Arturo Hernández has been looking for. Thus far, he has moved for a mistrial five times. Posada Carriles knows that the Government is reluctant to declassify documents concerning his more than four decades of work for the CIA, and the defense will milk this to his advantage as far as Judge Cardone will allow.

The litigation in this case has gone in this direction before. Last year, Posada Carriles forced the Government to *ex parte* file some classified documents with the Court, so that Judge Cardone could review them. She ruled, "Divulging these documents in their present form would be damaging to the national security" of the country.

The defense counsel is now trying to bring in through the back door what he was unable to bring in through the front, as prosecutor Reardon has pointed out several times during this litigation. Hernández continues to argue, in open court, that the Government "is hiding behind the CIPA law" to refuse to turn over important documents to the defense. The defense counsel is really after a mistrial, counting on the Government's refusal to declassify those documents.

## **The CIA's skeletons**

Posada Carriles's graymail may turn out to yield some of the CIA's most well-guarded secrets concerning its activities in Latin America during the last several decades. There are plenty of skeletons hidden in Langley's closets, and Posada Carriles knows where many of them are.

## **A few questions**

Right now at this legal crossroads in the case, several questions come to mind. I'll share a few.

- Is Posada Carriles blackmailing the U.S. Government?
- Why has the Government refused to declassify the CIA files on Posada Carriles?
- What are the secrets involving Posada Carriles and the CIA that so impact on the national security of the United States?
- Is there anything to Posada Carriles' allegations that Washington was complicit in the bombings in Havana in 1997?
- Who were the masterminds behind the campaign of terror against Cuba during the last fifty years?
- Is Posada Carriles a loose cannon? A hired gun?
- Was the CIA involved in the downing of the Cuban passenger plane in 1976 that killed all 73 people on board? Was Posada Carriles acting alone?

These questions and many more remain unanswered as the case against Luis Posada Carriles for perjury continues in El Paso.

## **The jurors get a modest raise**

The jurors are unaware of the legal battle that is raging behind closed doors. They are not allowed to know, yet it is they who must ultimately judge whether Posada Carriles is guilty or not.

Judge Cardone did give them a modest raise, however. They will be earning \$10 more per day, because the case has lasted more than 10 days. In fact, we are fast approaching two months here in El Paso. I'm sure that the jurors can use the 10 extra dollars a day, but they would probably gladly trade them for a quick resolution of this never-ending case.

*José Pertierra practices law in Washington, DC. He represents the government of Venezuela in the case to extradite Luis Posada Carriles.*

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## **PANAMA BOMBING ATTEMPT: Posada Terrorized by DNA**

**BY JEAN-GUY ALLARD**

**ON September 25, 2001, after Luis Posada Carriles and his accomplices had refused on several occasions to submit to DNA tests to demonstrate their direct link with explosives found in their vehicle, the Panamanian authorities decided to use the powers afforded them by law to force the suspects to hand over blood and hair samples.**

Posada, together with Gaspar Jiménez, Guillermo Novo and Pedro Remón were taken to the Panamanian Institute of Legal Medicine.

According to a report by Argentina Barrera Flores, a first circuit judge responsible for the case at the time, “they were informed of the decision and that it was compulsory.”

But in front of the Institute’s experts and legal representatives, Posada and his henchmen retorted that “they would in no way allow them to take those samples.”

They reiterated that “they would not allow the technician or any other person to touch them,” and then refused to sign a document attesting to the fact that they had refused to provide the samples.

Hurtado, seen here leaving the court, will play a central role during the trial.

Law No. 80 of the Republic of Panama, passed on November 23, 1998, establishes the compulsory nature of DNA testing and implicitly indicates that refusal to provide samples constitutes an admission of guilt.

#### THE BLACK BRIEFCASE AND THE RED MITSUBISHI

For the Panamanian judicial system, there is no doubt that the explosives found after the arrest of Posada and his crew thanks to the cooperation of their Panamanian driver, entered the country at the Paso Canoas border point on November 16, 2000 in a bag carried by Gaspar Jiménez. There were no less than 33.44 kilos of military explosives...an amount that would clearly provoke a disaster.

To better understand what happened, we should recap on the chronology of the conspirators’ movements in those November days leading up to the Ibero-American Summit where they planned to assassinate the Cuban President and all those who would have been present at the university.

November 3 - Posada arrives in Panama from Costa Rica through the Paso Canoas border point, using a false passport - No. A143258 under the name of Franco Rodríguez Mena - a gift from his friends in El Salvador. (He had already used the same false document on a previous reconnaissance trip on August 12, 2000).

November 6 - At 10.28am, Posada appears at the Las Vegas hotel apartments in Panama where he rents Room 215. From there he contacts his buddy César Matamoros, a Cuban (with drug trafficking convictions) resident in the Panamanian capital who offers his employee José Manuel Hurtado as Posada’s driver.

Hurtado will go on to play a central role in events. This modest black worker that Matamoros uses as if he were his own property, will spontaneously cooperate with the judicial system in the first stage after the arrest of the conspirators, until his white boss and Posada’s mafioso advisors direct him otherwise.

November 8 - Hurtado sees Posada who says that he wishes to change hotels. Some 500 meters from the Las Vegas, they visit the Coral Suites hotel apartments where Posada reserves a room.

November 9 - Posada goes to Tocumen airport in the capital with Hurtado to collect his Cuban-Salvadoran friend Raúl Hamouzava (a fugitive from Panamanian justice since these events took place). At the Dollar Rent-A-Car agency, Posada and Hamouzova hire a red Mitsubishi Lancer with license plate 223 251, which Hurtado will drive.

November 14 - At five a.m. Posada leaves Panama City with Hurtado in the hired car and heads for the province of Chiriqui where his friend, drug trafficker José Valladares (“Pepe the Cuban”) has a ranch called Jacu, in a region bordering on Costa Rica and the neighboring Paso Canoas border post.

November 15 - Guillermo Novo arrives at Paso Canoas and presents himself to Panamanian immigration, carrying a valid U.S. passport No. 043788076.

November 16 - Posada and Novo collect Pedro Remón and Gaspar Jiménez at the same Panamanian immigration point. Hurtado puts both men’s luggage in the red Mitsubishi. Amongst the suitcases is one black bag bearing the logo of the Miami Marlins and The Miami Herald, in which three days later on November 19, the police will find the explosives in Panama City.

Jiménez crosses the border using a false U.S. passport (No. 044172940) in the name of Manuel Díaz, and Remón a valid U.S. passport (No. 084987631). Later, it will come to light that Jiménez had arrived in Costa Rica on the 13th, two days before crossing the border...

Remón for his part, arrives from Miami, after a badly explained one-day stay in Atlanta, Georgia where he allegedly took part in a trade seminar.

Important detail: before the judge, Remón explains that he had met his buddy Jiménez in San José’s Best Western Hotel in Costa Rica, so as to then travel with him by plane to Coto 47 airport on the border. According to the Attorney General’s report, Remón then explained that “for physiological reasons, he went into the undergrowth where he also used the opportunity to take out the GPS (Global Positioning System) that he was carrying and fix the geographical position of the location.” A strange action that remains to be explained.

#### THE EXPLOSIVES, FOR JIMÉNEZ

That same day (16th), following a meeting at the Jacu ranch, Posada, Novo and Remón travel by plane on the Aeroperla airline from the city of David (Chiriqui) to Panama City.

Posada, author of the mid-flight explosion of a Cubana Aviation plane in 1976 that caused the deaths of 73 people, did not want to travel by plane with the explosives...He orders Jiménez to drive with Hurtado to the capital by road in the red Mitsubishi...with the black bag containing 33.44 kilos of military explosives in the trunk.

Before the judge, Jiménez will claim that he traveled by car for health reasons: "because it's a small plane and could cause a blood clot."

Posada and Remón arrive at Coral Suites in the afternoon and Jiménez at around 11:00 p.m. The first two are occupying Room 310 and Jiménez joins Novo in 509 (the most expensive in the hotel). Both rooms were reserved well in advance by Posada. On this night, Hurtado leaves the keys of the red Mitsubishi with Jiménez and goes home in a taxi.

November 17 - Jiménez and Novo go for a drive, passing close by the Cesar Park hotel - the venue of the Ibero-American Summit - and then around the grounds of the university where Fidel is due to address 1,500 people in the auditorium some hours later. They are with Hurtado, the driver, in another vehicle - a black Mitsubishi Lancer - that Novo has rented.

Remón provides another Mitsubishi rental; a Galant model that he is using with Posada.

Hours later, Posada will order Hurtado to take the red Mitsubishi to be cleaned with a view to returning it the following day. We should remember that it was in this car that the explosives were transported from the border.

According to Hurtado, he was only ordered to clean this car and not the others.

Around four in the afternoon, several Panamanian police agents who had been alerted by Fidel minutes before in a press conference of the presence of terrorists in the Coral Suites hotel apartments, surround the place under the orders of Roger Diez Quintero, chief of the Security Division of the Judicial Technical Police, and Inspector Ignacio Taylor.

They observe two individuals who, on seeing the police arrive, cross the road in a suspicious manner. It is Remón and Novo, who are stopped and then arrested by Detective Faustino Portugal.

Arriving at the car wash, driver Hurtado realizes - according to his later statement - "that Mr. Posada had left a case that he always carried with him on the back seat of the car." Concerned about the strange contents, he calls his boss, Matamoros, who tells him "to give it to the Cubans", referring to Posada and his companions.

Suspecting that he has been involved in a criminal act, Hurtado returns to the hotel apartments but sees the police presence at the moment when they are about to penetrate the entrance to Coral Suites with "the emergency lights flashing", according to investigators. He then accelerates and is pursued by Inspector Taylor in a police vehicle, heading for nearby España Avenue where he disappears amongst the traffic.

Minutes later, Posada and his accomplices, all under arrest are questioned about the red Mitsubishi but affirm that they "know nothing about the car", according to Taylor's subsequent report.

November 19 - Located by detectives, Hurtado takes police captain Feliciano Benítez to a patch of waste ground close to Tocumen airport where they unearth the famous black bag with the Marlins logo containing the explosives, a device identified by explosive experts as a firing system, a remote control device and five "Marine Band" radios amongst other items.

The cartridges contained in the explosives bear the stamp "Costa Rica".

Inside the bag they also find a white towel with black, yellow and chocolate-colored stains and another with chocolate and gray stains. A subsequent analysis by a criminal expert reveals that the towels were used on mixing the explosives.

The chemical test carried out by expert Eybar Castillo will reveal the presence of "human hairs".

#### THEY ALL REFUSE TO COOPERATE WITH JUSTICE

On December 6 and 7, 2000, barely three weeks after the suspects are arrested, the Attorney General summons them in order to receive their statements. However, the four detainees flatly refuse to testify on the events. They also refuse to undergo psychiatric and handwriting tests requested by the Attorney General.

It will be six months before they begin to talk, tell lies and once again demonstrate their total unwillingness to cooperate with justice.

They continue refusing to submit to the DNA test, despite the insistence and subsequent order by the judicial authorities. According to the Panamanian Attorney General's report, Law 80 "anticipates a grave indication" against those guilty of such behavior.

The explanation is simple of course. Posada and his accomplices are terrified that this simple laboratory test would establish, beyond all doubt, that they are the owners of the black bag bearing The Miami Herald logo.

And that they do indeed deserve a long stay behind bars not just for this conspiracy but for their numerous and atrocious past crimes, and the danger represented by these international terrorists financed and directed by the Miami mafia.

Source: [http://insidecostarica.com/specialreports/panama\\_posada.htm](http://insidecostarica.com/specialreports/panama_posada.htm)

October 11, 2011

## A CounterPunch Special Report on the Bombing of Cuban Air Flight 455

### Murder in Paradise

by JOSÉ PERTIERRA

*Bridgetown, Barbados.*

It was a peaceful Wednesday afternoon in Barbados 35 years ago. Dalton Guiller had just finished a round of waterskiing and was refueling his boat on shore when a roar in the sky startled him. A low-flying and apparently damaged airliner was fast approaching from the west toward the beach. “It didn’t look right. It was too low. I then saw the plane rise slightly, bank to the right and crash into the water: nose and wing first,” said Guiller.

At the Cave Hill campus of the University of the West Indies in Barbados, Professor Cecilia Karch-Braithwaite also heard the loud droning of a passenger plane overhead. She told me, “It was unusual, because the aircraft was flying too low and was on a path that planes never take when they approach the airport.” She remembers seeing smoke coming from the side of the plane as it banked to the right and dove nose first into the waters of Paradise Beach. The university is located on a hill five miles from the beach.

I met Guiller and Karch-Braithwaite in Barbados during last week’s ceremonies to commemorate the 35<sup>th</sup> anniversary of the murder of the 73 people aboard the Cuban passenger plane that crashed only a few minutes after takeoff from Seawell International Airport in Barbados. Their memories of that day are still vivid.

### THE VICTIMS

The aircraft was a DC-8, flown by Cubana de Aviación. It had received its regular maintenance only 10 days earlier and carried 73 persons the day it crashed. The average age on board was a mere 30 years of age, because 24 members of the Cuban fencing team were returning to Cuba after having swept the gold medals at the Pan American games in Caracas, Venezuela. They boarded the plane wearing their medals. In total, there were [57 Cubans, 11 Guyanese, and 5 Koreans](#).

### THE BOMBS

At 1:23 p.m., local time, Seawell International Airport reported that the pilot, Wilfredo Pérez, called to report an emergency on board, “Seawell! Seawell! CU-455 Seawell. . . ! We have an explosion on board. . . . We have a fire on board.” A forensic investigation made by Dr. Julio Lara Alonso established that two bombs exploded aboard CU-455, causing it to crash into the sea. The first bomb—under a passenger seat—ignited a fire near the front of the plane, and the second bomb, which exploded about eight minutes later in the rear bathroom of the plane, brought the plane down in seconds.

### “I KILLED MORE THAN THE JACKAL”

Two Venezuelan nationals, Hernán Ricardo and Freddy Lugo, had left the bombs on the plane, before disembarking in Barbados. Lugo later told police officials that Ricardo boasted that the 73 people he killed on the plane were “more than the Jackal,” alluding to the famous terrorist Carlos the Jackal. “Now I’m the one who has the record, because I’m the one who blew up that thing,” he told Lugo.

Ricardo confessed to Barbadian and Trinidad officials who were investigating the crime that he and Lugo bombed the plane and that they worked for the CIA and Luis Posada Carriles. He even drew a diagram for them of the detonator he used to ignite the C-4 explosives he placed in the aircraft. He admitted to receiving \$25,000 for downing the plane.

Lugo and Ricardo were extradited to Venezuela by Trinidad and Tobago. There they were convicted for their role in downing the plane and sentenced to 20 years. After serving their time, they were released. Lugo still lives in Caracas, driving a taxi to earn his living. The *Miami Herald* reported that Ricardo is now an undercover operative in Florida for the Drug Enforcement Administration.

### THE MASTERMIND

In 1985 Luis Posada Carriles was indicted and prosecuted as the mastermind of the murder of the 73 persons aboard that plane. But before the Venezuelan court could pronounce a verdict, he escaped from prison. Within a few weeks, he landed a job with the CIA in an operation that later became known as the Iran-Contra scandal. The United States has never bothered to explain how it was possible for an international fugitive charged with 73 counts of first-degree murder to so quickly land a \$120,000-a-year job with the CIA, arming Nicaraguan Contras.

### THE HORROR

When he saw the plane crash into the water, Dalton Guiller immediately swung his small ski boat around and in two minutes arrived on the scene. “I was with two other chaps, and we went to see whether there were any survivors. Unfortunately, there were none,” he said. Surrounded by a strong smell of fuel, Guiller surveyed the horror. “I saw suitcases, seats, and personal effects. I saw bodies: only one or two of them intact. The others were not full bodies.” He added, “They were suspended at the level of the sea. Perhaps the seat belts cut them off, I could not tell. It was just striking that two or three of the bodies were perpendicular under the sea. Trousers, but no top. Top, but no bottom.”

The forensic report performed by the Barbadian coroner describes the condition of the body of little Sabrina, a nine-year old Guyanese girl who was traveling with her family to Cuba: “Body of a girl around 9 years of age . . . Brain missing, only facial bones, scalp, and hair remaining. Lungs and heart destroyed. Liver and intestines shattered. Buttocks missing on right lower limb. Compound fracture of tibia and fibula . . . “

### THE HATRED

The impetus for the horror that invaded paradise that day in Barbados was hatred. Since the triumph of the Cuban Revolution, terrorists have murdered 2,478 Cubans and incapacitated 2,099 others.

Declassified U.S. intelligence cables reveal that Luis Posada Carriles had spoken of plans to “hit” a Cuban airliner only days before Ricardo and Lugo blew up CU-455. The CIA informed Washington, but no one uttered a word of warning to the Cuban or Venezuelan governments.

What happened in Barbados three and a half decades ago is not an isolated incident. The threat persists. From his lair in Miami, one of the masterminds of the attack on the Cuban airliner, Luis Posada Carriles, continues to call for violence against the Cuban people. His friends continue their efforts to violently lash out at the people of Cuba in an effort to terrorize them into supporting the forceful overthrow of the Cuban government.

#### OUR MAN IN LATIN AMERICA

Posada Carriles readily admits his relationship with the CIA. His lawyer told a federal court judge that everything his client did in Latin America he did in the “name of Washington.”

What, then, is it that Mr. Posada did in Latin America “in the name of Washington”? Besides the mass murder of the people aboard that passenger plane, Posada tortured Venezuelans in the 1970s, assisted in the murder of Nicaraguans in the 1980s, and trained Guatemalan and Salvadoran death squads in the 1980s and 1990s. He also planned a series of bombings at prominent Cuban hotels and restaurants in 1997, resulting in the murder of Italian businessman Fabio DiCelmo and the wounding of several others. He also conspired to assassinate the president of Cuba, Fidel Castro, several times, including in 2000 at the University of Panamá, where he planned to use 100 pounds of C-4 explosives to blow up a university auditorium full of students along with the Cuban president.

The cruelty of a 50-year war of terror against Cuba is abhorrent. The training that the United States has given Cuban-American terrorists is immoral. Providing them with weapons is a scandal: continuing to protect them an outrage.

#### THE DOUBLE STANDARD

In contrast to the United States, Venezuela does not assassinate those it alleges are terrorists. It relies on the rule of law to pursue them, but for the rule of law to be effective, the other parties to those laws, including the United States, must observe their legal obligations. When Posada Carriles illegally arrived in the United States in 1985, Venezuela immediately filed an extradition request, based on an extradition treaty that dates back to 1922 and on an international convention designed to combat terrorism: the Montreal Convention on Civil Aviation. Rather than extraditing Posada Carriles to Venezuela, the U.S. government instead tried him for minor immigration violations in El Paso, and a jury acquitted him of those in April of this year. He now lives freely in Miami.

United Nations Resolution 1373 forbids the harboring of terrorists by member nations. This resolution was introduced by the United States to combat terrorism after the tragedy of 9-11. Does it not also oblige the United States to extradite the terrorists it harbors?

#### THE CUBAN FIVE

Thirteen years ago, the United States government arrested, convicted and subsequently sentenced Five Cubans in Miami to long prison terms, but they were not terrorists.

The Five had gone to Miami to gather evidence against Cuban-American terrorists. In 1998, Cuba turned the evidence over to the FBI in the hope that the terrorists would be arrested and prosecuted. Yet the U.S. government didn’t arrest or charge the terrorists. Instead it arrested, charged, and imprisoned those who had gathered the evidence. The Cuban Five have been in jail now for 13 cruel years.

Gerardo Hernández is serving two life terms plus 15 years. The Court of Appeals ratified his sentence. Even if he dies in prison twice and resurrects each time, he would still not have completed his sentence.

Ramón Labañino was sentenced to a life term plus 18 years—subsequently the Court of Appeals ruled the sentence to be in violation of the law for being too harsh, vacated it and remanded his case to the same judge who had sentenced him. Judge Joan Lenard in Miami re-sentenced him and reduced the sentence to “only” 30 years.

Antonio Guerrero was sentenced to a life term plus 10 years. The Court of Appeals vacated his sentence, and Judge Lenard reduced it to “only” 21 years and ten months.

Fernando Gonzalez was sentenced to 19 years. The Court of Appeals vacated it, and Judge Lenard reduced it to “only” 17 years and 9 months.

René González was sentenced to 15 years. The Court of Appeals ratified his sentence, and he was released from jail on October 7. However, his release comes with conditions. He is not allowed to return to Cuba, as he wishes, to rejoin his wife and children but must instead remain in the United States for three more years—an additional punishment as cruel as it is irresponsible. The terrorists that the United States protects are free and would relish exacting their revenge on the man who monitored their activities on behalf of Cuba.

#### INDIFFERENCE VS. INDIGNATION

Getting the United States to extradite Luis Posada Carriles is not easy, and convincing President Barack Obama to free the Cuban Five will also be difficult. Neither case appears on the radar of American public opinion. The United States counts on the indifference of people. It knows that indifference is the unsung ally of injustice.

But as people learn about the history of terrorism against Cuba they grow indignant and demand justice. Indifference crumbles when confronted with indignation.

#### THE MEMORY OF THOSE KILLED

The 73 persons assassinated in cold blood 35 years ago in Barbados are not forgotten. As I stood on Paradise Beach in front of the monument to their memory, I listened to the national anthems of Cuba and Barbados and scanned the sea before me, where the plane lies at the bottom of Deep Water Bay., remembering that the remains of 58 persons were never recovered.

Standing next to me at the monument was the son of Wilfredo Pérez, the brave pilot who steered the aircraft away from the sandy beach to avoid killing dozens of Barbadians on shore. Wilfredo (he is named after his father) could have easily allowed hatred to consume him, but instead he became a psychologist. His life's work is to help broken people to mend.

Killed aboard that plane was also Nancy Uranga, a pregnant 22-year-old fencer from Cuba. It is well known that 73 persons were killed that day over Barbados, but few know that Nancy was pregnant and that the terrorists killed her unborn child as well.

The terrorists also killed Carlos Cremata that day. Carlos was 41 years old. He was a member of the crew and also an actor. His friends and family recall that Carlos always greeted them with, "Viva la vida" (Long live life). One of his sons, Carlos Alberto Cremata, founded one of the world's most renowned children's theater companies—La Colmenita (The Little Beehive)—whose mission is "sembrar el amor" (to sow love). La Colmenita is now on tour in the United States.

There is a history of injustice in the waters of Paradise Beach in Barbados. The cold-blooded murder of the 73 people aboard that passenger plane was a crime against them, their families, and their countries. It was also a crime against Barbados and its people.

#### THE BAJAN-AMERICAN

The Attorney General of the United States, Eric Holder Jr., is a Bajan-American. He was raised in a Bajan household in New York. His father, Eric Sr., was born in Barbados and married the daughter of Barbadian immigrants.

When he visited Barbados in 2008, the soon-to-be nominated Attorney General said, "I feel that I grew up partly in Barbados and partly in New York."

History has now given him an opportunity to solve a mass murder that occurred in his parents' home country 35 years ago. Mr. Holder can present to a United States District Court Venezuela's request for the extradition of Luis Posada Carriles. He can also recommend that President Obama exercise his constitutional power of executive clemency to free the Cuban Five.

#### THE CHARACTER OF THE UNITED STATES AS A NATION

The extradition of Luis Posada Carriles to Venezuela and the liberation of the Cuban Five are the responsibility of the United States and its people. More than merely legal issues, they are a moral imperative. At stake are not simply the facts of two particular criminal cases but bedrock principles of social justice and the character of the United States as a nation.

Will Eric Holder and President Barack Obama be up to the task? Will the people of the United States demand justice?

*José Pertierra is an attorney. He represents the government of Venezuela in the extradition case of Luis Posada Carriles.*

Source: <http://www.counterpunch.org/2011/10/11/murder-in-paradise/>

Otto Reich's testimony at the Posada Trial:

<http://www.counterpunch.org/2011/04/05/the-sound-and-fury-of-otto-reich/>

**THE CIA FILE ON LUIS POSADA CARRILES  
A FORMER AGENCY ASSET GOES ON TRIAL IN THE U.S**  
National Security Archive Electronic Briefing Book No. 334  
By Peter Kornbluh and Erin Maskell  
For more information: 202/994-7000 or [nsarchiv@gwu.edu](mailto:nsarchiv@gwu.edu)  
Posted - January 11, 2011  
<http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB334/>

**POSADA CARRILES BUILT BOMBS FOR, AND INFORMED ON, JORGE MAS CANOSA, CIA RECORDS REVEAL**  
CIA misjudged Posada as "not a typical boom and bang type" militant  
Proposed Posada for "responsible civil position" in post-Castro government  
Declassified Documents identify Posada's Agency Handlers  
National Security Archive Electronic Briefing Book No. 288  
For more information contact: Peter Kornbluh - 202/374-7281 [peter.kornbluh@gmail.com](mailto:peter.kornbluh@gmail.com)  
Posted - October 6, 2009  
<http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB288/>

**TERRORISM CASE OF LUIS POSADA DEBATED ON CAPITOL HILL**  
Archive Analyst Peter Kornbluh Shares Declassified CIA and FBI Intelligence Reports With House Foreign Affairs Subcommittee Washington DC, November 15, 2007 –  
In the first Congressional hearing held on the controversial case of violent Cuban exile Luis Posada Carriles, the House Foreign Affairs Subcommittee on International Organizations, Human Rights, and Oversight invited National Security Archive Senior Analyst Peter Kornbluh to testify on formerly top secret CIA and FBI intelligence reports linking Posada to the October 6, 1976 bombing of a Cuban civilian airliner  
November 15, 2007  
<http://www.gwu.edu/~nsarchiv/news/20071115/index.htm>

**DOCUMENTS LINKED TO CUBAN EXILE LUIS POSADA HIGHLIGHTED TARGETS FOR TERRORISM**  
*Bomber's Confessions Point to Explosives Hidden in Toothpaste Tube that Brought Down Civilian Airliner in 1976*  
*Judge Dismisses Immigration Fraud Charges on May 8; Indictment for terrorism crimes still possible*  
National Security Archive Electronic Briefing Book No. 218 Edited by Peter Kornbluh  
For more information contact: Peter Kornbluh - 202/994-7116 [peter.kornbluh@gmail.com](mailto:peter.kornbluh@gmail.com)  
Marian Schlotterbeck - 202/994-7000 Washington D.C.  
May 3, 2007  
<http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB218/index.htm>

**Bombing of Cuban Jetliner 30 Years Later**  
*New Documents on Luis Posada Posted as Texas Court Weighs Release from Custody*  
*Colgate Toothpaste Disguised Plastic Explosives in 1976 Terrorist Attack*  
*Confessions, Kissinger Reports, and Overview of Posada Career Posted*  
National Security Archive Electronic Briefing Book No. 202 Edited by Peter Kornbluh and Yvette White  
For more information contact Peter Kornbluh - 202/994-7116 - [peter.kornbluh@gmail.com](mailto:peter.kornbluh@gmail.com)  
Posted - October 5, 2006  
<http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB202/index.htm>

**The Posada File: Part II**  
Posada Boasted of Plans to "Hit" Cuban Plane, CIA Document States  
Served as Instructor, Informant for Agency for more than a Decade  
Other Documents Highlight Creation of Exile Terrorist Umbrella Group;  
Subsequent Acts of Terrorism and Violence attributed to Orlando Bosch  
National Security Archive Electronic Briefing Book No. 157  
For more information contact Peter Kornbluh - 202/994-7116 - [pkorn@gwu.edu](mailto:pkorn@gwu.edu)  
Posted - June 9, 2005  
<http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB157/index.htm>

**LUIS POSADA CARRILES THE DECLASSIFIED RECORD**  
CIA and FBI Documents Detail Career in International Terrorism; Connection to U.S.  
National Security Archive Electronic Briefing Book No. 153  
For more information contact Peter Kornbluh - 202/994-7116  
May 10, 2005  
<http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB153/index.htm>

Journalist Ann Louise Bardach's comprehensive coverage of Posada's career:  
[http://www.bardachreports.com/posada\\_files.htm](http://www.bardachreports.com/posada_files.htm)



**EXHIBIT 15:** Lt Colonel James Steele's denials of involvement in the Contra Resupply operation are detailed in this report by David Corn. Steele later went on to serve as an advisor in Iraq from May 2003 to September 2005 - senior counselor to the ambassador for Iraqi security forces. Steele worked closely with John Negroponte and David Petraeus.

General Abul Waleed, Head of Command for the Wolf Brigade, and Col. James Steele, Samarra, Iraq.



## From Iran-Contra To Iraq

by David Corn *May 7, 2005*

The George W. Bush presidency has been one long rehab session for the Iran-contra scoundrels of the Reagan-Bush administration. Many infamous veterans of the foreign policy connivance of the Reagan days have found a home in Bush II. Elliott Abrams--who pleaded guilty to misleading Congress regarding the Reagan administration's secret support of the contra rebels fighting the Sandinista government of Nicaragua--was hired as a staffmember of George W. Bush's National Security Council and placed in charge of democracy promotion. Retired Admiral John Poindexter--who was Reagan's national security adviser, who supervised Oliver North during the Iran-contra days, and who was convicted of several Iran-contra crimes before the convictions were overturned on a legal technicality--was retained by the Pentagon to search for terrorists using computerized Big Brother technology. John Negroponte--who as ambassador to Honduras in the early 1980s was the on-the-ground overseer of pro-contra operations there--was recruited by Bush to be UN ambassador, then ambassador to Iraq, and, most recently, the first director of national intelligence. Otto Reich--who mounted an arguably illegal pro-contra propaganda effort when he was a Reagan official--was appointed by Bush to be in charge of Latin American policy at the State Department. Now comes the news that another Iran-contra alum--a fellow who failed a polygraph test during the Iran-contra investigation--is playing a critical role in Bush's war in terrorism.

James Steele was recently featured in a New York Times Magazine story as a top adviser to Iraq's "most fearsome counterinsurgency force," an outfit called the Special Police Commandos that numbers about 5000 troops. The article, by Peter Maass, noted that Steele "honed his tactics leading a Special Forces mission in El Salvador during that country's brutal civil war in the 1980s." And, as Maass reminded his readers, that civil war resulted in the deaths of 70,000 people, mostly civilians, and "[m]ost of the killing and torturing was done by the army and right-wing death squads affiliated with it." The army that did all that killing in El Salvador was supported by the United States and US military officials such as Steele, who was head of the US military assistance group in El Salvador for two years in the mid-1980s. (A 1993 UN truth commission, which examined 22,000 atrocities that occurred during the twelve-year civil war in El Salvador, attributed 85 percent of the abuses to the US-backed El Salvador military and its death-squad allies.)

Maass reported that the Special Forces advisers in El Salvador led by Steele "trained front-line battalions that were accused of significant human rights abuses." But he neglected to mention that Steele ran afoul of the Iran-contra investigators for not being honest about his role in the covert and illegal contra-support operation.

After the Iran-contra story broke in 1986, Steele was questioned by Iran-contra investigators, who had good reason to seek information from him. The secret contra-supply network managed by Oliver North had flown weapons and supplies to the contras out of Ilopongo Air Base in El Salvador. Steele claimed that he had observed the North network in action but that he had never assisted it. The evidence didn't support this assertion. For one, North had given Steele a special coding device that allowed encrypted communications to be sent securely over telephone lines. Why did Steele need this device if he had nothing to do with the operation? And for a time Steele passed this device to Felix Rodriguez, one of North's key operatives in El Salvador. Furthermore, Congressional investigators discovered evidence indicating that aviation fuel given to El Salvador under a US military aid program that Steele supervised was illegally sold to the North network. (The Reagan administration refused to respond to congressional inquiries about this oil deal.) And according to the accounts of others, Steele had made sure that the North network's planes, used to ferry weapons to the contras, could come and go from Ilopongo.

When questioned by the Iran-contra independent counsel, Steele maintained that he had limited his actions to providing humanitarian assistance to the contras--an act that would not have violated the prohibition passed by Congress on supplying the contras with weapons. But, as independent counsel Lawrence Walsh later pointed out in his book, *Firewall*, a lie-detector examination indicated Steele "was not being truthful." Steele's name had also turned up in the private notebooks in which North kept track of his various Iran-contra operations. As Walsh wrote, "Confronted with the results of the lie-detector test and North's notebook, Steele admitted not only his participation in the [clandestine] arms deliveries [to the contras] but also his early discussions of these activities with Donald Gregg [the national security adviser to Vice President George Bush] and the U.S. ambassador to El Salvador, Edwin G. Corr."

Walsh's description suggested that Steele tried to lie his way past investigators as part of a larger cover-up. At the time of the scandal, a significant question was how much Donald Gregg knew about the operation in El Salvador, for Gregg's connection to the secret, law-skirting contra-support network implicated Vice President Bush, who was running for president and claiming he had been out of the loop on the Iran-contra affair. (George H.W. Bush's own diaries--which he withheld for several years and did not release until after he had lost his 1992 bid for reelection as president--prove that despite his claim of ignorance he knew about the Iran-contra affair before it became public.) Steele had played the good soldier--that is, he did not tell the truth and kept his mouth shut as long as he could.

Steele escaped indictment and his flunking of the polygraph exam was not revealed until Walsh's book came out in 1997. But he did have to pay for his participation in the North's contra scheme. In 1988, the Pentagon sent to the Senate a list of 50 Army colonels who were up for promotion to brigadier general. An a list of proposed promotions to full colonel submitted at the same time included Lt. Colonel Robert Earl, a North deputy who assisted the contra supply effort and participated in the destruction of records after the Iran-contra scandal exploded. Usually such promotions fly through the Senate with no debate. But aides working for Senator Tom Harkin, a Democrat from Iowa, noticed Steele's and Earl's names on these lists, and Harkin blocked these two promotions. "There is no way any of these people is going to get a promotion" without a congressional inquiry, Harkin told *The Washington Post*. The Army claimed that it had found that Steele had committed nothing wrong. Obviously, it had not looked hard enough, for, as Walsh later determined, Steele had not told the truth.

But misleading congressional and independent investigators didn't fully derail Steele's career. He is once more advising a military unit with a questionable human rights record. Let's hope that if his actions this time around become of interest to government investigators he is truthful when they come knocking.

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April 5, 2006

*Dear Secretary Rumsfeld:*

*I am writing to request a copy of all records pertaining to Pentagon plans to use U.S. Special Forces to advise, support and train Iraqi assassination and kidnapping teams.*

*On January 8, 2005, Newsweek magazine first published a report that the Pentagon had a proposal to train elite Iraqi squads to quell the growing Sunni insurgency. The proposal has been called the "Salvador Option," which references the U.S. military assistance program, initiated under the Carter Administration and subsequently pursued by the Reagan Administration, that*

*funded and supported "nationalist" paramilitary forces who hunted down and assassinated rebel leaders and their supporters in El Salvador. This program in El Salvador was highly controversial and received much public backlash in the U.S., as tens of thousands of innocent civilians were assassinated and "disappeared," including notable members of the Catholic Church, Archbishop Oscar Romero and the four American churchwomen. According to the Newsweek report, Pentagon conservatives wanted to resurrect the Salvadoran program in Iraq because they believed that despite the incredible cost in human lives and human rights, it was successful in eradicating guerrillas.*

*Mr. Secretary, at a news conference on January 11, 2005, you publicly stated that the idea of a Salvador option was "nonsense." Yet mounting evidence suggests that the U.S. has in fact funded and trained Iraqi assassination and kidnapping teams and these teams are now operating with horrific success across Iraq.*

*We know that the Pentagon received funding for training Iraqi paramilitaries. About one year before the Newsweek report on the "Salvador Option," it was reported in the American Prospect magazine on January 1, 2004 that part of \$3 billion of the \$87 billion Emergency Supplemental Appropriations bill to fund operations in Iraq, signed into law on November 6, 2003, was designated for the creation of a paramilitary unit manned by militiamen associated with former Iraqi exile groups. According to the Prospect article, experts predicted that creation of this paramilitary unit would "lead to a wave of extrajudicial killings, not only of armed rebels but of nationalists, other opponents of the U.S. occupation and thousands of civilian Baathists." The article further described how the bulk of the \$3 billion program, disguised as an Air Force classified program, would be used to "support U.S. efforts to create a lethal, and revenge-minded Iraqi security force." According to one of the article's sources, John Pike, an expert of classified military budgets at [www.globalsecurity.org](http://www.globalsecurity.org). "the big money would be for standing up an Iraqi secret police to liquidate the resistance."*

*We know that some of the Pentagon's Iraq experts were involved in the Reagan Administration's paramilitary program in El Salvador. Colonel James Steele, Counselor to the U.S. Ambassador for Iraqi Security Forces, formerly led the U.S. Military Advisory Group in El Salvador from 1984-1986, where he developed special operating forces at brigade level during the height of the conflict. The role of these forces in El Salvador was to attack "insurgent" leadership, their supporters, sources of supply, and base camps. Currently Colonel Steele has been assigned to work with the new elite Iraqi counter-insurgency unit known as the Special Police Commandos, operating under Iraq's Interior Ministry. Director of National Intelligence, John Negroponte, was U.S. Ambassador to Iraq from June 2004 to April 2005. From 1981 to 1985, he was ambassador to Honduras where he played a key role in coordinating U.S. covert aid to the Contras, anti-Sandinista militias who targeted civilians in Nicaragua. Additionally, he oversaw the U.S. backing of a military death squad in Honduras, Battalion 3-16, which specialized in torture and assassination. The U.S. had similar programs of supporting paramilitary groups set up in Nicaragua and Honduras as its program in El Salvador. In a Democracy Now interview on January 10, 2005, Allan Nairn, who broke the story about U.S. support of death squads in El Salvador, suspected that Ambassador Negroponte would most likely be involved in the economic side of U.S. support to death squads in Iraq.*

*We know that a wave of abductions and executions, in the style of the death squads of El Salvador, and with ties to an official government sponsor, and to the U.S., has hit Iraq. News reports over the past 10 months strongly suggest that the U.S. has trained and supported highly organized Iraqi commando brigades, and that some of those brigades have operated as death squads, abducting and assassinating thousands of Iraqis. Some news highlights: • May 1, 2005 -- Los Angeles Times reports that the U.S. is providing technical and logistical support to the Maghawir (Fearless Warrior) brigades, the Interior Ministry's special commandos, according to Major General Rasheed Flayih Mohammed. Iraqi authorities plan to increase deployment of the 12,000-strong Maghawir (Fearless Warrior) brigades, which are composed of well-trained veterans who have worked closely with U.S. forces in Najaf, Fallujah and Mosul and include the Wolf, Scorpion, Tiger and Thunder brigades. • May 16-20, 2005 -- Los Angeles Times and New York Times reveal discovery of 46 bodies, all Iraqi men abducted and slain execution-style, in various locations: floating in the Tigris, dumped in ditches and garbage-strewn lots, and buried at a poultry farm. • June 15, 2005 -- Washington Post reports that U.S. forces had knowledge of secret and illegal abductions of hundreds of minority Arabs in Kirkuk. The abductions were by forces led by Kurdish political parties and backed by the U.S. military. • June 20, 2005 -- Los Angeles Times reports that Saad Sultan, of Iraq Human Rights Ministry said that police and security forces attached to the Iraqi Interior Ministry, thousands of whom have been trained by American instructors, are responsible for abusing up to 60% of estimated 12,000 detainees in prison and military compounds. He says the units have used tactics reminiscent of Saddam's secret intelligence squads. • July 3, 2005 -- Reuters News reports that the government of Iraq publicly acknowledged that the new security forces were using torture. Article further says that accounts are common of people being seized by armed men in the uniforms of the police, army or special units like Baghdad's Wolf Brigade police commandos, and then disappearing without trace or being found dead. • July 28, 2005 -- Los Angeles Times reports that members of a California Army National Guard company, the Alpha Company, who were implicated in a detainee abuse scandal, trained and conducted joint operations with the Wolf Brigade, a commando unit criticized for human rights abuses. In an online Alpha Company newsletter, Captain Haviland wrote, "We have assigned 2nd Platoon to help them transition, and install some of our 'Killer Company' aggressive tactical spirit in them." The article further states that despite the Wolf Brigade's controversial reputation for human rights violations, it is regarded as the gold standard for Iraqi security forces by U.S. military officials. • August 31, 2005 -- BBC reports that on the night of August 24, a large force of the Volcano Brigade raided homes in Al-Hurriyah city in the Baghdad, kidnapping and then*

executing 76 citizens. The victims were all shot in the head after their hands and feet had been tied up. They suffered the harshest forms of torture, deformation and burning. • November 16, 2005 -- Reuters News reports the discovery of 173 malnourished men, some of whom were tortured, imprisoned in a secret jail run by Shi'ite militias tied to the Interior Ministry. • November 17, 2005 -- Newsday reports that in the past year, the U.S. military has helped build up Iraqi commandos under guidance from James Steele, a former Army Special Forces officer who led U.S. counterinsurgency efforts in El Salvador in the 1980s. The brigades built up over the past year include the Lion Brigade, Scorpion Brigade and Volcano Brigade. • February 15, 2006 -- Associated Press reports that the Interior Ministry has launched a probe into death squad allegations. • February 19, 2006 -- BBC reveals that morgues in Baghdad receive dozens of bodies picked up daily from rivers, sewage plants, waste burial sites, farms and desert areas. Most of the bodies are handcuffed and blindfolded civilians with a bullet or more in the forehead, indicating that they were executed. The handcuffs used on the victims are like those used by the Iraqi police. • February 26, 2006 -- The Independent reports that outgoing United Nations' human rights chief in Iraq, John Pace, revealed that hundreds of Iraqis are being tortured to death or summarily executed every month in Baghdad alone by the death squads working from the Ministry of Interior. He said that up to three-quarters of the corpses stacked in the Baghdad mortuary show evidence of gunshot wounds to the head or injuries caused by drill-bits or burning cigarettes. • March 9, 2006 -- Los Angeles Times reports that Iraqi police officers who worked at the Interior Ministry's illegal prison had received American training, and that U.S. trainers have also given extensive support to 27 brigades of heavily armed commandos accused of a series of abuses, including the death of 14 Sunni Arabs who were locked in an airtight van last summer. • March 10, 2006 -- Sidney Morning Herald reports that men wearing the uniforms of U.S.-trained security forces, which are controlled by the Interior Ministry, abducted 50 people in a daylight raid on a security agency. Masked men who are driving what appear to be new government-owned vehicles are carrying out many of the raids. • March 27, 2006 -- The Independent reports that while U.S. authorities have begun criticizing the Iraqi government over the "death squads," many of the paramilitary groups accused of the abuse, such as the Wolf Brigade, the Scorpion Brigade and the Special Police Commandos were set up with the help of the American military. Furthermore, the militiamen were provided with U.S. advisers some of whom were veterans of Latin American counter-insurgency which also had led to allegations of death squads at the time.

Mr. Secretary, in light of this evidence of U.S. support for and the existence of death squads in Iraq, what is the basis for your January 11, 2005 statement, that the idea of a Salvador option in Iraq is "nonsense"? I request a copy of all records pertaining to Pentagon plans to use U.S. Special Forces to advise, support and train Iraqi assassination and kidnapping teams. I look forward to receiving your response.

Sincerely, Dennis J. Kucinich,

Member of Congress

**Testimony On Contras Still Haunts Colonel**

[http://articles.chicagotribune.com/1991-07-07/news/9103170482\\_1\\_iran-contra-james-steele-special-prosecutor-lawrence-walsh](http://articles.chicagotribune.com/1991-07-07/news/9103170482_1_iran-contra-james-steele-special-prosecutor-lawrence-walsh)

**Journalist Peter Maas profiled the new Iraq Counterinsurgency effort in New York Times Magazine (May 1, 2005)**

<https://www.nytimes.com/2005/05/01/magazine/01ARMY.html>

**Washington Post Editorial "Iraq's Death Squads"**

<http://www.washingtonpost.com/wp-dyn/content/article/2005/12/03/AR2005120300881.html>

**Guardian article on "The Salvador Option" October, 2010**

<http://www.guardian.co.uk/world/2010/oct/28/iraq-war-logs-iraq>

**Celerino Castillo III essay on Negroponte and the Salvador Option**

<http://www.powderburns.org/negroponte.html>

## **EXHIBIT 17: How political maneuvering within the administration protected smugglers. Essays by Robert Parry and Knight and Bernstein.**

### **The Kerry-Weld Cocaine War**

By Robert Parry 1996

WASHINGTON -- The sudden uproar over a decade-old story -- cocaine smuggling linked to the CIA-backed Nicaraguan contra rebels -- could reverberate with special intensity in Massachusetts, where the controversy has the potential for affecting the outcome of a close Senate race.

That race pits John Kerry, the Democratic senator who led the investigation into contra drugs, against Republican William Weld, the chief of the Justice Department's criminal division when the contra-drug allegations were emerging as a national issue and when the Iran-contra scandal broke in the fall of 1986.

In new testimony before the Senate Intelligence Committee on Oct. 23, one of Kerry's former investigators, Jack Blum, fingered Weld as the "absolute stonewall" who blocked the Senate's access to vital evidence linking the contras and cocaine. "Weld put a very serious block on any effort we made to get information," Blum told a crowded hearing room. "There were stalls. There were refusals to talk to us, refusals to turn over data."

Weld has denied those charges and insisted that he conscientiously pursued the allegations. In that position, the governor has been helped by the main Massachusetts papers, particularly The Boston Globe, which have largely accepted Weld's word. Indeed, instead of digging into Weld's official drug-war actions in late 1986 and during 1987, the Globe has gone on the offensive against Kerry -- for sleeping at the homes of friends during his divorce a decade ago.

Yet, an investigation by The Consortium has uncovered new evidence that buttresses Blum's charge that Weld stonewalled the contra-cocaine allegations. Information also emerged revealing a cozy relationship between Weld and top Globe reporters in Washington during the mid-1980s.

A review of Weld's Justice Department phone logs and calendars, from fall 1986 to spring 1987, revealed Weld scheduling squash matches with the Globe's Bob Healy and speaking to the Globe's Steve Kurkjian far more than to any other journalist, even those who regularly covered the Justice Department. Kurkjian wrote the recent investigative story slamming Kerry's acceptance of friends' hospitality during his divorce.

More importantly, however, during the current Senate campaign, the Globe has given scant coverage to Weld's record of downplaying -- and trying to discredit -- the flood of contra-cocaine allegations that inundated his office in late 1986 and early 1987.

When Weld assumed control of the criminal division in September 1986, requests for contra-cocaine evidence already were pending from Sen. Richard Lugar, R-Ind., and Claiborne Pell, D-R.I., the chairman and ranking minority member of the Senate Foreign Relations Committee, respectively. In support of Kerry's probe, Lugar and Pell were requesting information on more than two dozen names of individuals connected to the contra operation and suspected of drug trafficking.

#### **'Just Stonewalling'**

One of Weld's top deputies, Mark Richard, expressed concern about the Justice Department's failure to respond to that request, as the Reagan administration sought to shield the contras from negative publicity. "In the September [1986] time frame, a new assistant attorney general [Weld] comes on board," Richard testified in a deposition. "I must confess I was concerned. I was concerned not so much that there were going to be hearings [about contra-connected drug trafficking].

"I was concerned that we were not responding to what was obviously a legitimate congressional request. We were not refusing to respond in giving explanations or justifications for it. We were seemingly just stonewalling what was a continuing barrage of requests for information. That concerned me to no end."

Richard said he raised his worries with Weld directly. "I impressed upon the new assistant attorney general that this, in my judgment, was an issue that had to be addressed. We had responsibility across section lines. ...To my knowledge, we just were not saying we're not going to give it. We're not saying we're going to give it. We're just not saying anything."

As part of the Reagan team, Weld continued to snub the Senate and its demands for action on the contra-drug issue. On Sept. 26, 1986, Kerry brought Weld an 11-page "proffer" statement from a female FBI informant who had told the senator that Colombian cocaine kingpin Jorge Ochoa had bragged about his payments to the contras. The informant, Wanda Palacio, also claimed to have witnessed the loading of cocaine onto CIA-connected planes twice in Barranquilla, Colombia.

Weld brushed aside the allegations, even though some of the woman's most important charges found powerful corroboration. Palacio had claimed, for instance, that one of the shipments was aboard a Southern Air Transport plane that landed in Barranquilla in early October 1985. When one of Oliver North's secret contra supply planes was then shot down over Nicaragua on Oct. 5, 1986, Palacio identified a photo of the co-pilot, Wallace Sawyer, as one of the cocaine smugglers in Barranquilla.

## **'Diseased Blankets'**

As it turned out, Sawyer's flight logs, which were recovered from the Nicaraguan crash, showed that Sawyer had flown a Southern Air Transport plane into Barranquilla three times in early October 1985, just as Palacio had alleged. [For more details, see *The Consortium*, Oct. 28, 1996, or *The Nation*, Oct. 21, 1996] Nevertheless, Weld would continue to reject Palacio's testimony. When asked about the Palacio case recently, Weld described the woman's credibility as equal to "a wagon load of diseased blankets."

But as internal Justice records reveal, Palacio was only one of many witnesses turned away when they linked the contras, the CIA and cocaine. The documents also show that under Weld's leadership, the criminal division continued to withhold information requested by the Senate in fall 1986.

Those delays finally prompted an angry response from Lugar and Pell, two of the most mild-mannered members of the U.S. Senate. On Oct. 14, 1986, the two senators complained that they had been waiting more than two months for information that the Justice Department had promised "in an expeditious manner."

"To date, no information has been received and the investigation of allegations by the committee, therefore, has not moved very far," Lugar and Pell wrote. "This has led to concern about Justice's willingness to provide information, its responsiveness to our requests and its readiness to cooperate with our investigation. We're disappointed that the Department has not responded in a timely fashion and indeed has not provided any materials."

That bipartisan volley caught the Justice Department's attention, but Weld continued to drag his heels. Weld called two meetings which bogged down over peripheral issues, according to Weld's deputy, Richard. "I remember being frustrated because he [Weld] was spending so much time on one [fraud] case," Richard explained in a sworn deposition.

Though still not forthcoming with the Senate, Weld was getting nervous, the records reveal. On Oct. 16, 1986, he sent a memo to another assistant, Victoria Toensing, ordering her to "get me a copy of Sen. Kerry's stnt re DOJ not investigating Nicaragua." By Nov. 6, another memo indicated that Weld had opened a special "Nicaragua" file. He wrote in still another memo that "Nicaragua is front burner."

By Nov. 11, Weld was lamenting in writing to his staff that "delay looks awful." He wanted to know where court records from a major San Francisco contra-cocaine criminal case were. That was the so-called Frogman case which had caught Norwin Meneses, a Nicaraguan contra fund raiser, smuggling cocaine by sea into the Bay Area. The federal prosecutor had returned \$36,020 seized in that case when one of the defendants submitted letters from contra leaders who insisted that the money was really their property.

Though the Frogman case records were among the files sought by Congress, a former Kerry investigator told *The Consortium* that Weld's office never delivered those records to the Senate.

## **Just Saying No**

According to other internal Justice Department documents, Weld continued to just say no when it came to Senate requests for advancing the contra-cocaine inquiries. Later in November 1986, Weld personally edited a letter to Kerry denying federal protection to Wanda Palacio, the woman who claimed to have witnessed Medellin cartel cocaine shipments connected to the CIA and the contras. "The Department ... does not provide protection for an informant," the letter read. "It protects a person providing information who agrees to become a witness." But by rejecting Palacio as not credible, Weld had blocked her attempts to become a federal witness.

Into 1987, Weld and his criminal division continued the pattern of failing to follow leads from other potentially valuable CIA-cocaine witnesses, such as George Morales who alleged before the U.S. Senate that the Colombian cartel had given a ton of cocaine which the contras smuggled into the United States through Costa Rica.

But a blind eye toward contra cocaine allegations was apparently common inside the Reagan administration. In May 1987, the U.S. attorney for northern Indiana notified the Justice Department that an FBI agent in Illinois had decided that one convict "was not used in a drug prosecution in Springfield, Ill., because he allegedly told the agents that he had offloaded arms in Nicaragua." The teletype, found among Weld's records on file at the National Archives, did not explain why the Nicaraguan connection would exclude use of the witness in a drug case.

Meanwhile, in 1987 and again in 1988, the CIA insisted that it had conducted investigations into the allegations of contra drug smuggling and had found no evidence implicating the contras or the spy agency. Even today, those CIA reports are being cited by mainstream newspapers as they seek to refute new allegations by *The San Jose Mercury News* that contra cocaine trafficking fueled the crack epidemic that swept American cities in the 1980s.

But at the Oct. 24, 1996, hearing of the Senate Intelligence Committee, CIA inspector general Frederick Hitz conceded that the first CIA probe had lasted only 12 days. The second probe took only three days before concluding that "all allegations implying that the CIA condoned, abetted or participated in narcotics trafficking are absolutely false," he said.

Hitz also acknowledged that in the past two months he has been unable to collect the large volume of relevant documents that would allow him even to begin a credible investigation. Hitz's admission directly undercut the reliability of the previous CIA probes, which the mainstream media had relied on heavily to attack the *Mercury News* story.

## **Friends in High Places**

Weld's friendships with key Washington journalists also helped him fend off contra-cocaine damage to his reputation in the late 1980s. Not only was Weld pals with prominent Boston Globe writers, he had a close personal relationship with Newsweek bureau chief Evan Thomas and other influential members of the press corps from the Harvard alumni set.

That story of a pro-Weld press remains pretty much the same today. The Globe hits Kerry for alleged decade-old ethical lapses after his marriage break-up, while Weld escapes any serious scrutiny over whether he shirked his public duty to enforce criminal drug smuggling laws for political reasons.

Weld also has been one of the chief beneficiaries from the big-media attacks on the Mercury News contra-crack series. Over the past two weeks, The New York Times and The Los Angeles Times joined The Washington Post in bashing that series, while continuing to accept the CIA's word about little or no contra drug trafficking. The new attacks, however, contained many of the same biases and factual shortcomings as did the Post articles. [See The Consortium, Oct. 28 for more details.]

Still, the public confusion over the validity of the contra-cocaine charges has limited the damage to Weld's strong Senate campaign. The result on Nov. 5, therefore, could be the removal of Kerry, the chief contra-drug investigator, and his replacement with the Reagan official who kept the stonewall in place

Source: <http://www.consortiumnews.com/archive/crack.html>

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## ***The Second Of Two Parts On The U.S. Intelligence Community's Drug-Dealing Treason.***

***By Dennis Bernstein and Robert Knight December 4, 1996***

**EX-LT. COL. OLIVER** North likes to boast on his talk show that he's "the most investigated man on earth." North complains the government spent tens of millions of dollars to investigate him on various Iran-contra charges and came up empty handed.

North is half right. Tens of millions were spent on at least a half-dozen congressional and Justice Department investigations into various illegal contra activities. But the unfortunate fact is that a motherlode of evidence was discovered and then dutifully covered up by Reagan Administration officials, sympathetic pro-contra members of congress, and CIA infiltrators.

The techniques of cover-up are old and familiar. For the CIA-contra-cocaine connection they include the narrowly phrased question, the blind inspector, "national security," selective prosecution, and sympathetic officials and media "assets." As multiple hearings and investigations gear up to answer charges raised most recently by the *San Jose Mercury News*, it may be useful to examine how public officials and covert operators collaborate to suppress such serious information.

Exactly a decade ago, after months of revelations about secret arms deals with the Iranians to support the contras, congressional leaders announced an investigation into North's National Security Council network by the newly formed Iran-Contra Select Committee. But from its inception, it was clear this investigation would be limited and sanitized.

For starters, the Democratic chairs of both committees--Sen. Daniel Inoué and Rep. Lee Hamilton--were falling over one another to assure the public this would not be "another Watergate." As Inoué told reporters, the country "isn't ready" for that. Having thus declared their limits, they turned to an investigator who could limit their vision.

**ENTER THOMAS POLGAR**, whom the Democrats hired as senior investigator. As the former CIA station chief in Vietnam during the fall of Saigon, Polgar personally witnessed the bitter fruit of 20 years of covert foreign policy, which he had faithfully chronicled with rosy CIA cover stories for Congress and millions of skeptical Americans.

From "The Company's" point of view, Polgar was perfect to guide the Senate panel. He'd already served as a consultant to George Bush's task force on terrorism, which included several figures in the Iran-contra scandal, including Oliver North. And as Saigon station chief, Polgar worked for Theodore Shackley, a former top CIA official who facilitated North's arms sales to Iran.

Of the six investigators and 13 lawyers hired by the original Iran-contra committee, Polgar was the only one with a CIA background, and it was Polgar who was sent to Costa Rica to investigate CIA involvement in illegal contra operations. According to our own

investigation, interviewing a number of people with whom Polgar spoke on his visit, it was clear that key evidence was being ignored.

Polgar neglected to interview key suspects and sources, and would even talk to journalists to find out their "spin" before announcing his findings. One of the more extraordinary omissions is his failure to interview CIA and North operative John Hull, who had been identified by numerous U.S. and Costa Rican officials, as well as contra and drug operatives, as being involved in drug trafficking.

Back in Washington, Polgar met with former CIA colleague Donald Gregg, then Vice President George Bush's national security advisor. As Gregg himself acknowledged in the February 23, 1987, *Legal Times*, "He wanted to assure me that the hearings would not be a repeat of the Pike and Church investigation," a mid-1970s investigation that exposed the CIA's role in assassination plots and led to huge cuts in the covert operations budget.

"Polgar felt it proper for an intelligence officer to be an activist," said Frank Snepp, a former Agency colleague of Polgar's. "Polgar would filter out information in our reports to cover up massive corruption and low troop morale," Snepp said. "He would 'Polgarize' it. That's what we called it when Polgar would edit a report into oblivion."

Even before joining the Select Committee, he had "Polgarized" the world-famous crash of the CIA plane shot down over Nicaragua in October 1986 on a contra supply mission, an incident known as Hasenfus, after the plane's pilot, Eugene Hasenfus. "I think the CIA is telling the truth," Polgar wrote in the *Miami Herald*, "that it was not involved in the flight on which the Hasenfus plane was shot down."

Polgar was not the only committee staffer with glaring conflicts of interest. Alabama Senator Jeremiah Denton's staff aide Joel S. Lisker had previously made efforts to work directly with Oliver North in support of the contras. A senate aide who requested anonymity confided to us his astonishment at Lisker's appointment: "How can you get someone who was actively involved in events and put him in charge of the investigation? We were told a year ago that this guy was in the middle of it and is a buddy of North's."

**WHILE BOTH POLGAR** and Lisker clearly proved effective in helping suppress the dirtier aspects of the Iran contra affair, a key actor in the cover-up was the House Select Committee chair Lee Hamilton.

It was Hamilton who drafted a letter to Costa Rican President Oscar Arias threatening a chill in relations if the Costa Rican attorney general proceeded to indict and prosecute long-time CIA asset and North operative John Hull, point man of the contra "southern front." Hull had been identified by at least four eye-witnesses as being present on land he controlled in Costa Rica when large quantities of cocaine were loaded onto planes bound for the U.S. But Oliver North invoked national security, writing in his NSC notebooks of a "need to protect Hull."

On behalf of Congress, Hamilton wrote to Arias that he hoped Costa Rica would be handling Hull's case "in a manner that will not complicate U.S.-Costa Rican relations."

Hull was ultimately indicted, but a DEA agent smuggled him out of Costa Rica. Hull, North and every U.S. official working with them were deemed "persona non grata" by Costa Rican authorities. Hull never appeared before the Iran-contra committee, and to this day, has never been indicted in this country.

**EVEN BEFORE THE** joint Iran-Contra committees were formed, three other committees were already examining charges that Lt. Col. Oliver North's secret contra arms network was funded by illegal drug sales with the knowledge of the Central Intelligence Agency.

The House Select Committee on Narcotics Abuse and Control, chaired by Rep. Charles Rangel, D-N.Y., had already conducted important preliminary research on contra supporters suspected of drug activities. Rangel had asked Customs to do a background check on 38 individuals or companies associated with the contras to see if any had ever been suspected or investigated for drug trafficking. On June 23, 1986, Customs Commissioner William Rosenblatt responded, confirming in a letter to Rangel that "for 24 of the 38 individuals or companies we asked them to check, there is 'positive' information on the Customs computer indicating previous (drug-related) interest in these people or companies. This initial check provides information that warrants further investigation about possible tie-ins between the contras, the individuals carrying out the contra supply mission and drug smuggling activities."

The Narcotics Committee requested further information from the Justice Department and the DEA, but neither cooperated, prompting a frustrated Rangel to declare, "I am shocked and dismayed that Attorney General Meese would have the DEA gagged."

**THE HOUSE JUDICIARY** Subcommittee on Crime had also discovered what chairman William Hughes, D-N.J., called "a whole host of issues with regard to potential official involvement in certain aspects of gun-running and narcotics trafficking between Florida and Central and South America." But like Rangel, Hughes was also stonewalled by the Justice Department. "There would appear to be substance to the allegations," Hughes said during a 1987 press conference, "that the Justice Department either attempted to slow down or abort one of the ongoing criminal investigations."

By far the most aggressive of the three congressional committees was John Kerry's Subcommittee on Narcotics, Terrorism and International Operations. His aggressiveness paid off, as Kerry was finding significant evidence of contra-connected drug smuggling. Among the scores of witnesses called to testify was convicted drug smuggler George Morales.

Morales, who had passed a lie detector test, gave detailed testimony that four contras and "southern front" coordinator Hull were involved in an arms and drugs operation between 1984 and 1985--during which time Congress had refused to fund the contras.



Morales said contra leaders Adolfo (Popo) Chamorro, Gerardo Duran, Marcos Aguado and Octaviano Cesar participated in the operation. He said Cesar and Aguado, claiming to represent the CIA, approached him after a 1983 drug indictment and promised "they would take care of the legal problems" in exchange for his help in arming the contras, who used his fleet of planes for the transshipment of weapons and cocaine.

**BEFORE KERRY WENT** public with his findings, he had attempted to get the Justice Department to act on what he considered compelling evidence of U.S. involvement in illegal activities including contra drug trafficking. On September 26, 1986, Kerry met with Assistant U.S. Attorney William Weld, the head of the Justice Department's criminal division.

According to minutes of the meeting prepared by Kerry aide Jonathan Winer, Kerry described his committee's findings "that we had learned a lot about neutrality violations, gun running, and drug smuggling involving the contras and the infrastructure which supports them."

Kerry handed Weld an 11-page "proffer," a sworn statement from FBI informant Wanda Palacio that directly implicated the CIA in drug trafficking. According to the minutes, Kerry asked Weld to read the statement and left the room. According to Winer, who stayed in the room with Weld, he "read about a half page and chuckled. I asked him why. He said, 'This isn't the first time today I've seen allegations about CIA agents' involvement in drugs.'

"Concerned that he was shrugging off the statement, I said that Wanda had been told this by the Miami FBI. Weld said he didn't doubt that; it happened all the time. There were bum agents, former and current CIA agents; it didn't surprise him." But Weld never acted on the Palacio statement or any other evidence gathered by Kerry.

According to former Kerry committee counsel Jack Blum's recent testimony before the Senate Intelligence Committee (hearings prompted by the *Mercury News* series), Weld not only did not investigate but put up an "absolute stone wall" between the Justice Department and the Kerry investigation. "There were stalls, there were refusals to talk to us, refusals to turn over data...Weld put a very serious block on any effort to get information."

Miami-based attorney John Mattes, a former federal public defender, supplied some of the information discussed at the 1986 meeting with Weld. To this day, Mattes is confounded that Weld chose not to act, noting that "Weld claims he followed up with an investigation. But there is, however, no record that while Weld was the chief prosecutor for the U.S., that so much as one contra-related narcotics trafficker was brought to justice."

**DESPITE THE REAGAN**-Bush Justice Department's strategic inaction in prosecuting contra-connected drug operations, legal actions were taken against some disillusioned contra supporters who spoke out against the drugs and corruption. On June 28, 1988, a federal grand jury in Fort Lauderdale, Florida, handed down two separate indictments against 13 pro-contra mercenaries for conspiring to violate the Neutrality Act.

A key target of the indictment was former contra-trainer Jack Terrell. Months before the Iran-contra scandal erupted, Terrell voluntarily provided the Miami U.S. Attorney, the FBI, Congress, and journalists with information about the grittier parts of the illegal contra network. As an investigator for the International Center for Development Policy, Terrell prepared an exhaustive "Index of Participants," which listed the major and minor players in the contra secret war.

His June 1986 appearance on the now-defunct CBS news-magazine show *West 57th Street* prompted National Security Advisor John Poindexter to deem Terrell a "terrorist threat." In a memo to the President, Poindexter noted that "Terrell has appeared on various television documentaries, alleging corruption, human-rights abuses, drug-running, arms smuggling, and assassination attempts by the resistance and their supporters.

"Terrell's accusations have formed the basis of a civil law suit in the U.S. District Court in Miami and his charges are at the center of Senator (John) Kerry's investigation in the Senate Foreign Relations Committee," Poindexter wrote in his extraordinary claim that Terrell might be a foreign agent for the Nicaraguan government, threatening to assassinate the President.

"This is the ultimate reward you get for talking," Terrell said after he was indicted. "When you blow the whistle, when you talk against the policy and start exposing corruption, fraud, gun deals, murder, conversion of aid for private use, drug dealing, secret illegal networks, and then the Administration's policy starts falling apart and people start falling off the wall like Humpty Dumpty, then they go after you with everything they got."

Oliver North also went after Terrell, writing in a July 25, 1986, memo to Poindexter that "one of the security officers for Project Democracy met several times with Terrell and evaluated him as extremely dangerous."

That security officer, former CIA operative Glen Robinette, wrote in a July 17, 1986, memo to North that "Terrell may actually possess enough information--either from first-hand personal knowledge or from other sources--to be dangerous to our objectives...He is certainly going to quote names and organizations--known or not known--to show his great and intimate knowledge of (the) 'secret operation.' "

Eighteen months earlier, Robert Owen, a former aide to then-Senator Dan Quayle, wrote North a memo dated January 31, 1985, stating, "Right now Flako (Terrell) knows too much and it would do no one any good if he went to the press. He has to be finessed out."

At his recent testimony, Jack Blum described just how common it was to selectively prosecute those who alleged contra or CIA involvement in the drug trade.

"There was a flip side to this drug problem as well. One of the favorite techniques of various people in this operation was, whenever there was someone they didn't like, they would label him a 'drug trafficker'...So this became a matter of affirmative and negative use."

Committee chair Arlen Specter declined to probe this line of testimony, and instead continually questioned Blum on his opinion regarding the "narrow question" of "whether there are some situations which may be sufficiently serious to warrant covert activities?"

**OTHER "NARROW QUESTIONS"** are being applied to discredit the *Mercury News* series, with assertions that the contras didn't target "blacks only" for crack distribution; that there may have been "rogue agents," but the intelligence community as a whole did not condone converting drug sales for contra support; and the publication of paeans to CIA integrity based solely on CIA interviews.

But the broader evidence of a pattern of contra-cocaine operations presented in Part One, along with the cover-up methods detailed here, may be useful to the reader in taking a second look at the syndrome which, during the 1980s, resulted in a secretly sanctioned contra-related cocaine invasion of the United States.

(Part 2 of a 2 part series)

Source: <http://www.tucsonweekly.com/tw/11-28-96/cover.htm>

**Part 1 How the Contras Corrupted the US Government**  
<http://www.tucsonweekly.com/tw/11-21-96/cover.htm>

## Contra Narco-Terrorists

By Robert Parry

The strange case of Cuban exile Frank Castro demonstrates how blowback from the CIA's violent campaigns against Fidel Castro in the 1960s flowed into South American drug trafficking in the 1970s and the Nicaraguan contra operation in the 1980s.

According to the new report by CIA Inspector General Frederick Hitz, the CIA knew that Frank Castro, an anticommunist veteran of the CIA's Cuba operations, was implicated in terrorism and drug trafficking by the time he joined the contras in the mid-1980s.

Still, the CIA withheld information about Frank Castro from Congress in 1986, a decision that undercut Sen. John Kerry's investigation into the contra-drug secrets -- especially into links between the contras and the Medellin cartel.

Kerry's final report in 1989 mentioned Castro only in passing and left out several promising leads that suggested a cartel tie-in to the contra war.

In *Cocaine Politics*, published in 1991, authors Peter Dale Scott and Jonathan Marshall offered a more complete picture. They described Frank Castro as the man who "brought together the intelligence, terrorist and criminal forces in the contra movement."

Scott and Marshall wrote that "Castro's career intersects many of the historical intrigues that fostered the narco-terrorist apparatus in the contra movement. ... These strands, unexplored by Congress and largely ignored by the media, suggest that the contra-drug connection was not merely an isolated incident but rather part of an ongoing history of illegal activities that enjoyed at least some official protection from U.S. intelligence agencies."

Hitz's report confirmed that the CIA did protect the contra-cocaine connections, by withholding key information from Congress and by releasing false assurances that the contra-drug allegations were bogus. In an appendix to the report, Hitz makes clear that Frank Castro was one contra-trafficker who benefitted from the CIA's silence.

According to a government biography, cited by Hitz, Frank Castro was born in Cuba on June 4, 1942, as Eulalio Francisco Castro. After Fidel Castro's revolution won control of Cuba, Frank Castro fled to the United States and sought asylum in 1961. He received military training from the U.S. Army in 1962-63 at Forts Knox, Jackson and Carson.

In their book, Scott and Marshall reported that Castro joined a paramilitary training camp in Central America to carry on the CIA's war against Fidel Castro. That force, commanded by Bay of Pigs political leader Manuel Artime, launched attacks on Cuban economic targets.

By the early 1970s, Castro had changed his first name to Frank and had become a U.S. citizen. He also took part in more terrorist attacks -- bombings and attempted bombings -- against Cuban and Soviet facilities.

Though Hitz's report contains gaps about Frank Castro's activities, *Cocaine Politics* reported that Castro emerged as "one of the most militant of the exile terrorists. In 1976, he helped found a new terrorist front uniting the most extreme organizations. Known as CORU, it unleashed a wave of bombings, kidnappings and assassinations throughout the Americas in the late 1970s."

Hitz's report noted that the CIA was aware of another unsavory aspect of Frank Castro's Miami-based activities: his participation in major drug-trafficking operations. By 1979, he had developed a reputation as a south Florida drug dealer, though U.S. law enforcement never seemed to put him away.

In 1981, Frank Castro was the main subject of the so-called Tick-Tock drug case. Miami police did arrest him on four counts of narcotics trafficking, but the charges eventually were dismissed in a plea bargain in which Castro pled guilty to a weapons charge and was fined \$500.

Federal records revealed that in 1983, Frank Castro was the subject of another drug conspiracy case -- the planned smuggling of 425,000 pounds of marijuana through Beaumont, Texas. But federal authorities were hesitant to move because of Castro's ties to the CIA.

On Nov. 22, 1983, the CIA's Directorate of Operations wrote a memo which stated that the CIA's general counsel wanted a search of records on Castro because the Justice Department was prosecuting him for drug trafficking in Texas. DOJ was checking out Castro's claims of affiliation with the CIA.

According to Hitz, an unsigned, handwritten note was attached to this memo and read: "DOJ is willing to drop [the charges] if he [Frank Castro] was in fact associated [with] Agency."

At that time, Frank Castro was starting to help the contras, a top CIA project facing congressional opposition and money shortages. Castro financed a training base in the Everglades near Naples. He pulled together Cuban-Americans and Nicaraguans in an outfit called the Saturnino Beltran Commandos.

Though the armed group trained openly and announced plans to fight in Nicaragua, the U.S. government presented no apparent interference.

In June 1984, the Texas drug charges against Castro were dropped. Soon afterwards, Frank Castro's money began flowing into the coffers of contra leader Eden Pastora, who was struggling to build a Southern Front in Costa Rica.

The CIA was taking note of the developments. In a cable, dated July 12, 1984, the CIA reported its suspicions that Pastora's deputy, Adolfo "Popo" Chamorro, had picked up money from Castro in the Dominican Republic.

In another cable, dated Oct. 12, 1984, the CIA identified Castro as the man who controlled Rene Corvo, a Cuban-American who was leading an armed force of 30-40 contras in northern Costa Rica. Seven of Corvo's Cuban-Americans had been based at a Costa Rican landing zone controlled by American farmer John Hull.

Frank Castro, the alleged narco-terrorist, was recognized as the moneymen behind these contra operations. According to an Oct. 25, 1984, cable, Hull told the CIA that Castro donated large sums of money as well as two helicopters, two light aircraft and one C-47 transport plane to Pastora's army.

The C-47 was believed to be the one at Ilopango Airport in El Salvador that was used by contra pilot Marco Aguado in suspected drug flights for Colombian cartel figure, Jorge Morales, who was also contributing money to the contras.

Within a week of Hull's report, a CIA cable stated that Castro had "connections" in Colombia.

In November 1984, Oliver North's emissary Robert Owen reported to Washington about his own suspicions. "Several sources are now saying Pastora is going to be bankrolled by former Bay of Pigs veteran Frank Castro, who is heavily into drugs," Owen wrote. "The word has it Pastora is going to be given \$200,000 a month by Castro."

Later in November or possibly in early December, Castro's associate, Rene Corvo, traveled to Colombia on a suspected drug mission, according to Hitz's report. On Dec. 12, 1984, the CIA reported internally that Castro was installing a cocaine processing lab in northern Costa Rica and using the contra war as a cover.

Other witnesses, cited in internal CIA cables, reported that in early 1985, Castro had been presenting himself as a representative of Colombian drug trafficker Jorge Ochoa, a top figure in the Medellin cartel.

Castro allegedly passed on Ochoa's offer to pay \$1 million for someone to assassinate U.S. Ambassador Lewis Tambs, who had moved from Colombia to Costa Rica.

As the first public reports about contra-drug trafficking surfaced in late 1985 and early 1986, the CIA fretted that Frank Castro could become a public-relations embarrassment.

According to a March 7, 1986, cable, the CIA identified Castro as the main liaison between Colombian drug dealers and Miami-based Cubans. A CIA cable on April 15, 1986, called Castro and his associate, Rene Corvo, "dangerous and counterproductive" for the contras.

In another report, dated Feb. 13, 1987, the FBI echoed that conclusion, reporting that "Castro has very good connections with [the] Medellin cartel" and, particularly, with the Ochoa brothers.

But in 1986-87, the Castro-contra connection was a dark secret that the Reagan administration wanted to keep. In August 1986, the Senate Foreign Relations Committee requested information about Castro, Corvo and other Cuban-Americans who were linked to drug lords and were helping the contras.

The Reagan administration stonewalled the Senate's inquiry and sought to discredit Kerry's witnesses who were implicating the contras.

The Justice Department announced that it could provide no data because of an ongoing investigation. The Senate's "rambling through open investigations gravely risks compromising those efforts," Justice announced.

As Hitz noted, "no records have been found to indicate that CIA shared the information it collected concerning Castro with Congress." The withholding of evidence limited Kerry's ability to verify allegations tying the contra operation to major cartel shipments.

In 1988, near the end of the contra war, the federal government did indict Castro and several other Cuban-Americans and contra backers for Neutrality Act violations. But the case made no reference to drug trafficking.

In 1989, a federal judge threw out the Neutrality charges on the grounds that the United States effectively had been at war with Nicaragua.

The official story about Frank Castro, the contras and cocaine remained secret for almost another decade, well past the time that any criminal prosecution could be made -- or any cocaine shipments could be stopped.

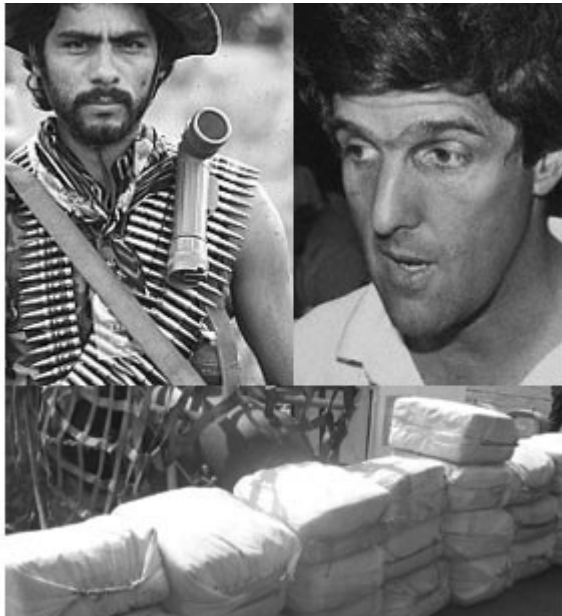
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Monday, Oct 25, 2004

## [How John Kerry exposed the Contra-cocaine scandal](#)

**Derided by the mainstream press and taking on Reagan at the height of his popularity, the freshman senator battled to reveal one of America's ugliest foreign policy secrets.**

By [Robert Parry](#)



In December 1985, when Brian Barger and I wrote a groundbreaking story for the Associated Press about Nicaraguan Contra rebels smuggling cocaine into the United States, one U.S. senator put his political career on the line to follow up on our disturbing findings. His name was John Kerry.

Yet, over the past year, even as Kerry's heroism as a young Navy officer in Vietnam has become a point of controversy, this act of political courage by a freshman senator has gone virtually unmentioned, even though — or perhaps because — it marked Kerry's first challenge to the Bush family.

In early 1986, the 42-year-old Massachusetts Democrat stood almost alone in the U.S. Senate demanding answers about the emerging evidence that CIA-backed Contras were filling their coffers by collaborating with drug traffickers then flooding U.S. borders with cocaine from South America.

Kerry assigned members of his personal Senate staff to pursue the allegations. He also persuaded the Republican majority on the Senate Foreign Relations Committee to request information from the Reagan-Bush administration about the alleged Contra drug traffickers.

In taking on the inquiry, Kerry challenged President Ronald Reagan at the height of his power, at a time he was calling the Contras the “moral equals of the Founding Fathers.” Kerry’s questions represented a particular embarrassment to Vice President George H.W. Bush, whose responsibilities included overseeing U.S. drug-interdiction policies.

Kerry took on the investigation though he didn’t have much support within his own party. By 1986, congressional Democrats had little stomach left for challenging the Reagan-Bush Contra war. Not only had Reagan won a historic landslide in 1984, amassing a record 54 million votes, but his conservative allies were targeting individual Democrats viewed as critical of the Contras fighting to oust Nicaragua’s leftist Sandinista government. Most Washington journalists were backing off, too, for fear of getting labeled “Sandinista apologists” or worse.

Kerry’s probe infuriated Reagan’s White House, which was pushing Congress to restore military funding for the Contras. Some in the administration also saw Kerry’s investigation as a threat to the secrecy surrounding the Contra supply operation, which was being run illegally by White House aide Oliver North and members of Bush’s vice presidential staff.

Through most of 1986, Kerry’s staff inquiry advanced against withering political fire. His investigators interviewed witnesses in Washington, contacted Contra sources in Miami and Costa Rica, and tried to make sense of sometimes convoluted stories of intrigue from the shadowy worlds of covert warfare and the drug trade.

Kerry’s chief Senate staff investigators were Ron Rosenblith, Jonathan Winer and Dick McCall. Rosenblith, a Massachusetts political strategist from Kerry’s victorious 1984 campaign, braved both political and personal risks as he traveled to Central America for face-to-face meetings with witnesses. Winer, a lawyer also from Massachusetts, charted the inquiry’s legal framework and mastered its complex details. McCall, an experienced congressional staffer, brought Capitol Hill savvy to the investigation.

Behind it all was Kerry, who combined a prosecutor’s sense for sniffing out criminality and a politician’s instinct for pushing the limits. The Kerry whom I met during this period was a complex man who balanced a rebellious idealism with a determination not to burn his bridges to the political establishment.

The Reagan administration did everything it could to thwart Kerry’s investigation, including attempting to discredit witnesses, stonewalling the Senate when it requested evidence and assigning the CIA to monitor Kerry’s probe. But it couldn’t stop Kerry and his investigators from discovering the explosive truth: that the Contra war was permeated with drug traffickers who gave the Contras money, weapons and equipment in exchange for help in smuggling cocaine into the United States. Even more damningly, Kerry found that U.S. government agencies knew about the Contra-drug connection, but turned a blind eye to the evidence in order to avoid undermining a top Reagan-Bush foreign policy initiative.

The Reagan administration’s tolerance and protection of this dark underbelly of the Contra war represented one of the most sordid scandals in the history of U.S. foreign policy. Yet when Kerry’s bombshell findings were released in 1989, they were greeted by the mainstream press with disdain and disinterest. The New York Times, which had long denigrated the Contra-drug allegations, buried the story of Kerry’s report on its inside pages, as did the Washington Post and the Los Angeles Times. For his tireless efforts, Kerry earned a reputation as a reckless investigator. Newsweek’s Conventional Wisdom Watch dubbed Kerry a “randy conspiracy buff.”

But almost a decade later, in 1998, Kerry’s trailblazing investigation was vindicated by the CIA’s own inspector general, who found that scores of Contra operatives were implicated in the cocaine trade and that U.S. agencies had looked the other way rather than reveal information that could have embarrassed the Reagan-Bush administration.

Even after the CIA’s admissions, the national press corps never fully corrected its earlier dismissive treatment. That would have meant the New York Times and other leading publications admitting they had bungled their coverage of one of the worst scandals of the Reagan-Bush era.

The warm and fuzzy glow that surrounded Ronald Reagan after he left office also discouraged clarification of the historical record. Taking a clear-eyed look at crimes inside Reagan’s Central American policies would have required a tough reassessment of the 40th president, which to this day the media has been unwilling to do. So this formative period of Kerry’s political evolution has remained nearly unknown to the American electorate.

Two decades later, it’s hard to recall the intensity of the administration’s support for the Contras. They were hailed as courageous front-line fighters, like the Mujahedin in Afghanistan, defending the free world from the Soviet empire. Reagan famously warned that Nicaragua was only “two days’ driving time from Harlingen, Texas.”

Yet, for years, Contra units had gone on bloody rampages through Nicaraguan border towns, raping women, torturing captives and executing civilian officials of the Sandinista government. In private, Reagan referred to the Contras as “vandals,” according to Duane Clarridge, the CIA officer in charge of the operation, in his memoir, “A Spy for All Seasons.” But in public, the Reagan administration attacked anyone who pointed out the Contras’ corruption and brutality.

The Contras also proved militarily inept, causing the CIA to intervene directly and engage in warlike acts, such as mining Nicaragua’s harbors. In 1984, these controversies caused the Congress to forbid U.S. military assistance to the Contras — the Boland Amendment — forcing the rebels to search for new funding sources.

Drug money became the easiest way to fill the depleted Contra coffers. The documentary evidence is now irrefutable that a number of Contra units both in Costa Rica and Honduras opened or deepened ties to Colombian cartels and other regional drug traffickers. The White House also scrambled to find other ways to keep the Contras afloat, turning to third countries, such as Saudi Arabia, and eventually to profits from clandestine arms sales to Iran.

The secrets began to seep out in the mid-1980s. In June 1985, as a reporter for the Associated Press, I wrote the first story mentioning Oliver North’s secret Contra supply operation. By that fall, my AP colleague Brian Barger and I stumbled onto evidence that some of the Contras were

supplementing their income by helping traffickers transship cocaine through Central America. As we dug deeper, it became clear that the drug connection implicated nearly all the major Contra organizations.

The AP published our story about the Contra-cocaine evidence on Dec. 20, 1985, describing Contra units “engaged in cocaine smuggling, using some of the profits to finance their war against Nicaragua’s leftist government.” The story provoked little coverage elsewhere in the U.S. national press corps. But it pricked the interest of a newly elected U.S. senator, John Kerry. A former prosecutor, Kerry also heard about Contra law violations from a Miami-based federal public defender named John Mattes, who had been assigned a case that touched on Contra gunrunning. Mattes’ sister had worked for Kerry in Massachusetts.

By spring 1986, Kerry had begun a limited investigation deploying some of his personal staff in Washington. As a member of the Senate Foreign Relations Committee, Kerry managed to gain some cooperation from the panel’s Republican leadership, partly because the “war on drugs” was then a major political issue. Besides looking into Contra drug trafficking, Kerry launched the first investigation into the allegations of weapons smuggling and misappropriation of U.S. government funds that were later exposed as part of North’s illegal operation to supply the Contras.

Kerry’s staff soon took an interest in a federal probe in Miami headed by assistant U.S. Attorney Jeffrey Feldman. Talking to some of the same Contra supporters whom we had interviewed for the AP’s Contra-cocaine story, Feldman had pieced together the outlines of North’s secret network.

In a panicked memo dated April 7, 1986, one of North’s Costa Rican-based private operatives, Robert Owen, warned North that prosecutor Feldman had shown Ambassador Lewis Tambs “a diagram with your name underneath and John [Hull]’s underneath mine, then a line connecting the various resistance groups in C.R. [Costa Rica]. Feldman stated they were looking at the ‘big picture’ and not only looking at possible violations of the Neutrality Act, but a possible unauthorized use of government funds.” (For details, see my “Lost History: Contras, Cocaine, the Press and ‘Project Truth.’”)

John Hull was an American farmer with a ranch in Costa Rica near the Nicaraguan border. According to witnesses, Contras had used Hull’s property for cocaine transshipments. (Hull was later accused of drug trafficking by Costa Rican authorities, but fled the country before facing trial. He returned to the United States.)

On April 10, 1986, Barger and I reported on the AP wire that the U.S. Attorney’s office in Miami was examining allegations of Contra gunrunning and drug trafficking. The AP story rattled nerves inside the Reagan administration. On an unrelated trip to Miami, Attorney General Edwin Meese pulled U.S. Attorney Leon Kellner aside and asked about the existence of this Contra probe.

Back in Washington, other major news organizations began to sniff around the Contra-cocaine story but mostly went off in wrong directions. On May 6, 1986, the New York Times relied for a story on information from Meese’s spokesman Patrick Korten, who claimed “various bits of information got referred to us. We ran them all down and didn’t find anything. It comes to nothing.”

But that wasn’t the truth. In Miami, Feldman and FBI agents were corroborating many of the allegations. On May 14, 1986, Feldman recommended to his superiors that the evidence of Contra crimes was strong enough to justify taking the case to a grand jury. U.S. Attorney Kellner agreed, scribbling on Feldman’s memo, “I concur that we have sufficient evidence to ask for a grand jury investigation.”

But on May 20, less than a week later, Kellner reversed that recommendation. Without telling Feldman, Kellner rewrote the memo to state that “a grand jury investigation at this point would represent a fishing expedition with little prospect that it would bear fruit.” Kellner signed Feldman’s name to the mixed-metaphor memo and sent it to Washington on June 3.

The revised “Feldman” memo was then circulated to congressional Republicans and leaked to conservative media, which used it to discredit Kerry’s investigation. The right-wing Washington Times denounced the probe as a wasteful political “witch hunt” in a June 12, 1986, article. “Kerry’s anti-Contra efforts extensive, expensive, in vain,” screamed the headline of a Washington Times article on Aug. 13, 1986.

Back in Miami, Kellner reassigned Feldman to unrelated far-flung investigations, including one to Thailand.

The altered memo was instrumental in steering Senate Foreign Relations Committee Chairman Richard Lugar, R-Ind., away from holding hearings. Kerry’s later Contra-drug report, “Law Enforcement and Foreign Policy,” stated. “Material provided to the Committee by the Justice Department and distributed to members following an Executive Session June 26, 1986, wrongly suggested that the allegations that had been made were false,” the Kerry report said.

Feldman later testified to the Senate that he was told in 1986 that representatives of the Justice Department, the Drug Enforcement Administration and the FBI had met “to discuss how Senator Kerry’s efforts to get Lugar to hold hearings on the case could be undermined.”

Mattes, the federal public defender in Miami, watched as the administration ratcheted up pressure on Kerry’s investigation. “From a political point of view in May of ’86, Kerry had every reason to shut down his staff investigation,” Mattes said. “There was no upside for him doing it. We all felt under the gun to back off.”

The Kerry that Mattes witnessed at the time was the ex-prosecutor determined to get to the bottom of serious criminal allegations even if they implicated senior government officials. “As an investigator, he had a sense it was there,” said Mattes, who is now an investigative reporter for Fox News in San Diego. “Kerry was a crusader. He was the consummate outsider, doing what you expect people to do. ... At no point did he flinch.”

Years later, in the National Archives, I discovered a document showing that the Central Intelligence Agency also was keeping tabs on Kerry’s investigation. Alan Fiers Jr., who served as the CIA’s Central American Task Force chief, told independent counsel Lawrence Walsh’s Iran-Contra investigators that the AP and Feldman’s investigations had attracted the hostility of the Reagan-Bush administration. Fiers said he “was also getting a dump on the Senator Kerry investigation about mercenary activity in Central America from the CIA’s legislative affairs people who were monitoring it.”

Negative publicity about the Contras was particularly unwelcome to the Reagan-Bush administration throughout the spring and summer 1986 as the White House battled to restore U.S. government funding to the Contras. In the politically heated atmosphere, the administration sought to smear anti-Contra witnesses cooperating with Kerry's investigation.

In a July 28 memo, initialed as read by President Reagan, North labeled onetime Contra mercenary Jack Terrell as a "terrorist threat" because of his "anti-Contra and anti-U.S. activities." North said Terrell had been cooperating "with various congressional staffs in preparing for hearings and inquiries regarding the role of U.S. government officials in illegally supporting the Nicaraguan resistance."

In August 1986, FBI and Secret Service agents hauled Terrell in for two days of polygraph examinations on suspicion that Terrell intended to assassinate President Reagan, an allegation that proved baseless. But Terrell told me later that the investigation had chilled his readiness to testify about the Contras. "It burned me up," he said. "The pressure was always there."

Beyond intimidating some witnesses, the Reagan administration systematically worked to frustrate Kerry's investigation. Years later, one of Kerry's investigators, Jack Blum, complained publicly that the Justice Department had actively obstructed the congressional probe. Blum said William Weld, who took over as assistant attorney general in charge of the criminal division in September 1986, was an "absolute stonewall" blocking the Senate's access to evidence on Contra-cocaine smuggling. "Weld put a very serious block on any effort we made to get information," Blum told the Senate Intelligence Committee a decade after the events. "There were stalls. There were refusals to talk to us, refusals to turn over data."

Weld, who later became Massachusetts governor and lost to Kerry in the 1996 Senate race, denied that he had obstructed Kerry's Contra probe. But it was clear that the Senate Foreign Relations Committee was encountering delays in getting information that had been requested by Chairman Lugar, a Republican, and Rhode Island Sen. Claiborne Pell, the ranking Democrat. At Kerry's suggestion, they had sought files on more than two dozen people linked to the Contra operations and suspected of drug trafficking.

Inside the Justice Department, senior career investigators grew concerned about the administration's failure to turn over the requested information. "I was concerned that we were not responding to what was obviously a legitimate congressional request," Mark Richard, one of Weld's top deputies, testified in a deposition. "We were not refusing to respond in giving explanations or justifications for it. We were seemingly just stonewalling what was a continuing barrage of requests for information. That concerned me no end."

On Sept. 26, 1986, Kerry tried to spur action by presenting Weld with an 11-page "proffer" statement from a 31-year-old FBI informant who had worked with the Medellín cartel and had become a witness on cartel activities. The woman, Wanda Palacio, had approached Kerry with an account about Colombian cocaine kingpin Jorge Ochoa bragging about payments he had made to the Nicaraguan Contras.

As part of this Contra connection, Palacio said pilots for a CIA-connected airline, Southern Air Transport, were flying cocaine out of Barranquilla, Colombia. She said she had witnessed two such flights, one in 1983 and the other in October 1985, and quoted Ochoa saying the flights were part of an arrangement to exchange "drugs for guns."

According to contemporaneous notes of this "proffer" meeting between Weld and Kerry, Weld chuckled that he was not surprised at allegations about corrupt dealings by "bum agents, former and current CIA agents." He promised to give serious consideration to Palacio's allegations.

After Kerry left Weld's office, however, the Justice Department seemed to concentrate on poking holes in Palacio's account, not trying to corroborate it. Though Palacio had been considered credible in her earlier testimony to the FBI, she was judged to lack credibility when she made accusations about the Contras and the CIA.

On Oct. 3, 1986, Weld's office told Kerry that it was rejecting Palacio as a witness on the grounds that there were some contradictions in her testimony. The discrepancies apparently related to such minor points as which month she had first talked with the FBI.

Two days after Weld rejected Palacio's Contra-cocaine testimony, other secrets about the White House's covert Contra support operations suddenly crashed — literally — into view.

On Oct. 5, a quiet Sunday morning, an aging C-123 cargo plane rumbled over the skies of Nicaragua preparing to drop AK-47 rifles and other equipment to Contra units in the jungle below. Since the Reagan administration had recently won congressional approval for renewed CIA military aid to the Contras, the flight was to be one of the last by Oliver North's ragtag air force.

The plane, however, attracted the attention of a teenage Sandinista soldier armed with a shoulder-fired surface-to-air missile. He aimed, pulled the trigger and watched as the Soviet-made missile made a direct hit on the aircraft. Inside, cargo handler Eugene Hasenfus, an American mercenary working with the Contras, was knocked to the floor, but managed to crawl to an open door, push himself through, and parachute to the ground, where he was captured by Sandinista forces. The pilot and other crew members died in the crash.

As word spread about the plane crash, Barger — who had left the AP and was working for a CBS News show — persuaded me to join him on a trip to Nicaragua with the goal of getting an interview with Hasenfus, who turned out to be an unemployed Wisconsin construction worker and onetime CIA cargo handler. Hasenfus told a press conference in Managua that the Contra supply operation was run by CIA officers working with the office of Vice President George Bush. Administration officials, including Bush, denied any involvement with the downed plane.

Our hopes for an interview with Hasenfus didn't work out, but Sandinista officials did let us examine the flight records and other documents they had recovered from the plane. As Barger talked with a senior Nicaraguan officer, I hastily copied down the entries from copilot Wallace "Buzz" Sawyer's flight logs. The logs listed hundreds of flights with the airports identified only by their four-letter international codes and the planes designated by tail numbers.

Upon returning to Washington, I began deciphering Wallace's travels and matching the tail numbers with their registered owners. Though Wallace's flights included trips to Africa and landings at U.S. military bases in the West, most of his entries were for flights in Central and South America.

Meanwhile, in Kerry's Senate office, witness Wanda Palacio was waiting for a meeting when she noticed Sawyer's photo flashing on a TV screen. Palacio began insisting that Sawyer was one of the pilots whom she had witnessed loading cocaine onto a Southern Air Transport plane in Barranquilla, Colombia, in early October 1985. Her identification of Sawyer struck some of Kerry's aides as a bit too convenient, causing them to have their own doubts about her credibility.

Though I was unaware of Palacio's claims at the time, I pressed ahead with the AP story on Sawyer's travels. In the last paragraph of the article, I noted that Sawyer's logs revealed that he had piloted a Southern Air Transport plane on three flights to Barranquilla on Oct. 2, 4, and 6, 1985. The story ran on Oct. 17, 1986.

Shortly after the article moved on the AP wires, I received a phone call from Rosenblith at Kerry's office. Sounding shocked, the Kerry investigator asked for more details about the last paragraph of the story, but he wouldn't say why he wanted to know. Only months later did I discover that the AP story on Sawyer's logs had provided unintentional corroboration for Palacio's Contra-drug allegations.

Palacio also passed a polygraph exam on her statements. But Weld and the Justice Department still refused to accept her testimony as credible. (Even a decade later, when I asked the then-Massachusetts governor about Palacio, Weld likened her credibility to "a wagon load of diseased blankets.")

In fall 1986, Weld's criminal division continued to withhold Contra-drug information requested by the Senate Foreign Relations Committee. According to Justice Department records, Lugar and Pell — two of the Senate's most gentlemanly members — wrote on Oct. 14 that they had been waiting more than two months for information that the Justice Department had promised "in an expeditious manner."

"To date, no information has been received and the investigation of allegations by the committee, therefore, has not moved very far," Lugar and Pell wrote in a joint letter. "We're disappointed that the Department has not responded in a timely fashion and indeed has not provided any materials."

On Nov. 25, 1986, the Iran-Contra scandal was officially born when Attorney General Edwin Meese announced that profits from secret U.S. arms sales to Iran had been diverted to help fund the Nicaraguan Contras.

The Washington press corps scrambled to get a handle on the dramatic story of clandestine operations, but still resisted the allegations that the administration's zeal had spilled over into sanctioning or tolerating Contra-connected drug trafficking.

Though John Kerry's early warnings about White House-aided Contra gunrunning had proved out, his accusations about Contra drug smuggling would continue to be rejected by much of the press corps as going too far.

On Jan. 21, 1987, the conservative Washington Times attacked Kerry's Contra-drug investigation again; his alleged offense this time was obstructing justice because his probe was supposedly interfering with the Reagan administration's determination to get at the truth. "Kerry's staffers damaged FBI probe," the Times headline read.

"Congressional investigators for Sen. John Kerry severely damaged a federal drug investigation last summer by interfering with a witness while pursuing allegations of drug smuggling by the Nicaraguan resistance, federal law enforcement officials said," according to the Times article.

The mainstream press continued to publish stories that denigrated Kerry's investigation. On Feb. 24, 1987, a New York Times article by reporter Keith Schneider quoted "law enforcement officials" saying that the Contra allegations "have come from a small group of convicted drug traffickers in South Florida who never mentioned Contras or the White House until the Iran-Contra affair broke in November."

The drift of the article made Kerry out to be something of a dupe. His Contra-cocaine witnesses were depicted as simply convicts trying to get lighter prison sentences by embroidering false allegations onto the Iran-Contra scandal. But the information in the Times story was patently untrue. The AP Contra-cocaine story had run in December 1985, almost a year before the Iran-Contra story broke.

When New York Times reporters conducted their own interview with Palacio, she immediately sensed their hostility. In her Senate deposition, Palacio described her experience at the Times office in Miami. She said Schneider and a "Cuban man" rudely questioned her story and bullied her about specific evidence for each of her statements. The Cuban man "was talking to me kind of nasty," Palacio recalled. "I got up and left, and this man got all pissed off, Keith Schneider."

The parameters for a "responsible" Iran-Contra investigation were being set. On July 16, 1987, the New York Times published another story that seemed to discredit the Contra-drug charges. It reported that except for a few convicted drug smugglers from Miami, the Contra-cocaine "charges have not been verified by any other people and have been vigorously denied by several government agencies."

Four days later, the Times added that "investigators, including reporters from major news outlets, have tried without success to find proof of ... allegations that military supplies may have been paid for with profits from drug smuggling." (The Times was inaccurate again. The original AP story had cited a CIA report describing the Contras buying a helicopter with drug money.)

The joint Senate-House Iran-Contra committee averted its eyes from the Contra-cocaine allegations. The only time the issue was raised publicly was when a demonstrator interrupted one hearing by shouting, "Ask about the cocaine." Kerry was excluded from the investigation.

On July 27, 1987, behind the scenes, committee staff investigator Robert A. Bermingham echoed the New York Times. "Hundreds of persons" had been questioned, he said, and vast numbers of government files reviewed, but no "corroboration of media-exploited allegations of U.S. government-condoned drug trafficking by Contra leaders or Contra organizations" was found. The report, however, listed no names of any interview subjects nor any details about the files examined.

Bermingham's conclusions conflicted with closed-door Iran-Contra testimony from administration insiders. In a classified deposition to the congressional Iran-Contra committees, senior CIA officer Alan Fiers said, "with respect to [drug trafficking by] the Resistance Forces [the Contras] it is not a couple of people. It is a lot of people."



Despite official denials and press hostility, Kerry and his investigators pressed ahead. In 1987, with the arrival of a Democratic majority in the Senate, Kerry also became chairman of the Senate subcommittee on terrorism, narcotics and international operations. He used that position to pry loose the facts proving that the official denials were wrong and that Contra units were involved in the drug trade.

Kerry's report was issued two years later, on April 13, 1989. Its stunning conclusion: "On the basis of the evidence, it is clear that individuals who provided support for the Contras were involved in drug trafficking, the supply network of the Contras was used by drug trafficking organizations, and elements of the Contras themselves knowingly received financial and material assistance from drug traffickers. In each case, one or another agency of the U.S. government had information regarding the involvement either while it was occurring, or immediately thereafter."

The report discovered that drug traffickers gave the Contras "cash, weapons, planes, pilots, air supply services and other materials." Moreover, the U.S. State Department had paid some drug traffickers as part of a program to fly non-lethal assistance to the Contras. Some payments occurred "after the traffickers had been indicted by federal law enforcement agencies on drug charges, in others while traffickers were under active investigation by these same agencies."

Although Kerry's findings represented the first time a congressional report explicitly accused federal agencies of willful collaboration with drug traffickers, the major news organizations chose to bury the startling findings. Instead of front-page treatment, the New York Times, the Washington Post and the Los Angeles Times all wrote brief accounts and stuck them deep inside their papers. The New York Times article, only 850 words long, landed on Page 8. The Post placed its story on A20. The Los Angeles Times found space on Page 11.

One of the best-read political reference books, the Almanac of American Politics, gave this account of Kerry's investigation in its 1992 edition: "In search of right-wing villains and complicit Americans, [Kerry] tried to link Nicaraguan Contras to the drug trade, without turning up much credible evidence."

Thus, Kerry's reward for his strenuous and successful efforts to get to the bottom of a difficult case of high-level government corruption was to be largely ignored by the mainstream press and even have his reputation besmirched.

But the Contra-cocaine story didn't entirely go away. In 1991, in the trial of former Panamanian dictator Manuel Noriega for drug trafficking, federal prosecutors called as a witness Medellin cartel kingpin Carlos Lehder, who testified that the Medellin cartel had given \$10 million to the Contras, a claim that one of Kerry's witnesses had made years earlier. "The Kerry hearings didn't get the attention they deserved at the time," a Washington Post editorial on Nov. 27, 1991 acknowledged. "The Noriega trial brings this sordid aspect of the Nicaraguan engagement to fresh public attention."

Kerry's vindication in the Contra drug case did not come until 1998, when inspectors general at the CIA and Justice Department reviewed their files in connection with allegations published by the San Jose Mercury News that the Contra-cocaine pipeline had contributed to the crack epidemic that ravaged inner-city neighborhoods in the 1980s. (Ironically, the major national newspapers only saw fit to put the Contra-cocaine story on their front pages in criticizing the Mercury News and its reporter Gary Webb for taking the allegations too far.)

On Oct. 4, 1996, the Washington Post published a front-page story, with two more pages inside, that was critical of the Mercury News. But while accusing the Mercury News of exaggerating, the Post noted that Contra-connected drug smugglers had brought tons of cocaine into the United States. "Even CIA personnel testified to Congress they knew that those covert operations involved drug traffickers," the Post reported.

A Post editorial on Oct. 9, 1996, reprised the newspaper's assessment that the Mercury News had overreached, but added that for "CIA-connected characters to have played even a trivial role in introducing Americans to crack would indicate an unconscionable breach by the CIA."

In the months that followed, the major newspapers — including the New York Times and the Los Angeles Times — joined the Post in criticizing the Mercury News while downplaying their own inattention to the crimes that Kerry had illuminated a decade earlier. The Los Angeles Times actually used Kerry's report to dismiss the Mercury News series as old news because the Contra cocaine trafficking "has been well documented for years."

While the major newspapers gloated when reporter Gary Webb was forced to resign from the Mercury News, the internal government investigations, which Webb's series had sparked, moved forward. The government's decade-long Contra cocaine cover-up began to crumble when CIA inspector general Frederick Hitz published the first of two volumes of his Contra cocaine investigation on Jan. 29, 1998, followed by a Justice Department report and Hitz's second volume in October 1998.

The CIA inspector general and Justice Department reports confirmed that the Reagan administration knew from almost the outset of the Contra war that cocaine traffickers permeated the CIA-backed army but the administration did next to nothing to expose or stop these criminals. The reports revealed example after example of leads not followed, witnesses disparaged and official law-enforcement investigations sabotaged. The evidence indicated that Contra-connected smugglers included the Medellin cartel, the Panamanian government of Manuel Noriega, the Honduran military, the Honduran-Mexican smuggling ring of Ramon Matta Ballesteros, and Miami-based anti-Castro Cubans.

Reviewing evidence that existed in the 1980s, CIA inspector general Hitz found that some Contra-connected drug traffickers worked directly for Reagan's National Security Council staff and the CIA. In 1987, Cuban-American Bay of Pigs veteran Moises Nunez told CIA investigators that "it was difficult to answer questions relating to his involvement in narcotics trafficking because of the specific tasks he had performed at the direction of the NSC."

CIA task force chief Fiers said the Nunez-NSC drug lead was not pursued then "because of the NSC connection and the possibility that this could be somehow connected to the Private Benefactor program [Oliver North's fundraising]. A decision was made not to pursue this matter."

Another Cuban-American who had attracted Kerry's interest was Felipe Vidal, who had a criminal record as a narcotics trafficker in the 1970s. But the CIA still hired him to serve as a logistics officer for the Contras and covered up for him when the agency learned that he was collaborating with known traffickers to raise money for the Contras, the Hitz report showed. Fiers had briefed Kerry about Vidal on Oct. 15, 1986, without mentioning Vidal's drug arrests and conviction in the 1970s.

Hitz found that a chief reason for the CIA's protective handling of Contra-drug evidence was Langley's "one overriding priority: to oust the Sandinista government ... [CIA officers] were determined that the various difficulties they encountered not be allowed to prevent effective implementation of the Contra program."

According to Hitz's report, one CIA field officer explained, "The focus was to get the job done, get the support and win the war."

This pattern of obstruction occurred while Vice President Bush was in charge of stanching the flow of drugs to the United States. Kerry made himself a pest by demanding answers to troubling questions.

"He wanted to get to the bottom of something so dark," former public defender Mattes told me. "Nobody could imagine it was so dark."

In the end, investigations by government inspectors general corroborated Kerry's 1989 findings and vindicated his effort. But the muted conclusion of the Contra-cocaine controversy 12 years after Kerry began his investigation explains why this chapter is an overlooked — though important — episode in Kerry's Senate career. It's a classic case of why, in Washington, there's little honor in being right too soon. Yet it's also a story about a senator who had the personal honor to do the right thing.

Robert Parry, a winner of the Polk Award for National Reporting, is editor of iF Magazine (a print publication) and Consortiumnews.com.

**EXHIBIT 17:** Retired CIA Officer Robert D. Steele appeared with Celerino Castillo III in Kevin Booth's 2007 film [American Drug War: The Last White Hope](#) along with several other notable law enforcement agents and political figures. Steele went on to review [Dark Alliance](#) and validated the Contra drug allegations. His comments go even further as he alleges that intelligence agencies employed a "eugenics" policy towards low income blacks, considering them "expendable". "It is safe to say that all US Senators know the truth and have chosen to betray their Oaths of Office and their responsibility under Article 1 of the Constitution.... We the People are considered expendable by those who do this."

American Drug War: The Last White Hope can be viewed for free on Youtube. <http://www.americandrugwar.com/>

The full Two hour film is here: [http://www.youtube.com/watch?v=6CyuBuT\\_7I4](http://www.youtube.com/watch?v=6CyuBuT_7I4)

## CIA Case Officer from Central American Era Validates This Book, June 9, 2007

By [Robert D. Steele](#)

### This review is from: [Dark Alliance: The CIA, the Contras, and the Crack Cocaine Explosion](#)

I am probably the only reviewer who was a clandestine case officer (three back to back tours), who participated in the Central American follies as both a field officer and a desk officer at CIA HQS, who is also very broadly read.

With great sadness, I must conclude that this book is truthful, accurate, and explosive.

The book lacks some context, for example, the liberal Saudi funding for the Contras that was provided to the National Security Council (NSC) as a back-door courtesy.

There are three core lessons in this book, supported by many books, some of which I list at the end of this review:

- 1) The US Government cannot be trusted by the people. The White House, the NSC, the CIA, even the Justice Department, and the Members of Congress associated with the Administration's party, are all liars. They use "national security" as a pretext for dealing drugs and screwing over the American people.
- 2) CIA has come to the end of its useful life. I remain proud to have been a clandestine case officer, but I see now that I was part of the "fake" CIA going through the motions, while extremely evil deeds were taking place in more limited channels.
- 3) In the eyes of the Nicaraguan, Guatemalan, and Honduran people, among many others, the US Government, as represented by the CIA and the dark side Ambassadors who are partisan appointees rather than true diplomats, is evil. It consorts with dictators, condones torture, helps loot the commonwealths of others, runs drugs, launders money, and is generally the bully on the block.

I have numerous notes on the book, and will list just a few here that are important "nuggets" from this great work:

- 1) The CIA connection to the crack pandemic could be the crime of the century. It certainly destroys the government's moral legitimacy in the eyes of the people.
- 2) The fact that entrepreneur Ricky Ross went to jail for life, while his supplier, Nicaraguan Blandon, was constantly protected by CIA and the Department of Justice, is a travesty.
- 3) Nicaragua, under Somoza, was the US Government's local enforcer, and CIA was his most important liaison element. As long as we consort with 44 dictators (see Ambassador Palmer's "The Real Axis of Evil," we should expect to be reviled by the broader populations.
- 4) I believe that beginning with Henry Kissinger, the NSC and the CIA have had a "eugenics" policy that considers the low-income blacks to be "expendable" as well as a nuisance, and hence worthy of being targeted as a market for drugs to pull out what income they do have.
- 5) I believe that CIA was unwitting of the implications of crack, but that Congress was not. The book compellingly describes the testimony provided to Congress in 1979 and again in 1982, about the forthcoming implications of making a cocaine derivative affordable by the lowest income people in our Nation.
- 6) The Administration and Congress, in close partnership with the "mainstream media," consistently lied, slandered witnesses to the truth, and generally made it impossible for the truth to be "heard."
- 7) The ignorance of the CIA managers about the "ground truth" in Nicaragua and Honduras, and their willingness to carry out evil on command from the White House, without actually understanding the context, the true feelings of the people, or even the hugely detrimental strategic import of what they were about to do to Los Angeles, simply blow me away. We need to start court-martialing government employees for being stupid on the people's payroll.

8) CIA officers should not be allowed to issue visas. When they are under official cover they are assigned duty officer positions, and the duty officer traditionally has access to the visa stamp safe for emergencies (because the real visa officers are too lazy to be called in for an emergency).

9) I recently supported a movie on Ricky Ross, one that immediately won three awards in 2006 for best feature-length documentary, and I have to say, on the basis of this book, that Rick Ross was clearly not a gang member; was a tennis star and all-around good guy, was trying to make school grades; was disciplined, professional, and entrepreneurial. He did not create the cocaine, he did not smuggle it into the country, he simply acted on the opportunity presented to him by the US Government and its agent Blandon.

10) There is a connection between CIA, the private sector prison managers in the US, and prisoners. This needs a more careful look.

11) Clinton's bodyguards (many of whom have died mysteriously since then) were fully witting of Bill and Hillary Clinton's full engagement in drug smuggling into the US via Arkansas, and CIA's related nefarious activities.

12) CIA not only provided post-arrest white washes for its drug dealers, but they also orchestrated tip-offs on planned raids.

13) Both local police departments, especially in California, and the US Government, appear to have a standard "loot and release" program where drug dealers caught with very large amounts of cash (multiple millions) are instantly freed in return for a quit claim on the money.

14) CIA Operations Officers (clandestine case officers) lied not just to the FBI and Justice, but to their own CIA lawyers.

15) DEA in Costa Rica was dirtier than most, skimming cash and protecting drug transports.

The book ends with a revelation and an observation.

The revelation: just prior to both the Contra drug deals and the CIA's ramping up in Afghanistan, which now provides 80% of the world's heroin under US administration, the CIA and Justice concluded a Memorandum of Understanding that gave CIA carte blanche in the drug business.. **The author says this smacked of premeditation, and I agree.**

The observation: here is a quote from page 452: "...the real danger the CIA has always presented--unbridled criminal stupidity, clouded in a blanked of national security."

Shame on us all. It's time to clean house.

[Lost History: Contras, Cocaine, the Press & 'Project Truth'](#)

[The Politics of Heroin: CIA Complicity in the Global Drug Trade](#)

[Cocaine Politics: Drugs, Armies, and the CIA in Central America, Updated edition](#)

[The Big White Lie: The Deep Cover Operation That Exposed the CIA Sabotage of the Drug War : An Undercover Odyssey](#)

[Kill the Messenger: How the CIA's Crack-Cocaine Controversy Destroyed Journalist Gary Webb](#)

[The Crimes of Patriots: A True Tale of Dope, Dirty Money, and the CIA](#)

[From BCCI to ISI: The Saga of Entrapment Continues](#)

[Crossing the Rubicon: The Decline of the American Empire at the End of the Age of Oil](#)

[Breaking the Real Axis of Evil: How to Oust the World's Last Dictators by 2025](#)

[Fog Facts : Searching for Truth in the Land of Spin \(Nation Books\)](#)

Website of Robert D.Steele: <http://www.phibetaiota.net/>

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Source: <http://www.amazon.com/review/REVFM3PIMTIUN>

## Comments

**Initial post:** Jun 10, 2007 7:36:56 AM PDT

[JD Schaefer](#) says:

Did Ricky Ross not confess to his crimes? Was he not bringing in \$2-3 million a day in crack income?

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Jun 10, 2007 8:17:23 AM PDT

[Robert D. Steele](#) says:

He did confess. He was helpful. The point is one of national legitimacy and morality. Does it not trouble you that the White House, the CIA, and the U.S. military (the latter perhaps unwittingly) are actively engaged in the drug business out of Afghanistan and Colombia, against their own citizens, and protecting the U.S. and foreign nationals who deliver the drugs to Ricky Ross and others?

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Aug 21, 2007 12:14:23 PM PDT Last edited by the author on Aug 21, 2007 6:22:53 PM PDT

[Robert D. Steele](#) says:

I have personally spoken with a Special Forces person who guarded North as he supervised the loading of cocaine on to a US Navy vessel. While I cannot validate that person's testimony, it is consistent with all that I know from my CIA experience, and all that I have read, about rogue elements in FBI, DEA, and CIA running drugs as part of creating off budget funding channels. We the People are considered expendable by those who do this.

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Posted on Oct 30, 2007 6:36:43 AM PDT

[Don H. Ford Jr.](#) says:

Thanks for finding the courage to write this.

I was a small time marijuana smuggler during the early 80's. At some point in my experience I escaped from prison and fled to the remote mountainous region of Northern Mexico, just below the Big Bend National Park. While there I personally witnessed the preparation for and the landing and off-loading of a DC-6 piloted by Michael Palmer.

Palmer owned Vortex aviation. He delivered weapons to the Contras, then hopped to Santa Marta, Colombia, where the plane was loaded with marijuana and cocaine, and then landed near San Miguel, Coahuila where the drugs were off-loaded. He then accepted money from the CIA, drug barons, and of course the DEA. He never did time in the US for any of this.

Palmer testified before John Kerry's Senate subcommittee, until even a guy like Kerry and the goddamned New York Times decided this was not suitable for public consumption.

I documented my experience in *Contrabando: Confessions of a Drug-smuggling Texas Cowboy*

[Contrabando: Confessions of a Drug-Smuggling Texas Cowboy](#)

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Oct 30, 2007 1:51:51 PM PDT Last edited by the author on Dec 8, 2007 6:50:03 AM PST

[Robert D. Steele](#) says:

Very cool. Also consistent with LOST HISTORY on CIA, Cocaine, and the Contras. Taking a look at your book--am 40 books behind and have already done some in this vein, but delighted that you got published, will do what I can to point to your book. It is safe to say that all US Senators know the truth and have chosen to betray their Oaths of Office and their responsibility under Article 1 of the Constitution.

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Posted on Dec 14, 2007 9:05:56 AM PST

[Linear Chaos](#) says:

some things never change:

<http://www.dailykos.com/storyonly/2007/12/12/19210/608/933/420107>

CIA Torture Jet wrecks with 4 Tons of COCAINE

by redstatehatemonitor

Wed Dec 12, 2007 at 04:21:00 PM PST

This Florida based Gulfstream II jet aircraft # N987SA crash landed on September 24, 2007 after it ran out of fuel over Mexico's Yucatan Peninsula it had a cargo of several tons of Cocaine on board now documents have turned up on both sides of the Atlantic that link this Cocaine Smuggling Gulfstream II jet aircraft # N987SA that crashed in Mexico to the CIA who used it on at least 3 rendition flights from Europe and the USA to Guantanamo's infamous torture chambers between 2003 to 2005.

Video Link: <http://www.youtube.com/watch?v=oszATUJ4IRE>

**EXHIBIT 18: Essay by former British Ambassador to Uzbekistan Craig Murray. (August 2002 to October 2004) Murray describes the Narco State of Afghanistan and says that the Taliban sympathizers only account for 10% of drug exports from Afghanistan, whereas Karzai's people account for well over 50%. The 2012 UNODC report on Afghan opium confirms this.**

Murray's interview is here: [https://www.youtube.com/watch?v=0MQoG5wfx5q&feature=player\\_embedded](https://www.youtube.com/watch?v=0MQoG5wfx5q&feature=player_embedded)

Documentation from Craig Murray's career: <http://www.blairwatch.co.uk/murray/docs.html>

## **Britain is protecting the biggest heroin crop of all time**

By [Craig Murray](#) on August 27, 2007

This week the 64th British soldier to die in Afghanistan, Corporal Mike Gilyeat, was buried. All the right things were said about this brave soldier, just as, on current trends, they will be said about one or more of his colleagues who follow him next week.

The alarming escalation of the casualty rate among British soldiers in Afghanistan – up to ten per cent – led to discussion this week on whether it could be fairly compared to casualty rates in the Second World War.

But the key question is this: what are our servicemen dying for? There are glib answers to that: bringing democracy and development to Afghanistan, supporting the government of President Hamid Karzai in its attempt to establish order in the country, fighting the Taliban and preventing the further spread of radical Islam into Pakistan.

But do these answers stand up to close analysis?

There has been too easy an acceptance of the lazy notion that the war in Afghanistan is the 'good' war, while the war in Iraq is the 'bad' war, the blunder. The origins of this view are not irrational. There was a logic to attacking Afghanistan after 9/11.

Afghanistan was indeed the headquarters of Osama Bin Laden and his organisation, who had been installed and financed there by the CIA to fight the Soviets from 1979 until 1989. By comparison, the attack on Iraq – which was an enemy of Al Qaeda and no threat to us – was plainly irrational in terms of the official justification.

So the attack on Afghanistan has enjoyed a much greater sense of public legitimacy. But the operation to remove Bin Laden was one thing. Six years of occupation are clearly another.

Few seem to turn a hair at the officially expressed view that our occupation of Iraq may last for decades.

Lib Dem leader Menzies Campbell has declared, fatuously, that the Afghan war is 'winnable'.

**Afghanistan was not militarily winnable by the British Empire at the height of its supremacy. It was not winnable by Darius or Alexander, by Shah, Tsar or Great Moghul. It could not be subdued by 240,000 Soviet troops. But what, precisely, are we trying to win?**

**In six years, the occupation has wrought one massive transformation in Afghanistan, a development so huge that it has increased Afghan GDP by 66 per cent and constitutes 40 per cent of the entire economy. That is a startling achievement, by any standards. Yet we are not trumpeting it. Why not?**

**The answer is this. The achievement is the highest harvests of opium the world has ever seen.**

The Taliban had reduced the opium crop to precisely nil. I would not advocate their methods for doing this, which involved lopping bits, often vital bits, off people. The Taliban were a bunch of mad and deeply unpleasant religious fanatics. But one of the things they were vehemently against was opium.

That is an inconvenient truth that our spin has managed to obscure. Nobody has denied the sincerity of the Taliban's crazy religious zeal, and they were as unlikely to sell you heroin as a bottle of Johnnie Walker.

They stamped out the opium trade, and impoverished and drove out the drug warlords whose warring and rapacity had ruined what was left of the country after the Soviet war.

That is about the only good thing you can say about the Taliban; there are plenty of very bad things to say about them. But their suppression of the opium trade and the drug barons is undeniable fact.

Now we are occupying the country, that has changed. According to the United Nations, 2006 was the biggest opium harvest in history, smashing the previous record by 60 per cent. This year will be even bigger.

Our economic achievement in Afghanistan goes well beyond the simple production of raw opium. **In fact Afghanistan no longer exports much raw opium at all. It has succeeded in what our international aid efforts urge every developing country to do. Afghanistan has gone into manufacturing and 'value-added' operations.**

**It now exports not opium, but heroin. Opium is converted into heroin on an industrial scale, not in kitchens but in factories. Millions of gallons of the chemicals needed for this process are shipped into Afghanistan by tanker. The tankers and bulk opium lorries on the way to the factories share the roads, improved by American aid, with Nato troops.**

**How can this have happened, and on this scale? The answer is simple. The four largest players in the heroin business are all senior members of the Afghan government – the government that our soldiers are fighting and dying to protect.**

When we attacked Afghanistan, America bombed from the air while the CIA paid, armed and equipped the dispirited warlord drug barons – especially those grouped in the Northern Alliance – to do the ground occupation. We bombed the Taliban and their allies into submission, while the warlords moved in to claim the spoils. Then we made them ministers.

**President Karzai is a good man. He has never had an opponent killed, which may not sound like much but is highly unusual in this region and possibly unique in an Afghan leader. But nobody really believes he is running the country. He asked America to stop its recent bombing campaign in the south because it was leading to an increase in support for the Taliban. The United States simply ignored him. Above all, he has no control at all over the warlords among his ministers and governors, each of whom runs his own kingdom and whose primary concern is self-enrichment through heroin.**

**My knowledge of all this comes from my time as British Ambassador in neighbouring Uzbekistan from 2002 until 2004. I stood at the Friendship Bridge at Termez in 2003 and watched the Jeeps with blacked-out windows bringing the heroin through from Afghanistan, en route to Europe.**

**I watched the tankers of chemicals roaring into Afghanistan.**

**Yet I could not persuade my country to do anything about it.** Alexander Litvinenko – the former agent of the KGB, now the FSB, who died in London last November after being poisoned with polonium 210 – had suffered the same frustration over the same topic.

There are a number of theories as to why Litvinenko had to flee Russia. The most popular blames his support for the theory that FSB agents planted bombs in Russian apartment blocks to stir up anti-Chechen feeling.

But the truth is that his discoveries about the heroin trade were what put his life in danger. Litvinenko was working for the KGB in St Petersburg in 2001 and 2002. He became concerned at the vast amounts of heroin coming from Afghanistan, in particular from the fiefdom of the (now) Head of the Afghan armed forces, General Abdul Rashid Dostum, in north and east Afghanistan.

Dostum is an Uzbek, and the heroin passes over the Friendship Bridge from Afghanistan to Uzbekistan, where it is taken over by President Islam Karimov's people. It is then shipped up the railway line, in bales of cotton, to St Petersburg and Riga.

The heroin Jeeps run from General Dostum to President Karimov. The UK, United States and Germany have all invested large sums in donating the most sophisticated detection and screening equipment to the Uzbek customs centre at Termez to stop the heroin coming through.

But the convoys of Jeeps running between Dostum and Karimov are simply waved around the side of the facility.

**Litvinenko uncovered the St Petersburg end and was stunned by the involvement of the city authorities, local police and security services at the most senior levels. He reported in detail to President Vladimir Putin. Putin is, of course, from St Petersburg, and the people Litvinenko named were among Putin's closest political allies. That is why Litvinenko, having miscalculated badly, had to flee Russia.**

**I had as little luck as Litvinenko in trying to get official action against this heroin trade.** At the St Petersburg end he found those involved had the top protection. In Afghanistan, General Dostum is vital to Karzai's coalition, and to the West's pretence of a stable, democratic government.

**Opium is produced all over Afghanistan, but especially in the north and north-east – Dostum's territory. Again, our Government's spin doctors have tried hard to obscure this fact and make out that the bulk of the heroin is produced in the tiny areas of the south under Taliban control. But these are the most desolate, infertile rocky areas. It is a physical impossibility to produce the bulk of the vast opium harvest there.**

That General Dostum is head of the Afghan armed forces and Deputy Minister of Defence is in itself a symbol of the bankruptcy of our policy. Dostum is known for tying opponents to tank tracks and running them over. He crammed prisoners into metal containers in the searing sun, causing scores to die of heat and thirst.

Since we brought 'democracy' to Afghanistan, Dostum ordered an MP who annoyed him to be pinned down while he attacked him. The sad thing is that Dostum is probably not the worst of those comprising the Karzai government, or the biggest drug smuggler among them.

Our Afghan policy is still victim to Tony Blair's simplistic world view and his childish division of all conflicts into 'good guys' and 'bad guys'. The truth is that there are seldom any good guys among those vying for power in a country such as Afghanistan. To characterise the Karzai government as good guys is sheer nonsense.

Why then do we continue to send our soldiers to die in Afghanistan? Our presence in Afghanistan and Iraq is the greatest recruiting sergeant for Islamic militants. As the great diplomat, soldier and adventurer Lieutenant-Colonel Sir Alexander Burnes pointed out before his death in the First Afghan War in 1841, there is no point in a military campaign in Afghanistan as every time you beat them, you just swell their numbers. **Our only real achievement to date is falling street prices for heroin in London.**

Remember this article next time you hear a politician calling for more troops to go into Afghanistan. And when you hear of another brave British life wasted there, remember you can add to the casualty figures all the young lives ruined, made miserable or ended by heroin in the UK.

They, too, are casualties of our Afghan policy

**Source:** <http://www.dailymail.co.uk/news/article-469983/Britain-protecting-biggest-heroin-crop-time.html>

**Craig Murray can be contacted through his website:** <http://www.craigmurray.org.uk/>

How a Torture Protest Killed a Career By Craig Murray October 24, 2009  
<http://www.consortiumnews.com/2009/102409b.html>

**EXHIBIT 19: Journalist Evan Wright discovers ties between drug cartels and CIA outsourcing of assassinations and intelligence to private contractors. When Wright interviewed a drug trafficker named Jon Roberts, he disclosed participation in a murder with a hitman who would later join the CIA and rise to the top level of the agency. Meyer Lansky's stepson Richard Schwartz was killed on October 12, 1977, allegedly by the man who would eventually run the unit hunting for terrorist Osama Bin Laden. Ric Prado joined the CIA in 1982. By the time of the 9/11 attacks, he was the chief of counterterrorist operations with the rank of SIS-2. He would later leave the CIA to become a Vice-President at Blackwater from 2004 to 2008. The evidence against Ric Prado was so compelling that one investigator from the case described him as "technically, a serial killer." Mike Fisten, a former Miami-Dade detective who served on the federal task force stated "The CIA fought us tooth and nail, and basically told us to go fuck ourselves." Evan Wright interviewed more than a dozen law enforcement officials for this story. He was told "You can't indict people like Prado. It doesn't work that way."**

**One law enforcement official emailed Wright: "Your target is bad news and dangerous. Be careful."**

**Wright later contacted the official by phone regarding the email and was told "Forget this story. I dropped Prado's name on a friend of mine from the CIA and he said, 'Leave this one alone. You don't want to fuck with this guy.'"**

**When the law enforcement official persisted and asked his contact at CIA what he thought, the reply was "You're going to get whacked." Prado is now COO at Total Intelligence Solutions, a private intelligence and security company.**

## **The Terrifying Background of the Man Who Ran a CIA Assassination Unit**

**By Conor Friedersdorf (July 27, 2012)**

***A federal investigation alleged Enrique Prado's involvement in seven murders, yet he was in charge when America outsourced covert killing to a private company.***

It was one of the biggest secrets of the post-9/11 era: soon after the attacks, President Bush gave the CIA permission to create a top secret assassination unit to find and kill Al Qaeda operatives. The program was kept from Congress for seven years. And when Leon Panetta told legislators about it in 2009, he revealed that the CIA had hired the private security firm Blackwater to help run it. "The move was historic," says Evan Wright, the two-time National Magazine Award-winning journalist who wrote *Generation Kill*. "It seems to have marked the first time the U.S. government outsourced a covert assassination service to private enterprise."

The quote is from his e-book *How to Get Away With Murder in America*, which goes on to note that "in the past, the CIA was subject to oversight, however tenuous, from the president and Congress," but that "President Bush's 2001 executive order severed this line by transferring to the CIA his unique authority to approve assassinations. By removing himself from the decision-making cycle, the president shielded himself -- and all elected authority -- from responsibility should a mission go wrong or be found illegal. When the CIA transferred the assassination unit to Blackwater, it continued the trend. CIA officers would no longer participate in the agency's most violent operations, or witness them. If it practiced any oversight at all, the CIA would rely on Blackwater's self-reporting about missions it conducted. Running operations through Blackwater gave the CIA the power to have people abducted, or killed, with no one in the government being exactly responsible." None of this is new information, though I imagine that many people reading this item are hearing about it for the first time.

Isn't that bizarre?

The bulk of Wright's e-book (full disclosure: I help edit the website of *Byliner*, publisher of the e-book) tells the story of Enrique Prado, a high-ranking CIA-officer-turned-Blackwater-employee who oversaw assassination units for both the CIA and the contractor. To whom was this awesome responsibility entrusted? According to Wright's investigation, a federal organized crime squad run out of the Miami-Dade Police Department produced an investigation allegedly tying Prado to seven murders carried out while he worked as a bodyguard for a narco crime boss. At the time, the CIA declared him unavailable for questioning; the investigation was shut down before he was arrested or tried.

There's a lot more to the story -- Wright's e-book is almost 50 pages long -- but this bit is of particular note:

The reporting on Prado's activities at Blackwater produced no evidence that the firm's employees had ever killed anyone on behalf of the CIA. But I spoke to Blackwater employees who insisted that they had. Two Blackwater contractors told me that their firm began conducting assassinations in Afghanistan as early as 2008. They claimed to have participated in such



operations -- one in a support role, the other as a "trigger puller." The contractors, to whom I spoke in 2009 and 2010, were both ex-Special Forces soldiers who were not particularly bothered by assassination work, although they did question the legality of Blackwater's involvement in it.

According to the "trigger puller," he and a partner were selected for one such operation because they were Mexican Americans, whose darker skin enabled them to blend in as Afghan civilians. The first mission he described took place in 2008. He and his partner spent three weeks training outside Kabul, becoming accustomed to walking barefoot like Afghans while toting weapons underneath their jackets. Their mission centered on walking into a market and killing the occupant of a pickup truck, whose identity a CIA case worker had provided to them. They succeeded in their mission, he told me, and moved on to another. This contractor's story didn't completely fit with other accounts about Prado's unit at Blackwater. The e-mail written by Prado and later obtained by the Times seemed to indicate that the unit wouldn't use Americans to carry out actual assassinations. Moreover, two CIA sources insisted that the contractors I spoke to were lying. As one put it, "These guys are security guards who want to look like Rambo."

When I asked Ed O'Connell, a former Air Force colonel and RAND analyst with robust intelligence experience in Afghanistan, to evaluate these contractors' claims, he first told me they were almost certainly a "fantastical crock of shit." But a year later, in 2011, after a research trip in Afghanistan for his firm Alternative Strategies Institute, O'Connell had changed his assessment. **He told me, "Your sources seem to have been correct. Private contractors are whacking people like crazy over in Afghanistan for the CIA."**

So there you have it: A former Air Force lieutenant colonel, speaking on the record and using the present tense, said in 2011 that "private contractors are whacking people like crazy over in Afghanistan for the CIA."

### Says Wright:

While Blackwater's covert unit began as a Bush administration story, President Obama now owns it. In 2010, his administration intervened on behalf of the Blackwater executives indicted for weapons trafficking, filing motions to suppress evidence on the grounds that it could compromise national security. The administration then awarded Blackwater (which is now called Academi) a \$250 million contract to perform unspecified services for the CIA. At the same time, Obama has publicly taken responsibility for some lethal operations -- the Navy SEALs' sniper attack on Somali pirates, the raid on bin Laden. His aides have also said that he reviews target lists for drone strikes. The president's actions give him the appearance of a man who wants the best of both worlds. He appears as a tough, resolute leader when he announces his role in killings that will likely be popular -- a pirate, a terrorist. But the apparatus for less accountable killings grinds on.

Needless to say, this ought to spark an investigation, but more than that, it should cause Americans to step back and reflect on how vulnerable we've made ourselves to bad actors in the post-9/11 era. We're giving C.I.A. agents and even private security contractors the sort of power no individual should wield. And apparently our screening apparatus turns out to be lacking.

Source:

<http://www.theatlantic.com/politics/archive/2012/07/the-terrifying-background-of-the-man-who-ran-a-cia-assassination-unit/259856/>

see also:

<http://www.dailymail.co.uk/news/article-2166312/Top-CIA-spy-Enrique-Ricky-Prado-accused-HITMAN-Miami-mobsters.html>

## Did a CIA Agent Work for the Mob?

*Thursday, June 28, 2012, 1:57am (PDT)*

By Evan Wright

In 2008, Jon Roberts, a convicted cocaine trafficker, made a startling claim to me: that more than three decades earlier he had participated in a murder with a man named Ricky Prado, who later entered the Central Intelligence Agency and became a top American spy. The murder to which Roberts referred was one of Miami's most infamous, that of Richard Schwartz, stepson of the legendary mobster Meyer Lansky. Schwartz was killed on the morning of October 12, 1977, behind a restaurant. He was exiting his car when a person unknown approached him and fired twice with a shotgun. The murder has never been solved.

Roberts claimed that Prado was the shooter, provided by a local Cuban drug kingpin named Alberto "Albert" San Pedro, for whom Prado worked as an enforcer and occasional hit man. What made Roberts's story unbelievable was his claim that shortly after the shooting, Prado joined the CIA.

Not long after Roberts told his tale, I found there was a CIA officer named Enrique "Ricky" Prado, who joined the agency in 1982 and eventually attained the rank of SIS-2, the equivalent of a two-star general. He served as a supervisor in the bin Laden unit, and by the time of the 9/11 attacks, he was a top official in the CIA's counterterrorist center. He later ran the "targeted assassination unit"—first at the agency and then at Blackwater, where he served as vice-president from 2004 to 2008. During much of his career in and out of the CIA, Prado worked closely with J. Cofer Black, now a top adviser to Mitt Romney.

**It was impossible to believe that Roberts's allegations about Prado had merit until I found long-suppressed files from a 1991 federal RICO and murder investigation that targeted Prado for his alleged role as a criminal enforcer for San Pedro prior to joining the CIA. No**

**charges were filed against Prado. A subpoena compelling him to testify before a federal grand jury was quashed. His rise in the CIA continued after the case disappeared. Officers who know him described him to me as a “good guy.”**

But law enforcement officials from the 1991 investigation tell a different story. In interviews I conducted with more than a dozen, they offered a disturbing portrait of a case abandoned because of CIA intervention, political maneuvering, and corruption. Their evidence linked Prado not just to the Schwartz murder, but to several others. They also revealed Prado's continued association with San Pedro long after he joined the agency.

“It was a miscarriage of justice that Prado never faced charges,” says Mike Fisten, a former Miami-Dade detective who served on the federal task force. “The CIA fought us tooth and nail, and basically told us to go fuck ourselves.” Echoing other investigators, Fisten says that Prado beat the case because of his former boss Albert San Pedro's “power to corrupt the American justice system.”

Fisten adds, “Ricky and Albert are two sides of the same coin, gangster and CIA officer. Those two are always connected. You can't get one without the other.”

Ricky and Albert

Albert San Pedro, speaking unknowingly into an undercover cop's tape recorder, once shared the quality he valued most in men who worked for him: “The best man is the quiet man.” Prado is the consummate quiet man. He was born Enrique Alejandro Prado on May 3, 1950, in Santa Clara, Cuba. The Prados were on the losing side of the revolution in 1959, and soon afterwards they fled to Miami. Enrique Sr. opened a lawn-mower shop and later became a locksmith.

Ricky and Albert San Pedro met around 1966 at Miami Springs High School. They shared a passion for weight lifting. About this time, Albert also started his first business: For fifty dollars, he would kick anybody's ass. “If Albert couldn't take someone physically, he would use a baseball bat, a tire iron, whatever,” says “Teo,” a friend of theirs. “He was like a mobster guy already. Ricky was always by his side. He was his lieutenant.”

While other kids rode the currents of free love sweeping the nation in the late 1960s, Albert and Ricky went in the opposite direction. They kept their hair short and pomaded it back in ducktails. They didn't smoke weed—though Albert would soon start selling it. Albert acquired a Chevy Chevelle SS muscle car. “When people saw that car coming,” says Teo, “they ran.”

After graduation, Ricky joined the military. A recruiter talked him into entering the Air Force special operations branch.

Albert still lived with his parents, but as profits from his nascent cocaine business rolled in, he reinvented his image from neighborhood bully to shot caller. Neighbors began referring to the twenty-four-year-old as the “Mayor of Hialeah.”

In 1973, Ricky was posted to Homestead Air Force base. In military terms, his special operations certification was like a Harvard MBA, but in the civilian job market, skills in knife fighting and improvised bomb making weren't much in demand. He gravitated back to Albert and began doing odd jobs for him—providing muscle, delivering packages. Albert found a way for Ricky and other toughs who worked for him to legally carry weapons: He founded the Transworld Detective Agency. The company's corporate filings listed Albert's house as its headquarters and Ricky as its “president of records.”

In 1980, Ricky began sending applications to federal agencies. He told his wife that the State Department had hired him. They moved to Seabrook, Maryland, and he put on a suit every morning, telling his wife he “worked in a lab doing medical work.” He was in fact a recruit in the CIA's paramilitary officer program, and would soon be on his way to fight the agency's covert war to arm the contras in Central America. Somehow, the agency either missed or ignored his long association with Albert, who by then had been identified by law enforcement as one of the ten biggest cocaine traffickers in South Florida.

The CIA

On June 29, 1991, the RICO task force sent FBI Special Agent Fred Harden and Miami-Dade homicide sergeant Al Singleton to CIA headquarters to interview Prado. Prado was forty-one. His hairline was receding, but he was visibly muscle-bound even in a suit. He carried himself with almost exaggerated military precision.

When Harden asked Ricky about his relationship with Albert, he said they were “close friends” and admitted working for him as a bodyguard. He insisted he had no knowledge of Albert's cocaine trafficking and had never committed any violent acts for him. But when Singleton pitched him the idea of cooperating against Albert in exchange for immunity, Ricky's response floored the investigators. As noted in the federal report:

Prado advised that if he knew of any criminal activities on behalf of San Pedro, he would have to have protection. For example, if Prado witnessed San Pedro murder someone (and he is not implying that he did), Prado would definitely have to have protection for his family.

Believing they had secured his cooperation, Harden served Ricky with a subpoena to testify before a grand jury.

The task force prepared a thirty-four-page summary of twenty-nine acts with which to indict Ricky on RICO charges, but the U.S. Attorney's office soon backed down. The CIA also ceased cooperating. “People started telling me that we were pissing upstream,” says Fisten. “But my attitude was fuck the CIA. If they want to obstruct our RICO investigation, we had numerous murders to pursue against him.”

Most people connected with the investigation moved on, but Fisten remains committed to a simple, if quixotic, proposition: “Ricky and Albert are guilty of murder and need to go to prison for it.”

Source: <http://powerwall.msnbc.msn.com/politics/did-a-cia-agent-work-for-the-mob-1721447.story>

## Drug lords, dirty cops, obsessed cops, and the quiet man who became the CIA's master killer.

### [How to Get Away with Murder in America](#)

In 2008, Jon Roberts, a convicted cocaine trafficker, made a startling claim to me: that more than three decades earlier he had participated in a murder with a man named Ricky Prado, who later entered the Central Intelligence Agency and became a top American spy. The murder to which Roberts referred was one of Miami's most infamous, that of Richard Schwartz, stepson of the legendary mobster Meyer Lansky. Schwartz was killed on the morning of October 12, 1977, behind a restaurant near Miami Beach. He was exiting his car when a person unknown approached him and fired twice with a shotgun, at such close range that cotton wadding from the shells impregnated Schwartz's flesh. The murder has never been solved.

Roberts claimed that Prado was the shooter, provided by a local Cuban drug kingpin named Alberto "Albert" San Pedro, for whom Prado worked as an enforcer and occasional hit man. Roberts confessed to planning the murder with two mafiosi, Gary Teriaca and Robert "Bobby" Erra. According to Roberts, the three of them waited near the scene of the shooting in his boat, in order to take Prado's weapon and dispose of it in Biscayne Bay.

The politics of Roberts's story made sense. Months earlier, Schwartz had fatally shot Teriaca's younger brother in a dispute at the Forge restaurant, in Miami Beach. As Roberts explained it, the three of them participated in the murder to avenge the death of Teriaca's brother. Prado entered the picture because his boss, San Pedro, was eager to prove his loyalty to the Mafia.

What made Roberts's story unbelievable was his claim that four years after the shooting, Prado joined the CIA. In Miami, thugs often claim ties to the CIA. The agency recruited hundreds of Cuban immigrants for the Bay of Pigs invasion in 1961, and many of them later became drug traffickers. But Roberts's story was different. He claimed Prado was a criminal *first* and then became a career CIA officer. This seemed doubtful until I discovered that there was a CIA officer named Enrique Prado ("Ricky" or "Ric" for short), whom federal agents had targeted in a 1991 RICO and murder investigation into his alleged career—before he entered the agency—as an enforcer for San Pedro.

The investigators had obtained evidence implicating Prado in the murder of Schwartz and several others, as well as in numerous acts of extortion and arson undertaken in support of San Pedro's drug-trafficking enterprise. Prado was interviewed by federal investigators at CIA headquarters in Langley, Virginia, and served with a subpoena to appear before a grand jury.

But somehow the subpoena was quashed. No charges were ever filed against him. Within a few years, the CIA promoted Prado into the highest reaches of its Clandestine Services and made him a supervisor in the unit tasked with hunting Osama bin Laden in the late 1990s. At the time of the 9/11 attacks, he was the chief of counterterrorist operations. With the rank of SIS-2—the CIA equivalent of a two-star or major general—he was among a small circle of officers who helped implement the CIA-led invasion of Afghanistan and directed SEAL Team Six on missions there. Throughout his later years at the agency and then at Blackwater, the private military contracting firm where Prado held a senior position, he worked closely with J. Cofer Black, now a top adviser to Mitt Romney.

The story Roberts told, and the two halves of Prado's life in the 1990s—murder suspect/stellar CIA officer—made no sense. When I initially searched for the case files of the investigation into Prado—conducted jointly by the FBI and the Miami-Dade Police Department—I discovered they'd disappeared from the MDPD's records bureau. When I located them elsewhere through a tip from a federal investigator, they were far more extensive than I had expected. There were some three thousand pages, including interviews with eyewitnesses who placed Prado at numerous crimes. I eventually interviewed more than two dozen people involved with the investigation—cops, FBI agents, federal prosecutors, and witnesses—who provided a disturbing portrait of a case abandoned because of CIA intervention, political maneuvering, and possibly corruption. **The evidence against Prado was so compelling that one investigator from the case described him as "technically, a serial killer."**

**"It was a miscarriage of justice that Prado never faced charges," says Mike Fisten, the lead homicide investigator on the case. "The CIA fought us tooth and nail, and basically told us to go fuck ourselves."**

**Another investigator from the case, who is now a Florida law enforcement official, said, "You can't indict people like Prado. It doesn't work that way."**

**Later he e-mailed me: "Your target is bad news and dangerous. Be careful."**

**When I phoned him, he said, "Forget this story. I dropped Prado's name on a friend of mine from the CIA and he said, 'Leave this one alone. You don't want to fuck with this guy.'"**

**"What do you think?" I asked him.**

**"You're going to get whacked."**

**No public official I've interviewed had ever made such a comment.** Yet his warning is in keeping with the amazing story of Ricky Prado and his rise from the criminal underworld into the top echelons of the national-security establishment. It's a story you'd expect to encounter in the twilight stages of a corrupt dictatorship, but this one takes place mostly in Miami. It centers on Prado's long relationship with San Pedro, and on the cop who began pursuing them more than two decades ago and still hopes to put them in prison for murder. In protecting Prado, the CIA arguably allowed a new type of mole—an agent not of a foreign government but of American criminal interests—to penetrate its command.

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**Top CIA Spy Accused of Being a Mafia Hitman** By [Robert Beckhusen](#) 06.27.12

<http://www.wired.com/dangerroom/2012/06/cia/>

Exhibit 20: CBS News Transcripts 60 MINUTES November 21, 1993

When Mike Levine (DEA-retired) spoke with his former colleague at DEA, Annabelle Grimm regarding this case, he was told that "27 tons minimum" had entered the country

**HEADLINE: THE CIA'S COCAINE; CIA APPARENTLY BEHIND SHIPPING OF A TON OF COCAINE INTO THE US FROM VENEZUELA**

**BODY: THE CIA'S COCAINE**

**MORLEY SAFER:** A ton of cocaine--pure cocaine, worth hundreds of millions—is smuggled into the United States. Sound familiar? Not the way this ton of cocaine got here, according to what the former head of the Drug Enforcement Administration told Mike Wallace. This drug shipment got here courtesy of what he calls drug trafficking by the CIA, in partnership with the Venezuelan national guard. While rumors of CIA involvement in drug trafficking have circulated for years, no one in the US government has ever before publicly charged the CIA with this kind of wrongdoing. It is not the kind of accusation anyone in government would make without thinking long and hard.

**MIKE WALLACE:** Let me understand what you're saying. A ton of cocaine was smuggled into the United States of America by the Venezuelan national guard...

**Judge ROBERT BONNER (Former Head, Drug Enforcement Administration):** Well, they...

**WALLACE:** ...in cooperation with the CIA?

**Judge BONNER:** That's what--that's exactly what appears to have happened. (Footage of Wallace and Bonner walking)

**WALLACE (Voiceover)** Until last month, Judge Robert Bonner was the head of the Drug Enforcement Administration, the DEA. And Judge Bonner explained to us that only the head of the DEA is authorized to approve the transportation of any illegal narcotics, like cocaine, into this country, even if the CIA is bringing it in.

**Judge BONNER:** Let me put it this way, Mike. If this has not been approved by DEA or an appropriate law-enforcement authority in the United States, then it's illegal. It's called drug trafficking. It's called drug smuggling.

**WALLACE:** So what you're saying, in effect, is the CIA broke the law; simple as that.

**Judge BONNER:** I don't think there's any other way you can rationalize around it, assuming, as I think we can, that there was some knowledge on the part of CIA. At least some participation in approving or condoning this to be done. (Footage of Wallace and Bonner; the CIA seal)

**WALLACE (Voiceover)** Judge Bonner says he came to that conclusion after a two-year secret investigation conducted by the DEA's Office of Professional Responsibility, in cooperation with the CIA's own inspector general. And what reason did the CIA have for promoting this drug smuggling?

**Judge BONNER:** Well, the only rationale that's ever been offered is that that--this would lead to some valuable drug intelligence about the Colombian cartels. (Footage of a drug inspection; a ship; trucks; a building; General Ramon Guillen Davila)

**WALLACE (Voiceover)** Over half of the Colombian drug cartel's cocaine crosses the border with Venezuela on its way to the United States and Europe. Back in the 1980s, the CIA was mandated by then-President Reagan to develop intelligence on the Colombian drug cartels. And so the CIA, with Venezuela's Guardia Nacional, or national guard, set up an undercover operation, a drug-smuggling operation in Venezuela that could handle the trans-shipment of the Colombian cartel's cocaine on its way to market.

The plan was to infiltrate the cartel, and it worked, for the CIA-national guard undercover operation quickly accumulated this cocaine, over a ton and a half that was smuggled from Colombia into Venezuela inside these trucks and then was stored here at the CIA-financed Counternarcotics Intelligence Center in Caracas. The center's commander and the CIA's man in Venezuela was national guard General Ramon Guillen Davila.

**Ms. ANNABELLE GRIMM (Drug Enforcement Agency):** I tried to work together with them. I was always aware that they were not telling me everything they were doing. (Footage of Grimm; a building; Mark McFarlin; a plane taking off)

**WALLACE (Voiceover)** Annabelle Grimm was a DEA agent with 18 years' experience when she was made agent-in-charge in Caracas. And she says that the CIA station chief, James Campbell, and this man, Mark

McFarlin, the CIA officer in charge at the center, told her that to keep the undercover smuggling operation credible, they had to keep the cartel happy, and the way to do that was simple: deliver their dope, untouched by US law enforcement, to the cartel's distributors, their dope dealers in the United States.

Ms. GRIMM: The CIA and the Guardia Nacional wanted to let cocaine go on into the traffic without doing anything. They wanted to let it come up to the United States, no surveillance, no nothing.

WALLACE: In other words, you weren't going to stop them in Miami or Houston or wherever. These drugs were simply going to go to the United States and then go into the traffic and eventually reach the streets.

Ms. GRIMM: That's what they wanted to do, yes. And we had very, very lengthy discussions. But I told them what the US law was and the fact that we could not do this.

WALLACE: So here you've got Jim Campbell, chief of station, who knows about this; Mark McFarlin, CIA officer, knows about this and are stimulating this--this business of sending what are uncontrolled deliveries of drugs--smuggling drugs into the United States, right?

Ms. GRIMM: Right.

WALLACE: Why in the world would they want to do that?

Ms. GRIMM: As they explained to me, that--this would enable them to gain the traffickers' confidence, keep their informant cool and it would result in future seizures of larger quantities of drugs. And also, they hoped to--I guess they thought they were going to get Pablo Escobar at the scene of the crime or something, which I found personally ludicrous.

WALLACE: But if Annabelle Grimm thought this was ludicrous, the CIA station chief, James Campbell, did not. He enlisted the assistance of CIA headquarters in Washington to get approval for the drug shipments. And his bosses at the CIA in Washington went over Annabelle Grimm's head, directly to her bosses at DEA headquarters in Washington.

Judge BONNER: They made this proposal and we said, 'No, no way. We will not permit this. It should not go forward.' And then, apparently, it went forward anyway. (Footage of Wallace and Bonner; a Guardia Nacional truck; inspectors)

WALLACE: (Voiceover) The joint DEA-CIA investigation we mentioned earlier confirmed that over a ton of cocaine made its way from the Counternarcotics Center in Caracas to the streets of the United States. And they discovered that at one point, General Guillen's national guard tried to ship 1,500 kilos at once.

Ms. GRIMM: They were not successful in that because apparently the package they had put together was too large. It wouldn't fit on the plane. (Footage of Guillen)

WALLACE: (Voiceover) General Guillen admits to the bungled operation. General RAMON GUILLEN DAVILA (Venezuelan Guardia Nacional): (Through interpreter) It was too big for the airplane door because the plane was a 707. WALLACE: The box was too big to get into the airplane, \$ 30 million worth of cargo, drugs? All these officials--the Venezuelans, the Americans, the--the Colombians--all so stupid that they don't have a box that's small enough to fit inside their own airplane?

Gen. GUILLEN: (Through interpreter) The traffickers made a mistake with the plane. (Footage of Guillen)

WALLACE: (Voiceover) Is it possible that General Guillen was doing this on his own, without the knowledge of the CIA?

Ms. GRIMM: I would find it very difficult, for several reasons, to believe that they did not know what was going on. They built, they ran, they controlled that center. General Guillen and his officers didn't go to the bathroom without telling Mark McFarlin or the CIA what they were going to do. (Footage of traffic; a Colombia road sign; an airplane landing)

WALLACE: (Voiceover) The drug-smuggling operation finally unraveled nearly a year after Annabelle Grimm says she told the CIA and General Guillen that it was illegal to send drugs uncontrolled into the US. Then a shipment arrived in Miami's International Airport and was seized, coincidentally, by US Customs. Customs traced those drugs back to the Venezuelan national guard, but General Guillen told us that operation had been approved by US authorities.

Gen. GUILLEN: (Through interpreter) Look, what I see here is that there is a problem between the CIA and the DEA, and perhaps they are trying to find a fall guy, who is General Guillen. If I had anything to do with illegal drug trafficking, I wouldn't be sitting here talking to you. (Footage of Guillen; a document)

**WALLACE:** (Voiceover) General Guillen is right about one thing. He could travel to New York to talk to us about Judge Bonner's charges only because he had already been granted immunity from prosecution in that DEA-CIA inspector general's investigation. So we confronted the general with this document, a report from that investigation that reads like his confession. (Reading) 'Guillen lost his composure, and when directly confronted concerning his involvement in the unauthorized and illegal shipment of cocaine to the US, confesses.'

**Gen. GUILLEN:** (Through interpreter) Look, I say that that confession is not true. In that report, there are a lot of lies. It's useless. I have not confessed anywhere.

**WALLACE:** So you're clean?

**Gen. GUILLEN:** (Through interpreter) Clean until the last day God has for me. (Footage of Guillen; buildings; a document; McFarlin in a truck; a photograph of James Campbell; the CIA logo)

**WALLACE:** (Voiceover) So far there has been no legal action against General Guillen. As for the CIA officers? Well, Judge Bonner may believe that someone at the agency must have known, but the CIA and the US Department of Justice say they have discovered, quote, "No evidence of criminal wrongdoing."

However, the CIA did acknowledge to us that the investigation, quote, "Did reveal instances of poor judgment and management, leading to disciplinary actions for several CIA officers." Mark McFarlin, the CIA officer in charge of the Counternarcotics Center, resigned from the agency last year. We tried to talk to him, but he told us the CIA would take legal action against him if he violated his secrecy agreement with the agency. As for James Campbell, the CIA station chief, we learned he was brought back to the US and promoted, but then he retired. Campbell did tell us, quote, "I've devoted my life to my country and feel like a victim in this thing. This happened without our knowledge.

We were there to prevent it." While CIA headquarters declined to answer our questions on camera, off camera a CIA official involved in the Venezuelan cocaine operation did. We talked to some people at the CIA. They say, 'The DEA does the same thing all the time. They let drugs walk. They let drugs into the traffic, and look the other way to further a more important goal.'

**Judge BONNER:** It's absolutely untrue. And frankly it--maybe it displays the kind of ignorance that makes the CIA dangerous in this area. It is wrong for an agency of the US government to facilitate and participate in allowing drugs to reach the streets. And apparently--you know, if the--if the CIA doesn't understand that, then I--I would be concerned that this kind of incident could be repeated. (Footage of Wallace and Dennis DeConcini)

**WALLACE:** (Voiceover) The CIA advised us they had recently briefed the chairman of the Senate Intelligence Committee, Senator Dennis DeConcini, and they urged us to talk with him, apparently believing he would defend the operation.

**Senator DENNIS DeCONCINI** (Senate Intelligence Committee): It was an operation that I don't think they should've been involved in.

**WALLACE:** No question, the drugs got in?

**Sen. DeCONCINI:** I don't doubt that the drugs got in here.

**WALLACE:** You'd think that maybe the agency would want to say, 'OK, we made a mistake.'

**Sen. DeCONCINI:** I think they made a mistake.

**WALLACE:** Yeah.

**Sen. DeCONCINI:** And I--you know, you hope when these mistakes are made that, hell, not too many more of them are, particularly when the mistake is a large quantity of substances like this that can kill people, and probably did. (Footage of Wallace and DeConcini)

**WALLACE:** (Voiceover) We asked the senator why no one in the CIA has been prosecuted for bringing in the drugs. **Sen. DeCONCINI:** It--you would seem to think there would be a good case there.

**WALLACE:** A case against?

**Sen. DeCONCINI:** Against an American who knew anything about it. But, you know, I've been a prosecutor, Mike, and you have to look at the case, convince a--a jury or a judge not to throw the case out. The Justice Department reviewed that and they decided not to prosecute these individuals from the agency. (Footage of the Venezuelan intelligence agency)

**WALLACE:** (Voiceover) And what about the vaunted intelligence gathered from the whole CIA anti-drug caper in Venezuela?

**Judge BONNER:** Well, let me tell you, I--first of all, I don't know of any. Because from what I know, no valuable intelligence of any kind was produced from this operation.

**WALLACE:** What intelligence was generated by the shipment of this 1,000 to 1,500 kilos, controlled or uncontrolled?

**General GUILLEN:** (Through interpreter) It was very positive.

**WALLACE:** Really? Who--who--who did you finger? What did you find out?

**General GUILLEN:** (Through interpreter) Right now, a truck driver and the truck that were trafficking drugs into Venezuela are under arrest. There was another truck and two similar van types were also caught.

**WALLACE:** So what you're saying is that you captured three or four or five truck drivers. I'm asking about intelligence in the United States that was generated by the actual shipment of these kilos into the United States.

**General GUILLEN:** (Through interpreter) Now whether or not here in the United States they arrested anyone or the intelligence gathered was useless, that is the responsibility of the Americans.

**WALLACE:** After speaking to us, General Guillen traveled to Miami, where federal agents found him and served him with a subpoena to appear before a newly revived grand jury investigation into the CIA's cocaine. But the word out of Venezuela is that the government there will not permit him to testify.

**Ms. GRIMM:** I look at that 1,000 kilos, at least that 1,000 kilos. I look at the fact--I mean, Mike, you're a taxpayer and that was US taxpayer money that built that center, that funded it, that maintained it. And I really take great exception to the fact that that 1,000 kilos came in funded by US taxpayer money and it hit the streets of the United States. I found that particularly appalling when you look at all the damaged lives that 1,000 kilos represents.

**SAFER:** And what happened to the tens of millions that were paid for the CIA's cocaine? Well, General Guillen insists he didn't get any of it. But Judge Bonner says one thing is certain, the Colombian cartel did. They got their money once the dope made it to our streets. Meanwhile, both the House and Senate Intelligence Oversight Committees continue to ask questions about what they call, quote, "the very serious charges surrounding the CIA's cocaine."

**EXHIBIT 21: Statement of CIA Inspector General to The House Committee On Intelligence - March 16, 1998**  
Fred Hitz retired shortly after issuing the 1998 report and was succeeded by Inspector General L. Britt Snyder. In classified testimony on May 25, 1999, Snyder testified: "In the end the objective of unseating the Sandinistas appears to have taken precedence over dealing properly with potentially serious allegations against those with whom the agency was working," He conceded that the CIA did not treat the drug allegations in "a consistent, reasoned or justifiable manner."

## **Prepared Statement of Frederick P. Hitz Inspector General, Central Intelligence Agency Before The House Committee On Intelligence**

**Subject - Investigation of Allegations of Connections Between CIA and the Contras in Drug Trafficking to the United States**

### **VOLUME I: THE CALIFORNIA STORY**

Chairman Goss, Congressman Dicks, Congressman Dixon and members of the Committee and Congress, thank you very much for affording me the opportunity to appear before you to discuss the progress of our investigation.

When I appeared before the Senate Select Committee on Intelligence in open session on October 23, 1996, I reported that, at the request of then-Director of Central Intelligence John Deutch on September 3, 1996, I immediately initiated an inquiry into allegations that stemmed from a three-part series called "Dark Alliance" that was published in the San Jose Mercury News in August 1996. That series discussed the drug trafficking activities of several individuals who had been implicated in cocaine trafficking in California. As you know, the series also suggested that the Nicaraguan Contras--described as "CIA's Army"--benefited from the drug trafficking activities of Ricky Ross, Danilo Blandon, Norwin Meneses, and others, and that these activities were responsible for the emergence of crack cocaine in South Central Los Angeles and elsewhere in America. The series also intimated that CIA may have been involved in drug trafficking--or at least had knowledge of those activities and may have given its approval for them.

On October 23, 1996, I promised Congress and the American people to have my office "conduct as thorough a review as possible of all available information (and) report what we find candidly and completely." I am pleased to be able to come before this committee today and say that we have done that.

On December 17, 1997, we published our classified Report of Investigation Volume I--called "The California Story"--that specifically focused on CIA knowledge of, and actions taken regarding, the individuals and events that were the focus of the Mercury News series. A little over a month later--on January 29, 1998--we released this report in an unclassified version following a classification review by the Agency.

I believe those of you on the Committee who have read the classified version of volume I and have had the opportunity to "compare it with the unclassified version will agree that the information about this matter that is now publicly available does not differ in any significant way from- that presented in the classified report. Our purpose is to provide the American public with the relevant facts without compromising information relating to the national security that the DCI is--by law--bound to protect.

Our report presents an exhaustive array of facts and allows me to reiterate what I said before the Senate Select Committee on Intelligence in 1996: "(W)e will present the unvarnished truth as we find it and will do so to the best of our abilities."

Today, I can say that we have done that. We reviewed an estimated 250,000 pages of documents and used the information gleaned from these documents to conduct over 365 interviews of persons on four continents. These interviews included current and former Directors and Deputy Directors of Central Intelligence, current and former senior Agency staff personnel, secretaries, communicators, logistics personnel, operations officers, attorneys, present and former CIA assets, contractors, law enforcement personnel, former Contra leaders, convicted drug traffickers, and others. Our investigative team went to great lengths to obtain relevant documents. We sent officers to the National Archives to review records compiled by the office of Independent Counsel for Iran-Contra Matters. We examined CIA's own Iran-Contra records that comprised about 300 linear feet of Agency and other Executive Branch documents. We worked directly with DEA, FBI, and the Department of Justice IG to obtain relevant information from the files of those organizations. We reviewed reporting from other intelligence community agencies--including NSA and DIA--that had been shared with CIA. We contacted DoJ's National Drug Intelligence Center and DEA's E1 Paso Intelligence Center to seek further information. We reviewed available Congressional records, including relevant information compiled by the Kerry Committee and the intelligence oversight committees and spoke with individuals associated with the Joint Iran-Contra Investigating Committee and Office of Independent Counsel for Iran-Contra matters.

It is important to note that our investigation was not intended to prove or disprove allegations of drug trafficking by specific individuals or organizations. Rather, our 17-person team worked some eighteen months to identify:



- Any information in CIA's possession relating to Danilo Blandon, Norwin Meneses, or Ricky Ross;
- Any information in CIA's possession relating to possible drug trafficking activities by the Contras in California and elsewhere in the United States, and what action--if any--CIA may have taken upon receiving that information; and
- Any contacts between CIA and law enforcement authorities regarding that information. I believe our investigation is the most comprehensive and exhaustive ever conducted by the CIA/OIG and that the Report of Investigation reflects accurately what was found by our team. Having said that, one may ask if it is possible there is some relevant document we did not find or some relevant person we did not interview that would alter our conclusions. As for the documents, the answer to that is, "Yes, it is possible, but I do not believe it is likely." As for individuals, the Report explains that six former CIA employees and a former DEA agent refused our request to be interviewed. We had no power to compel them to do so... Given the effort I have described, however, I do not believe it is likely that any significant information that would have substantially altered the conclusions of this Volume has escaped our attention. Now let me turn to the Findings of Volume I. Before I go any further, I want to make clear that we found absolutely no evidence to indicate that CIA as an organization or its employees were involved in any conspiracy to bring drugs into the United States. The first half of Volume I discussed CIA knowledge of the activities of Ross, Blandon and Meneses. Ross, Blandon and Meneses are convicted drug dealers. Our investigation found no information to indicate that any past or present employee of CIA, or anyone else acting on behalf of CIA, had any dealings with Ross, Blandon or Meneses, or had any knowledge of their drug trafficking activities. Ross was a drug dealer who, by his own admission, says his sole motivation was to derive personal financial gain from the illegal trafficking of drugs. During the 1980's, Ross was a major cocaine and crack trafficker who...says he made millions in the drug trade. His activities helped to foster the crack epidemic that erupted in South Central Los Angeles. However, Ross told us that he never sold drugs for the Contras or donated any money to the Contras. CIA never had any relationship with Ross. Likewise, Blandon and Meneses also trafficked in drugs to derive personal financial gain. While CIA had no relationship with Blandon and Meneses, our investigation did find that Blandon and Meneses were affiliated with California Contra support organizations and each made financial contributions to those groups.

Blandon and Meneses each claimed to have provided between \$3,000 and \$40,000 worth of support to the Contras, although we found no information to substantiate these claims. Blandon claims that portions of his contributions were from the proceeds of his narcotics trafficking. Blandon states that he gave the impression when donating money that it was derived from his legitimate business activities, while Meneses claims his contributions were from the proceeds of legitimate business activities. Our investigation found that Blandon had a personal relationship with Contra leader Eden Pastora, and that he provided Pastora with assistance in the form of rent-free housing in Costa Rica and two used vehicles for personal transportation. Much of this assistance was provided to Pastora after he left the Contra movement. Blandon also claims Pastora was not aware he was engaged in drug trafficking. Pastora confirmed this when he testified before the SSCI in November 1996.

Blandon also says he met Contra leader Enrique Bermudez on four occasions from 1981 to 1983. Blandon states that one meeting occurred in Honduras in 1982 while he and Meneses were traveling to Bolivia to conduct a drug deal. Blandon says that Bermudez told them that the Contras were having trouble raising funds and asked that he and Meneses help, stating that "the ends justify the means." Blandon adds that it is his belief Bermudez did not know that he and Meneses were engaged in drug trafficking, but was aware of Meneses' alleged Nicaraguan organized crime connections. This investigation found no further information on this subject.

Unfortunately, we could not obtain information from Bermudez since he was murdered in Managua in 1991. No information has been found to indicate that CIA hindered, or otherwise intervened in, the investigation, arrest, prosecution, conviction, or sentencing of Ross, Blandon or Meneses. Additionally, Ronald J. Lister or David Scott Weekly--who were mentioned in the media in connection with Blandon-- had no relationship with CIA or its employees. Lister, a former police officer, trafficked in drugs for personal benefit and admits 'that people may have received the false impression that he was connected with CIA and that he may have fostered such misconceptions because it benefited his private security business.

Our investigation also found no information to connect Weekly to the drug trafficking activities' of Ross, Blandon, Meneses, or Lister. The second half of our Volume I--The Northern California Story-- pertains to a case in San Francisco often referred to as "The Frogman Case." The case got its name when law enforcement authorities in San Francisco arrested several swimmers who had come ashore from a Colombian freighter on January 17, 1983. At the time of their arrest, the swimmers had with them some 430 pounds of cocaine. In all, some 12 arrests were made on January 17 and more followed soon thereafter-- including the arrests of two Nicaraguans: Julio Zavala and Carlos Cabezas. Unlike the events relating to Ross, Blandon or Meneses, this was a case where the CIA became involved because it mistakenly thought it had an interest to protect. CIA first learned of The Frogman Case in late July 1984--about a year- and-a-half after Zavala's arrest. At that time, CIA was informed that two representatives of the U.S. Attorney's office in San Francisco-- which was prosecuting Zavala--planned to attend depositions in Costa Rica from two members of Contra organizations

who had provided Zavala with letters that claimed that some \$36,000 that the authorities had seized from Zavala at the time of his arrest belonged to the Contras.

CIA officials mistakenly identified one of the Contra members as a former CIA asset, and there was a concern that the depositions might expose a Contra support group in which CIA had an operational interest. No information was found to indicate that the two Contra officials who wrote the letters supporting Zavala or the organizations with which they were affiliated were involved in drug trafficking. Moreover, the principal author of the letters reportedly was later expelled from the Contra group when its leadership learned he had written the letter in support of Zavala's claim and he could not satisfactorily explain the basis for his actions. In any event, an attorney from the CIA's Office of General Counsel met with the responsible prosecutor and possibly other representatives from the U.S. Attorney's Office. Prior to the CIA attorney's meeting with the prosecutor, the prosecutor had discussed with one of Zavala's attorneys the possibility of returning the money to Zavala rather than expending the time and money necessary to travel to Costa Rica in connection with the depositions.

That said, accounts differ as to why the money was returned to Zavala. The AUSA who the U.S. Attorney at the prosecuted Zavala, time--Joseph Russoniello, and others involved in the prosecution state that the decision to return the money to Zavala was not based on any CIA representations, but on their own judgment as to whether it was worth the time and expense to go to Costa Rica for the depositions. However, we found a CIA cable that was written soon after the CIA attorney had met with the responsible prosecutor. The cable indicated the money was returned to Zavala at CIA's request. Unfortunately, the CIA attorney cannot recall the facts of the case or the meeting in question.

In summary, the key points I would emphasize with regard to the Frogman Case are that:

- Whatever impact the CIA attorney may have ultimately had on the decision of the U.S. Attorney's office to return the money to Zavala, we have found no evidence to indicate the return of the money weakened the prosecution's case against Zavala. Zavala was convicted and sent to prison.
- Carlos Cabezas, who was also arrested and convicted in connection with The claims he was a part of Frogman Case, a network that sold cocaine for the Contras. We found no information to support his claim.
- We found no information, as stated in the Mercury News series, to connect Meneses with The Frogman Case. Meneses says he was never part of the Zavala organization. Zavala and Cabezas confirm this assertion. We will soon be issuing Volume II of our report. Whereas Volume I focused on drug traffickers in California, Volume II will closely examine any other linkages between CIA, drug trafficking, the Contra program, and Contra leaders and organizations.

In volume II, we will set the background by describing what, at the time, were CIA's legal and regulatory responsibilities, policies and guidelines governing dealings with people and organizations that were subject to drug trafficking allegations. We will also explain the intelligence collection requirements that existed at the time concerning drug trafficking. However, the bulk of Volume II--and it is bulky, approaching 600 pages--will be devoted to a detailed treatment of what was known to CIA regarding dozens of people and a number of companies connected in some fashion to the Contra program or the Contra movement that were the subject of any sort of drug trafficking allegations. Each is closely examined in terms of their relationship with CIA, the drug trafficking activity that was alleged, the actions CIA took in response to the allegations, and the extent of information concerning the allegations that was Shared with U.S. law enforcement and Congress. As I said earlier, we have found no evidence in the course of this lengthy investigation of any conspiracy by CIA or its employees to bring drugs into the United States. However, during the Contra era, CIA worked with a variety of people to support the Contra program. These included CIA assets, pilots who ferried supplies to the Contras, as well as Contra officials and others. Let me be frank about what we are finding. There are instances where CIA did not, in an expeditious or consistent fashion, cut off relationships with individuals supporting the Contra program who were alleged to have engaged in drug trafficking activity or take action to resolve the allegations. Volume II will be delivered to the Director of Central Intelligence and the intelligence oversight committees as a classified report near the end of this month. To the extent possible, we and the Agency are committed to producing an unclassified version of Volume II as well, although the time required for that effort is uncertain.

In closing, I urge the American public to read Volume I which is available on the Internet at [www.odci.gov/cia](http://www.odci.gov/cia). That Report includes a great deal of information and quotes many documents. Those who read it will then see the full weight of our effort and be in a position to judge for themselves.

Exhibit 20: *Dr. Ron Paul is a Republican member of Congress from Texas.*

Expanding Covert Warfare Makes Us Less Safe  
by [Ron Paul](#)

[http://www.paul.house.gov/index.php?option=com\\_content&task=view&id=2032&Itemid=69](http://www.paul.house.gov/index.php?option=com_content&task=view&id=2032&Itemid=69)

December 10,  
2012

Earlier this month we learned that the Obama Administration is significantly expanding the number of covert Defense Intelligence Agency (DIA) agents overseas. From just a few hundred DIA agents overseas today, the administration intends to eventually deploy some 1,600 covert agents. The nature of their work will also shift, away from intelligence collection and more toward covert actions. This move signals a major change in how the administration intends to conduct military and paramilitary operations overseas. Unfortunately it is not a shift toward peace, but rather to an even more deadly and disturbing phase in the “war on terror.”

Surely attacks on foreign countries will increase as a result of this move, but more and more the strikes will take place under cover of darkness and outside the knowledge of Congress or the American people. The move also represents a further blurring of the lines between the military and intelligence services, with the CIA becoming more like a secret military unto itself. This is a very troubling development.

In 2010, I said in a speech that there had been a CIA coup in this country. The CIA runs the military, the drone program, and they are in drug trafficking. The CIA is a secretive government all on its own. With this new expanded Defense Intelligence Agency presence overseas it will be even worse. Because the DIA is operationally under control of the Pentagon, direct Congressional oversight of the program will be more difficult. Perhaps this is as intended. The CIA will be training the DIA in its facilities to conduct operations overseas. Much of this will include developing targeting data for the president’s expanding drone warfare program.

Already the president has demonstrated his preference for ever more drone attacks overseas. In Pakistan, for example, President Obama has in his first four years authorized six times more drone strikes than under all eight years of the Bush Administration. Nearly three thousand individuals have been killed by these drones, many of those non-combatants.

President Obama said recently of Israel’s strikes against the Palestinians in Gaza, “No country on Earth would tolerate missiles raining down on its citizens from outside its borders. This announcement by the administration amounts to precisely that: the US intends to rain down ever more missiles on citizens overseas. I believe what the president says about Israel is true everywhere, so what about those overseas who live in fear of our raining missiles? How will they feel about the United States? Is it not possible that we may be inviting more blowback by expanding the covert war overseas? Does that make us safer?

An exhaustive study earlier this year by Stanford and New York University law schools found that US drone strikes on Pakistan are damaging and counterproductive, potentially creating more terrorists than they kill. Its recommendations of a radical re-appraisal of the program obviously fell on deaf ears in the administration.

Thousands of new DIA spies are to be hired and placed undercover alongside their CIA counterparts to help foment ever more covert wars and coups in foreign lands. Congress is silent. Where will it all end?

(This essay originally appeared on Ron Paul’s congressional website)

Source:  
<http://lewrockwell.com/paul/paul836.html>

"In my 30-year history in the Drug Enforcement Administration and related agencies, the major targets of my investigations almost invariably turned out to be working for the CIA."

--**Dennis Dayle**, former chief of DEA CENTAC. (*Peter Dale Scott & Jonathan Marshall, Cocaine Politics: Drugs, Armies, and the CIA in Central America, Berkeley: University of California Press, 1991, pp. x-xi.*)

"There is no question in my mind that people affiliated with, on the payroll of, and carrying the credentials of, the CIA were involved in drug trafficking while involved in support of the contras."—**Senator John Kerry**, *The Washington Post* (1996).

"I have put thousands of Americans away for tens of thousands of years with less evidence for conspiracy than is available against Ollie North and CIA people...I personally was involved in a deep-cover case that went to the top of the drug world in three countries. *The CIA killed it.*"

- **Former DEA Agent Michael Levine** - CNBC-TV, October 8, 1996

"When this whole business of drug trafficking came out in the open in the Contras, the CIA gave a document to Cesar, Popo Chamorro and Marcos Aguado, too..."

"..They said this is a document holding them harmless, without any responsibility, for having worked in U.S. security.."

--**Eden Pastora**, Former ARDE Contra leader - November 26, 1996, speaking before the Senate Select Intelligence Committee on alleged CIA drug trafficking to fund Nicaraguan Contras in the 1980s

"I believe that elements working for the CIA were involved in bringing drugs into the country," "I know specifically that some of the CIA contract workers, meaning some of the pilots, in fact were bringing drugs into the U.S. and landing some of these drugs in government air bases. And I know so because I was told by some of these pilots that in fact they had done that." – Retired DEA agent Hector Berrellez on PBS Frontline. Berrellez was a supervisory agent on the Enrique Camarena murder investigation.

"I do think it [was] a terrible mistake to say that 'We're going to allow drug trafficking to destroy American citizens' as a consequence of believing that the contra effort was a higher priority."

- *Senator Robert Kerrey (D-NE)*

A Sept. 26, 1984, Miami police intelligence report noted that money supporting contras being illegally trained in Florida "comes from narcotics transactions." Every page of the report is stamped: "Record furnished to George Kosinsky, FBI." Is Mr. Kosinsky's number missing from (Janet) Reno's rolodex? – Robert Knight and Dennis Bernstein, 1996

"For decades, the CIA, the Pentagon, and secret organizations like Oliver North's Enterprise have been supporting and protecting the world's biggest drug dealers.... The Contras and some of their Central American allies ... have been documented by DEA as supplying ... at least 50 percent of our national cocaine consumption. They were the main conduit to the United States for Colombian cocaine during the 1980's. The rest of the drug supply ... came from other CIA-supported groups, such as DFS (the Mexican CIA) ... [and] other groups and/or individuals like Manual Noriega." -- **Michael Levine**, *The Big White Lie: The CIA and the Cocaine/Crack Epidemic*

"To my great regret, the bureau (FBI) has told me that some of the people I identified as being involved in drug smuggling are present or past agents of the Central Intelligence Agency." --**Wanda Palacio's** 1987 sworn testimony before U.S. Sen. John Kerry's Senate Subcommittee on Narcotics and International Terrorism.

"I sat gape-mouthed as I heard the CIA Inspector General, testify that there has existed a secret agreement between CIA and the Justice Department, wherein "during the years 1982 to 1995, CIA did not have to report the drug trafficking its assets did to the Justice Department. To a trained DEA agent this literally means that the CIA had been granted a license to obstruct justice in our so-called war on drugs; a license that lasted - so CIA claims -from 1982 to 1995, a time during which Americans paid almost \$150 billion in taxes to "fight" drugs. God, with friends like these, who needs enemies?" - **Former DEA Agent Michael Levine**, **March 23, 1998**. CIA ADMITS TO DEAL WITH JUSTICE DEPARTMENT TO OBSTRUCT JUSTICE.

"The CIA finally admitted, yesterday, in the New York Times no less, that they, in fact, did "work with" the Nicaraguan Contras while they had information that they were involved in cocaine trafficking to the United

States. An action known to us court qualified experts and federal agents as Conspiracy to Import and Distribute Cocaine—a federal felony punishable by up to life in prison. To illustrate how us regular walking around, non CIA types are treated when we violate this law, while I was serving as a DEA supervisor in New York City, I put two New York City police officers in a federal prison for Conspiracy to distribute Cocaine when they looked the other way at their friend's drug dealing. We could not prove they earned a nickel nor that they helped their friend in any way, they merely did not do their duty by reporting him. They were sentenced to 10 and 12 years respectively, and one of them, I was recently told, had committed suicide." - Former DEA Agent Michael Levine, September, 1998 from the article "IS ANYONE APOLOGIZING TO GARY WEBB?"

"After five witnesses testified before the U.S. Senate, confirming that John Hull—a C.I.A. operative and the lynch-pin of North's contra resupply operation—had been actively running drugs from Costa Rica to the U.S. "under the direction of the C.I.A.," Costa Rican authorities arrested him. Hull then quickly jumped bail and fled to the U.S.—according to my sources—with the help of DEA, putting the drug fighting agency in the schizoid business of both kidnapping accused drug dealers and helping them escape....The then-President of Costa Rica, Oscar Arias was stunned when he received letters from nineteen U.S. Congressman—including Lee Hamilton of Indiana, the Democrat who headed the Iran-contra committee—warning him "to avoid situations . . . that could adversely affect our relations." -Former DEA Agent Michael Levine, September, 1998 from the article "I Volunteer to Kidnap Oliver North"

*"Drug trafficking has permeated all political structures and has corrupted federal, state, and local officials. It has deformed the economy. It is a cancer that has generated financial and political dependence, which instead of producing goods, has created serious problems ultimately affecting honest businessmen. The Attorney General's office is unable to eradicate drug trafficking because government structures at all levels are corrupted."-- Eduardo Valle, former advisor, Attorney General in Mexico*

Dennis Dayle, former head of DEA's Centac, was asked the following question: "Enormously powerful criminal organizations are controlling many countries, and to a certain degree controlling the world, and controlling our lives. Your own U.S. government to some extent supports them, and is concealing this fact from you."

Dennis Dayle's answer: "I know that to be true. That is not conjecture. Experience, over the better part of my adult life, tells me that that is so. And there is a great deal of persuasive evidence.

"He (Former Congressman Bill Alexander - D. Ark.) made me privy to the depositions he took from three of the most credible witnesses in that project, which left absolutely no doubt in my mind that the government of the United States was an active participant in one of the largest dope operations in the world..."-- Former Arkansas Supreme Court Justice Jim Johnson

"The Contras moved drugs not by the pound, not by the bags, but by the tons, by the cargo plane loads"  
--Jack Blum, investigator for the Senate Foreign Relations Subcommittee, testimony under oath on Feb. 11, 1987

"... he was making millions, 'cos he had his own source of, ... avenue for his own, ..heroin. I'm sure we all knew it, but we tried to monitor it, because we controlled most of the pilots you see. We're giving him freedom of navigation into Thailand, into the bases, and we don't want him to get involved in moving, you know, this illicit traffic--O.K., silver bars and gold, O.K., but not heroin. What they would do is, they weren't going into Thailand, they were flying it in a big wet wing airplane that could fly for thirteen hours, a DC-3, and all the wings were filled with gas. They fly down to Pakse, then they fly over to Da Nang, and then the number two guy to President Thieu would receive it."

--CIA Officer Anthony ("Tony Poe") Poshepny May 17, 1988 PBS Frontline episode "Guns, Drugs, and the CIA" (Poshepny was a legendary covert operations officer who had supervised the CIA's secret war in Northern Laos during the 1960s and early 1970s. In the interview, Poshepny stated that the CIA had supplied air transport for the heroin shipments of their local ally, General Vang Pao, the only such on-the-record confirmation by a former CIA officer concerning agency involvement in the narcotics trade.)

"It is ... believed by the FBI, SF, that Norwin Meneses was and still may be, an informant for the Central Intelligence Agency." --CIA OIG report on Contra involvement in drug trafficking (ChIII, Pt2). (Norwin Meneses was issued a visa and moved freely about the United States despite being listed in more than 40 drug investigations over the two previous decades and being listed in an active indictment for narcotics. He has never been prosecuted in this country.)

"There is secret communication between CIA and members of the Congressional staff - one must keep in mind that Porter Goss, the chairman, is an ex CIA official- indicating that the whole hearing is just a smoke and mirror show so that the American people - particularly the Black community - can "blow off some steam" without doing any damage to CIA. The CIA has been assured that nothing real will be done, other than some embarrassing questions being asked." - Former DEA Agent Michael Levine, March 23, 1998. CIA ADMITS TO DEAL WITH JUSTICE DEPARTMENT TO OBSTRUCT JUSTICE.

"If you ask: In the process of fighting a war against the Sandinistas, did people connected with the US government open channels which allowed drug traffickers to move drugs to the United States, did they know the drug traffickers were doing it, and did they protect them from law enforcement? The answer to all those questions is yes."

"We don't need to investigate [the CIA's role in Contra drug trafficking]. We already know. The evidence is there."

--*Jack Blum, former Chief Counsel to John Kerry's Subcommittee on Narcotics and Terrorism in 1996 Senate Hearings*

"Several informed sources have told me that an appendix to this Report was removed at the instruction of the Department of Justice at the last minute. This appendix is reported to have information about a CIA officer, not agent or asset, but officer, based in the Los Angeles Station, who was in charge of Contra related activities. According to these sources, this individual was associated with running drugs to South Central Los Angeles, around 1988. Let me repeat that amazing omission. The recently released CIA Report Volume II contained an appendix, which was pulled by the Department of Justice, that reported a CIA officer in the LA Station was hooked into drug running in South Central Los Angeles."

--U.S. Congresswoman Maxine Waters – October 13, 1998, speaking on the floor of the US House of Representatives.

"Here's my problem. I think that if people in the government of the United States make a secret decision to sacrifice some portion of the American population in the form of ... deliberately exposing them to drugs, that is a terrible decision that should never be made in secret."

--Jack Blum, speaking before the October 1996 Senate Select Intelligence Committee on alleged CIA drug trafficking to fund Nicaraguan Contras in the 1980s, Chaired by Senator Arlen Specter.



**Cele Castillo in Vietnam**



**DEA Agent Cele Castillo in Guatemala**





**Cele Castillo with Vice President George H.W. Bush in Guatemala (1986)**



**Cele Castillo with President Carter in Peru (1984)**





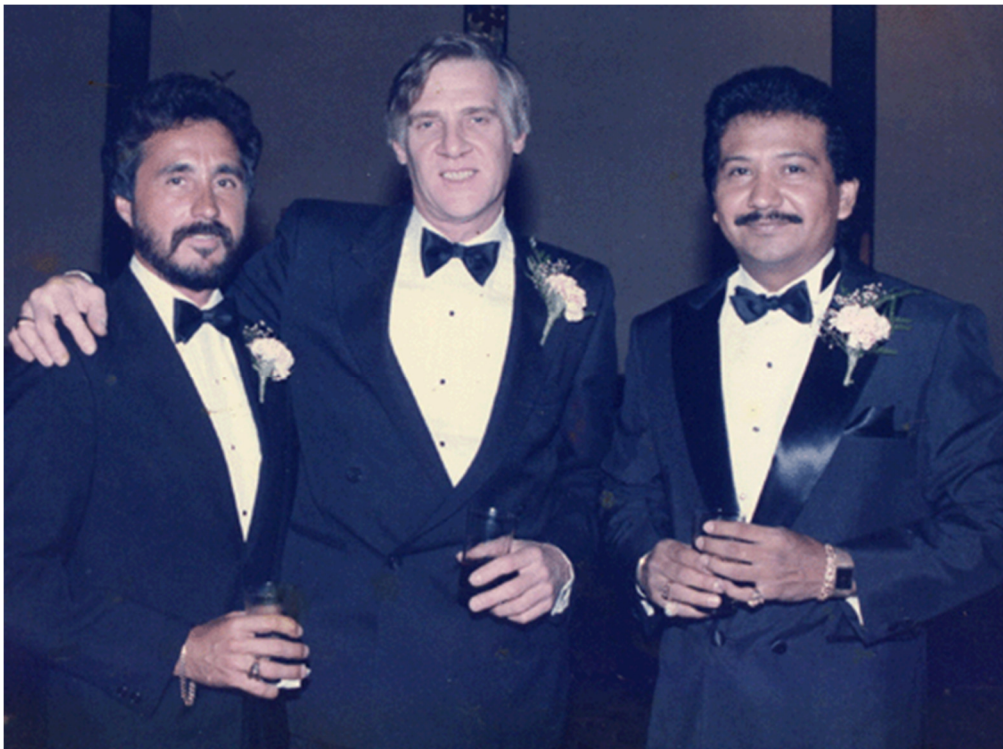
**Cele With Peruvian Army Generals**



**Operation Condor in Peru and Volcano in Guatemala**



**Cele at Cocaine Bust in Guatemala**



**Russ Reina, Bob Stia and Cele Castillo**





**Ilopongo Airport**



**Ilopongo Airport**

## The Victims











PASAPORTE  
PASSPORT  
PASSEPORT

**A** GUC-043

FILIACION DEL TITULAR

APELLIDOS/SURNAMES/NOMS

INIGUEZ PARRA

NOMBRES/GIVEN NAMES/PRENOMS

JOSE RAMON

FECHA DE NACIMIENTO/DATE OF BIRTH/DATE DE NAISSANCE

23 JULIO 1941

LUGAR DE NACIMIENTO/PLACE OF BIRTH/LIEU DE NAISSANCE

GUADALAJARA, JALISCO

SEXO/SEX/SEXE

ESTADO CIVIL

MASC. SOLTERO

EXPEDIDO EL/ISSUED ON/DELIVRE LE/

29 ABRIL 1987

ESTATURA

1.68 MTS.  
TEZ

BLANCA  
OJOS

CAFES  
PELO

CASTAÑO

SEÑAS PARTICULARES

NINGUNA VISIBLE

EXPIRA EL/EXPIRES ON/EXPIRE LE

28 ABRIL 1992

ESTE PASAPORTE FUE EXPEDIDO POR:  
CONSULADO GENERAL DE MEXICO

EN: Guatemala, Guat.

*Ramon Iniguez P.*

FIRMA DEL TITULAR  
HOLDER'S SIGNATURE  
SIGNATURE DU TITULAIRE



*[Signature]*  
RICARDO ARZAMENDI PIÑA  
CONSUL GENERAL

PASAPORTE  
PASSPORT  
PASSEPORT

A

CM 8381

FILIACION DEL TITULAR

APELLIDOS/SURNAMES/NOMS

OLIVIER DOMINGUEZ

NOMBRES/GIVEN NAMES/PRENOMS

MARIA LETICIA

FECHA DE NACIMIENTO/DATE OF BIRTH/DATE DE NAISSANCE

18 MARZO 1960

LUGAR DE NACIMIENTO/PLACE OF BIRTH/LIEU DE NAISSANCE

MEXICO, D.F.

SEXO/SEX/SEXE

ESTADO CIVIL

F. SOLTERA

EXPEDIDO EL/ISSUED ON/DELIVRE LE/

2 SEPT. 1987

ESTATURA

1.60 MTS

TEZ

MORENA

OJOS

CAFES

PELO

CASTANO

SEÑAS PARTICULARES

NING.

EXPIRA EL/EXPIRES ON/EXPIRE LE

1 SEPT. 1992

ESTE PASAPORTE FUE EXPEDIDO POR:

LA SECRETARIA DE RELACIONES  
EXTERIORES

EN: LA DELEGACION

"GUSTAVO A. MADERO"

*Maria Leticia Olivier D.*

FIRMA DEL TITULAR  
HOLDER'S SIGNATURE  
SIGNATURE DU TITULAIRE



P.O. DEL SECRETARIO  
EL DELEGADO

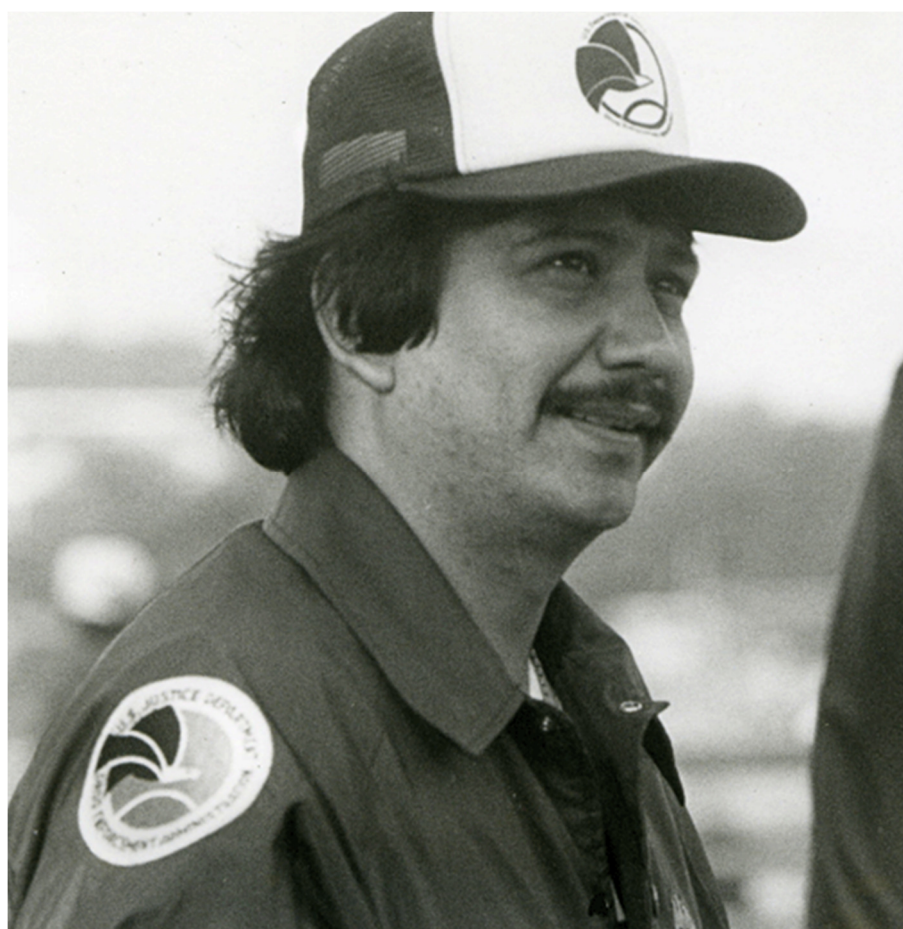
*Bruno Vicente Loyo*

Bruno Vicente Loyo

*LI*







**Cele in training at DEA Academy**





**Cele paying his respects at Vietnam War Memorial**



**Cele In Vietnam**



**Fellow Army Buddies In Vietnam**



**Cele having lunch in Vietnam**





**Cocaine evidence**



**Cele With Fellow DEA Agents**



**Randy Capister, his wife and Cele**

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