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Cocaine Politics: Drugs, Armies, and the CIA in Central America, Updated Edition

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18 Highlight(s) | 0 Note(s)

Yellow highlight | Location: 345

One answer was to invent a new threat, closely associated with communism and even more frightening to the public: narcoterrorism. The term, rarely well defined by its users, encompasses a variety of phenomena: guerrilla movements that finance themselves by drugs or taxes on drug traffickers, drug syndicates that use terrorist methods to counter the state's law enforcement apparatus, and state-sponsored terrorism associated with drug crimes. ¹ But in the hands of administration officials, the epithet served a more political than analytical purpose: to capitalize on popular fear of terrorists and drug traffickers in order to mobilize support for foreign interventions against leftist regimes. [^] As two private colleagues of Oliver North noted in a prospectus for a propaganda campaign to link the Sandinistas and drugs, "the chance to have a single issue which no one can publicly disagree with is irresistible." [^] Administration spokesmen drove the lesson home through sheer repetition. In January 1986, President Reagan said, "The link between the governments of such Soviet allies as Cuba and Nicaragua and international narcotics trafficking and terrorism is becoming increasingly clear. These twin evils—narcotics trafficking and terrorism—represent the most insidious and dangerous threats to the hemisphere today." A year and a half ²⁴ / Narcoterrorism, the CIA, and the Contras earlier, Secretary of State George Shultz decried the "complicity of communist governments in the drug trade," which he called "part of a larger pattern of international lawlessness by communist nations that, as we have seen, also includes support for international terrorism, and other forms of organized violence against legitimate governments." [^] Elliott Abrams, assistant secretary of state for Inter-American Affairs, told a meeting of the Council on Foreign Relations in 1986 that "sustaining democracy and combatting the 'narcoterrorist' threat are inextricably linked." [^] The term

"narcoterrorism" also soon became an essential adjunct to the doctrine of national security developed by right-wing Latin American military forces to rationalize their repressive domestic activities and seizures of power. At the Fourteenth Bilateral Intelligence Conference of the general staffs of the Argentine and Bolivian armies, held in Buenos Aires in late August 1988, military leaders concluded that "the relationship between drugs and subversion, which generates narcoterrorism, has become part of the East-West confrontation, with a real impact on the national-international security of the West." They declared that "narcoterrorism now constitutes a means of Revolutionary War" and that "the MCI [International Communist Movement] uses narcoterrorism as a socio-ideological procedure for provoking social imbalances, eroding community morale, and corrupting and disintegrating Western society, as part of the strategic objective of promoting the new Marxist order." Combating narcoterrorism would justify...

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Frank Castro and Ricardo Morales were linked by terrorism as well as drugs; their violent records stretched back into the 1960s. But their an-ticomunist efforts reached a climax in 1976, when Frank Castro joined several other Cuban exile leaders in founding CORU, an umbrella organization for terrorism against Cuban installations and against the persons and property of countries deemed overly sympathetic to Fidel Castro's regime. Morales gave sanctuary to some CORU agents in Venezuela, where he had become a high-ranking officer in the intelligence service, DISIR "The story of CORU is true," one of its leading organizers told an interviewer in 1977. "There was a meeting in the Bonao mountains [of the Dominican Republic] of 20 men representing all different activist organizations. It was a meeting of all the military and political directors with revolutionary implications. It was a great meeting. Everything was planned there. I told them that we couldn't just keep bombing an embassy here and a police station there. We had to start taking more serious actions."^* The organization took credit for the October 1976 explosion of a Cuban passenger jet and fifty other bombings in Miami, New York, Venezuela, Panama, Mexico, and Argentina in the first ten months of its existence. In a CBS News interview, one member explained, "We use the tactics that we learned from the CIA because we—we were trained to do everything. We are trained to set off a bomb, we were

trained to kill . . . we were trained to do everything."^{*^} Five of CORU's founders, including Frank Castro, later joined the Contras.^{.*^} Financing for CORU operations allegedly came from WFC, a Florida-based financial conglomerate and drug-trafficking front closely associated with the Restoy-Escandar-Trafficante organization exposed in Operation Eagle. An unpublished congressional staff study of the company found that it encompassed "a large body of criminal activity, including aspects of political corruption, gun running, as well as narcotics trafficking on an international level."^{^^} The WFC empire was led by CIA-trained Bay of Pigs veteran Guillermo Hernandez Cartaya, whom federal authorities suspected of working with the Contra backer and former CIA officer Gustavo Villoldo.^{.**} The head of the Dade County investigation of WFC later said he found that one company subsidiary was "nothing but a CIA front." ^{^^} Indeed, knowledgeable exile and law-enforcement sources said the same of CORU, according to journalists John Dinges and Saul Landau. CORU was said to have "the active support of the CIA and at least the acquiescence of the FBI" and "was allowed to operate to punish Castro for his Angola policy without directly implicating the United States government." One Miami police veteran added, "The Cubans held the CORU meeting at the request of the CIA. The Cuban groups . . . were running amok in the mid-1970s, and the United States had lost control of them. So the United States backed the meeting to...

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The Argentine junta, like the Chilean dictatorship of Gen. Augusto Pinochet, exported its methods. Argentina and Chile were founding members of Operation Condor, not the Mexican eradication program but an alliance of Latin American military regimes dedicated to wiping out communism through joint intelligence operations and assassinations of opposition figures. Among those killed by its hit teams were former Chilean ambassador Orlando Letelier in Washington, DC, former Chilean commander-in-chief Gen. Carlos Prats, former Bolivian President Juan Jose Torres, the Uruguayan politicians Hector Gutierrez Ruiz and Zelmar Michelini in Argentina, and Col. Ramon Trabal of Uruguay in France. These killers were also responsible for the attempted murder of Chilean opposition leader Bernardo Leighton in Italy. A classified U.S. Senate report indicates that the CIA was aware of Condor as early as 1974 but intervened only to prevent Miami from becoming its main base of op-

erations.^^^ From Miami and offshore havens, however, CORU Cubans became essential instruments of Condor, often acting as the hit men for jobs within Argentina.^^'

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Even more than Pinochet's regime in Chile, which confined itself mainly to murdering dissident Chilean exiles abroad, Argentina's military waged an ideological struggle against its enemies on a broad front, from Mexico to the southern tip of Latin America. Its theorists called their ideology the doctrine of "ideological frontiers." "The idea," said Leandro Sanchez Reisse, a veteran military intelligence agent, "is that frontiers don't terminate with the individual geography of each state but that it is necessary to defend Western politics wherever necessary. That is to say, if subversion fights internationally there must be an international defense. It is therefore necessary to act against those who could become a second Cuba, and to collaborate with the United States directly and indirectly."i22

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One of the more significant Argentine military intelligence officials was Alfredo Mario Mingolla. Trained by the Israelis, he had worked for the right-wing military intelligence services of Honduras and Guatemala between 1976 and 1980. After helping to overthrow the Bolivian government, he stayed on in that country as an adviser to the military junta on "psychological operations." After a stint in Guatemala working primarily with the North Americans, he returned to Bolivia, where he was arrested in November 1982 for plotting to assassinate the Bolivian vice president. In 1987, he was again arrested, this time by Brazilian authorities in Sao Paulo for carrying 357 kg of cocaine.^^^ Yet another Argentine agent involved in the Bolivian coup was Stefano delle Chiaie, an Italian fugitive wanted for numerous bombings and political killings at home. A Condor assassin for Chile, Argentina, and possibly other governments, delle Chiaie had organized for DINA the attempted murder of former Chilean opposition politician Bernardo Leighton in Rome in 1975—an act for which the drug-trafficking Cuban exile group CNM, which also worked for DINA, claimed credit.^^^ By the late 1970s, delle Chiaie had moved to Argentina, with whose AAA death squad he had long collaborated, to work full-time for its military regime. He hoped to

make Buenos Aires, Suarez Mason's base of operations, an international neofascist center.^^^

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Along with several other European extremists enlisted in the cause of preparing a coup in Bolivia, delle Chiaie assumed the guise of an Argentine intelligence officer and began working with Bolivian Col. Luis Arce Gomez. Delle Chiaie called his international team of assassins the "Phoenix Commando." The Argentine junta backed them by increasing the size of its military mission in the Bolivian capital to seventy, "including in their number several notorious veterans of Argentina's dirty war," according to one book.^^^ On June 17, 1980, a month before the coup, six of Bolivia's biggest traffickers met with the military conspirators to work out a financial deal for future protection of their trade.^*^ This collaboration was no secret even then. One remarkably prescient news account reported later that month, "A leading businessman in La Paz has suggested that the possible army takeover next month should be called the Cocaine Coup."^'^^ And indeed that name branded the July takeover for all time. The coup itself, on July 17, 1980, was a bloody affair, marked by mass arrests, beatings, and torture. Such tactics bore the stamp both of Argentina's military, which prepared computerized lists of opposition figures to imprison, torture, and kill,^^^ and of the foreign mercenaries who stayed on to advise and train paramilitary security squads for the government. These mentors continued to influence the new regime's course. "At least 40 Bolivian officers have traveled to Argentina to study 'anti-subversive techniques,' " Newsweek reported in late 1981, "and Argentinians practiced in torture [are serving as] interrogators."^*^ The repression was organized by Interior Minister Luis Arce Gomez, the same colonel who had employed delle Chiaie to prepare for the 46 / Narcoterrorism, the CIA, and the Contreras coup. Arce Gomez became notorious for his ruthless methods against political opponents and quickly gained further infamy for his open collaboration with Bolivia's cocaine lords. Within days of taking power, Arce Gomez, a cousin of Bolivia's premier cocaine trafficker, Roberto Suarez, began releasing convicted smugglers from prison and recruiting them into his paramilitary squads. He went into direct partnership with some of the biggest smugglers and taxed others for protection.^'^^ (One alleged buyer of his cocaine was the drug ring implicated in Operation Tick-Talks, including three Cuban exiles who

later threw their support behind the Contras.)^^ Arce Gomez delegated his neofascist militants, under the leadership of Klaus Barbie, to protect Bolivia's major cocaine barons and transport their drugs to the border. These mercenaries proudly called their criminal strong-arm squad the "Fiances of Death."^^ One of their number, a German neo-Nazi, later testified that delle Chiaie also acted as a liaison between the Bolivian military and the Sicilian drug Mafia. ^^ Only a month and a half after Bolivia's Cocaine Coup, many of its chief organizers celebrated...

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Corrupt officers who stayed on Honduran soil, unlike Bueso, had nothing to worry about. In return for various forms of aid and protection from harassment by local U.S. drug agents,^^ Honduran military commanders gave the CIA carte blanche. By 1988 the U.S. embassy in that tiny, impoverished country had swollen to more than three hundred employees, making it one of the largest diplomatic outposts in the world. (To meet the needs of all those personnel, the embassy rented two houses owned by Matta.)^^ "Its principal tasks are to direct the Contra war and to insure that Honduras cooperates fully with United States strategy in Central America," observed the New York Times. "American diplomats exercise more control over domestic politics in Honduras than in any other country in the hemisphere, and in private that fact is universally acknowledged here."«^

Note:

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Before long, however, Washington discovered its protege's criminal bent. As early as May 1971 the Bureau of Narcotics and Dangerous Drugs heard serious allegations of Noriega's involvement in trafficking. A former chief of staff to Gen. Omar Torrijos, Panama's military ruler, settled in Miami after botching a coup attempt. He revealed to U.S. authorities that Noriega had "overall operational control" of the officially sanctioned narcotics trade in Panama. The BNDD actually amassed enough evidence to indict him in a major marijuana smuggling case, only to run up against practical objections from the U.S. Attorney's office in Miami: no one in those days could imagine invading Panama to bring a senior officer to justice.'^ In January 1972, BNDD director John Ingersoll asked his staff to

evaluate alternative means of taking action against corrupt Panamanian leaders, particularly Noriega. According to an unpublished report of the Senate Select Committee on Intelligence, five major options emerged for cracking down on him: "linking the official [Noriega] to a fictitious plot against General Torrijos; leaking information on drug trafficking to the press; linking his removal to the Panama Canal negotiations; secretly encouraging powerful groups within Panama to raise the issue; and 'total and complete immobilization.' " Although this final option was quickly rejected, "some were put into action," according to the Justice Department. Indeed, one top BNDD official, who had proposed that Noriega be killed, passed reports of a plot against Torrijos on to the CIA for transmission to Panama. The motive may have been to discredit Noriega and let Torrijos do the dirty work of removing him.[^] Intent on negotiating a new Panama Canal treaty, however, the State Department put other foreign policy objectives ahead of law enforcement and persuaded BNDD to back off.[^] A long honeymoon began—and Panama's economy boomed under the stimulus of drug dollars attracted to its modern and secretive banking sector. By 1976, Noriega was fully forgiven. CIA Director George Bush arranged to pay Noriega \$110,000 a year for his services, put the Panamanian up as a houseguest of his deputy CIA director, and helped to prevent an embarrassing prosecution of several American soldiers who had delivered highly classified U.S. intelligence secrets to Noriega's men.[^]

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If Carter needed friends in Panama to smooth the way to a canal treaty, Reagan (who strongly opposed that treaty) needed them to support the Contra cause. Noriega's intelligence and smuggling facilities could be useful, as could his influence on other Central American military leaders. CIA payments to Noriega resumed when Reagan took office in 1981, starting at \$185,000 a year. At their peak, in 1985, Noriega collected \$200,000 from the Agency.[^] The CIA deposited the money in Noriega's account at the Bank for Credit and Commerce International, two of whose units later pleaded guilty to laundering drug money. [^] CIA Director William Casey frequently met with Noriega alone in Washington.^{^^}

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The political intrigues that first attracted the administration to Noriega and ultimately repelled it will take years to uncover fully. The CIA never turned over its files on Noriega to federal prosecutors. The National Security Council ordered agencies to refuse congressional requests for information that would illuminate the policy debates.^{^^} However, it seems clear that official approval of Noriega's indictment and subsequent military capture had as much to do with politics as with law enforcement.^{^^} After the June 1986 media revelations about Noriega, an interagency meeting of senior administration policy makers decided to "put Noriega on the shelf until Nicaragua was settled."^{^^} After Noriega's indictment in early 1988, one State Department official commented, "We don't know anything today about Tony Noriega that we didn't know a year ago. What's changed is politics and Panama, not Tony Noriega."^{*^} And as the New York Times observed (almost four years to the day after it branded him Central America's leading criminal), Noriega's alleged drug dealing was "relatively small scale by Latin American standards. . . . American officials strongly suspect high-ranking military officers in Honduras, Guatemala and El Salvador of similar, and in some cases even greater involvement in drug dealing—yet have not taken harsh action against them."^{*^}

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One of the deepest mysteries surrounding Noriega and the Contras regards the so-called Flarari network, named after a senior Israeli intelligence officer and Noriega confidant, Michael Fiarari. Harari has become a lightning rod for rumors and conspiracy theories regarding all manner of Central American intrigues. In the early 1970s, as the number-three man in Mossad (the Israeli intelligence agency), he helped lead Israel's effort to assassinate suspected Palestinian terrorists.^{*^} After a foul-up in which he had the wrong man killed, Harari transferred to Mexico, where he reportedly became Mossad's station chief for Latin America. Later he "retired" and went to Panama, where he became a trusted security adviser to General Noriega and a trainer of his elite personal bodyguard unit, UESAT. Most authorities believe he never retired at all, but remained an unofficial agent of Israeli influence (and arms sales) in Panama.^{!^*} Shortly before the U.S. invasion, he was reported to be supervising a group of at least ten other Israelis involved in "security assistance and counseling to Noriega."^{^^} Despite official U.S. complaints to the

Israeli government about his role in Panama, Harari reportedly received the honorary rank of colonel in the Israeli army.'^^ He escaped Panama during the U.S. invasion, apparently with American help, and returned to Israel.^^

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Jose Blandon told the Kerry subcommittee that Harari arranged arms purchases in Europe on Noriega's behalf to help the Sandinistas in their 74 / Narcoterrorism, the CIA, and the Contras struggle against President Somoza in the late 1970s. From this experience, the subcommittee concluded, Noriega expanded his lucrative sales and became a major arms conduit first to the Saivadoran rebels and then to the Contras. "Noriega put his pilots to work flying weapons from Panama to Costa Rica for the Contras. . . . Many of the pilots moved mixed cargoes of guns and drugs to the bases in Costa Rica, dropped off the guns and flew on to the United States with drugs."^^ Blandon also testified that "convincing evidence . . . links the Harari network" to Central American airstrips used by the traffickers. "The Harari network," he explained, "is a network that was established with Israeli citizens, Panamanians, and United States citizens for arms supply purposes" between 1982 or 1983 and 1986. He agreed with Senator Kerry that through the Harari network, "guns would go in one shipment and drugs would come out in another."^^ Blandon and another "senior Panamanian official" told reporter Frederick Kempe that "Noriega's political adviser at the time, Michael Harari, made contacts through CIA Latin American directorate chief Duane Clarridge and President Bush's National Security Adviser Donald Gregg to establish a network of airfields and support for the Contras." Gregg, however, denied any involvement in the operation or that he ever met Harari.S'^

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Other odd connections prove nothing but remain suggestive. In Honduras, Gerard Latchinian, the arms dealer convicted of a cocaine-financed assassination plot against President Suazo (see Chapter 3), brought the 76 / Narcoterrorism, the CIA, and the Contras Israeli security firm ISDS into the country to train bodyguards for Army Chief of Staff Gen. Gustavo Alvarez Martinez, and, according to Alvarez's successor, members of a Contra death squad.^^ Honduran military

sources said that one Israeli principal of ISDS, Emil Saada, supplied Israeli arms to the Contras.^{^^} Saada also had business ties to Honduran Vice-President Jaime Rosenthal, who resigned in April 1988 to protest the extradition of Juan Ramon Matta Ballesteros to the United States.^{^^} In Costa Rica, the pro-Contra drug enterprise Frigorificos de Puntarenas made unexplained payments to an account in Israel of the Israel Discount Bank.^{^^}

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Israel's true role in this trade may not be made public for a long time. Both Congress and the Reagan and Bush administrations suppressed the facts, especially as they pertain to the Contras. Senior sources in both branches of government told the London Sunday Telegraph that hundreds of documents revealing Israeli work on behalf of the Contras were so sensitive they were not declassified. They were not even shown to members of the congressional committees which investigated the Iran-Contra scandal in 1987, it is said. The documents contained information about Israeli mercenaries who, with the knowledge of the Israeli and U.S. governments, flew weapons and ammunition to Tegucigalpa, the Honduran capital, at a time when Congress had banned military aid. The arms were then distributed to Contra bases on the Nicaraguan border. *2 One congressional source who saw the documents called them "crucial to understanding the whole scandal" and added, "The American public never knew. It is a cover-up."^{^^}

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And because of the informal arrangement that gave the Medellin cartel the south Florida market, the decision to send Barry Seal to Miami as an informant virtually guaranteed that he would be targeted against Medellin, rather than against those named with him (such as Matta and Ocampo) in the 1983 Customs report. The Task Force's DEA liaison sent Seal to DEA's Washington headquarters, which then found a supervisor, newly posted to the Miami Field Division, who reversed previous DEA policy and agreed to handle 100 / Narcpterrorism, the CIA, and the Contras Seal as an informant. Less than a month later, on April 6, 1984, Seal flew to Colombia for a drug shipment that soon led to one of the White House's bigger propaganda efforts against the Sandinistas: photographs allegedly

linking them to the Medellin cocaine trafficker Pablo Escobar.^{^^} The DEA's use of its new informant is an instructive story in both the achievements and the limitations of our current strategies of law enforcement. There is no doubt that DEA was able to use Seal to prosecute drug cases successfully:

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Skeptical accounts have pointed to other problems in the Seal story. There is for example the little-noticed revelation in a congressional hearing that the Managua telephone number of Seal's alleged Sandinista contact, Federico Vaughan, which Seal called to set up his Nicaraguan rendezvous, "was a phone number controlled by the U.S. Embassy since 1985, and by the U.S. or other foreign missions continuously since 1981."^{*}[^] Moreover, those involved in the exploitation of the photos, at first in a vain effort to prevent the Boland II Amendment cutting off CIA aid to the Contras, have never agreed which of the Medellin leaders are shown: Ochoa, Rodriguez Gacha, or Escobar. Gen. Paul Gorman of U.S. Southern Command, who interrogated Seal directly, later testified under oath that Seal's film "showed Ochoa personally."^{^^} Richard Gregorie, the federal prosecutor who used Seal as a witness, and who indicted the leaders of the Medellin cartel, said under oath that the photographs "caught Jorge Ochoa and Gonzalo Rodriguez Gacha loading cocaine onto an airplane."^{^^} Like most published accounts, Oliver North's detailed notes on the photos at the time mention only Pablo Escobar and Federico Vaughan.^{^^}

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Congress's demonstrated reluctance to raise the larger issues of covert operations was understandable. The track record of those isolated members of Congress who have challenged covert operations or foreign interventions in the past is not encouraging. After Congressman Otis Pike's House Select Committee in 1975 produced a report critical of the CIA, he was defeated at the next election; the Pike report, after a House vote without precedent or parallel in two centuries of U.S. Congressional history, could not even be presented directly to Congress.^{^^}

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When Congressman Michael Barnes, "a vocal opponent of military assistance to the Contras," was defeated in his 1986 Senate primary bid. North's domestic political fundraiser "Spitz" Channell boasted in a telegram to North, "We, at the Anti-Terrorism American Committee (ATAC), feel proud to have participated in a campaign to ensure Congressman Barnes' defeat."^^ One of the related Channell documents stressed the effect this defeat would have on other Congressmen: "If we get rid of Barnes we get rid of the ring leader and rid of the problem. Special PAC to do 1 thing only: to RID Congress of Congressmen that are trying to undermine President in his anti-terrorist policies. . . . Destroy Barnes—use him as object lesson to others."^^

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