

A CHRISTIC INSTITUTE SPECIAL REPORT: THE CONTRA-DRUG CONNECTION

The Christic Institute filed a civil lawsuit in a Miami Federal District Court in May of 1986--a full six months before the Iran/contra scandal broke nationwide. The suit was brought on behalf of journalists Martha Honey and Tony Avirgan, who were injured in the May 1984 La Penca press conference bombing. The Institute lawsuit first revealed Oliver North's secret network of ex-CIA and military officers--including Richard Secord, Albert Hakim, Theodore Shackley, Thomas Clines, and Rob Owen. The suit charges these men, 29 in all, with responsibility for the La Penca bombing, and for supporting the Nicaraguan contras when such activity is strictly forbidden by the Federal Neutrality Act.

Our investigation revealed that some of these men have been associated with large-scale drug trafficking in covert wars in Cuba, Southeast Asia, and Central America--as well as illegal arms sales and political assassinations, for over two decades. The case, which is expected to come to trial in mid-to-late 1988, will undoubtedly reveal new and important information about the contra-drug connection.

FACING THE REAL DRUG WAR

A major theme of the Reagan presidency in the 1980's has been the 'War on Drugs', both at home and abroad. During her anti-drug crusade, Nancy Reagan has told America's youth to "Just Say No!" to drugs. Meanwhile, President Reagan and his law enforcement agencies have vowed to stem the flow of narcotics across the U.S. border and "control the problem at its source," namely, in the drug-exporting countries of Latin America.

Astonishingly, however, over the past two years, mounting evidence has implicated the U.S.-backed Nicaraguan "contras"--President Reagan's so-called "freedom fighters" attempting to overthrow

the government of Nicaragua--and their supporters in large-scale drug trafficking. Contra narcotics smuggling stretches from cocaine plantations in Colombia, to dirt airstrips in Costa Rica, to pseudo-seafood companies in Miami, and, finally, to the drug-ridden streets of our society.

The evidence suggests that not only were high Reagan Administration officials aware of contra drug trafficking, but some have attempted to cover up this fact and have directly assisted such illicit activity. Despite what has already been revealed by the Iran/contra scandal, the contra-drug connection and the potential U.S. government link to it remains one of the most underreported yet explosive stories of this decade.

THE EVIDENCE

Evidence of drug trafficking by the contras and their supporters centers on four related allegations: 1) that a major "guns-for-drugs" operation has existed between North, Central, and South America that has helped finance the contra war; 2) that the contra leadership has received direct funding and other support from major narcotics traffickers; 3) that some of the contra leaders have themselves been directly involved in drug trafficking; and 4) that United States government funds for the contras have gone to known narcotics dealers. Each piece of evidence cited below falls within one or more of these categories.

Guns-for-Drugs

Much attention has been focused on the secret resupply operation set up by the Reagan Administration to keep the contras armed when such assistance was outlawed by Congress between October 1984 and October 1986. Lesser known is that this resupply operation involved not only sending arms down to the contras, but

also bringing drugs--mostly cocaine--back into the United States. Profits from these drug sales were recycled to buy more weapons for the contras.

The guns-for-drugs operation worked as follows: Planeloads of Colombian cocaine were flown to farmlands in northern Costa Rica owned by an American rancher named John Hull. Hull has been identified as a CIA or National Security Council (NSC) liaison to the contras based in Costa Rica on the "Southern Front" of the U.S. war against Nicaragua. Several sources told Senator John Kerry's staff that Hull claimed in 1984 and 1985 to be receiving \$10,000 a month from the NSC. ("Private Assistance" and the Contras, A Staff Report, Sen. John Kerry, October 14, 1986, p. 10. The Kerry Report mentioned 12 of the 29 Christic defendants originally named by the suit in May of 1986. Christic lawyers and investigators have shared their findings with Senator Kerry's staff.) The Boston Globe on July 20, 1986 quoted an intelligence source saying that Hull "was getting well paid and did what he was told to do" by the CIA.

The cocaine on these planes came from Pablo Escobar and Jorge Ochoa, two major Colombian cocaine producers and traffickers who dominate the "Medellin cartel" that accounts for about 80% of the cocaine smuggled into the U.S. each year. This Escobar-Ochoa cocaine was off-loaded at ranches owned or managed by Hull, and then trans-shipped by air and sea to the United States.

John Hull and two right-wing Cuban-Americans--Felipe Vidal and Rene Corvo (or Corbo)--collected money from Escobar and Ochoa in return for the facilities and labor they supplied in the trans-shipment of cocaine. Hull, Vidal, Corvo, Escobar, and Ochoa are all defendants in the Christic Institute lawsuit.

This operation is confirmed by pilots who participated in the guns-for-drugs operation. One such pilot is George Morales, a former kingpin in the cocaine trade who was indicted by U.S. federal authorities in the spring of 1984 for drug trafficking. According to Morales, a few months after his indictment he was approached by contra leaders offering him a deal: if he helped set up

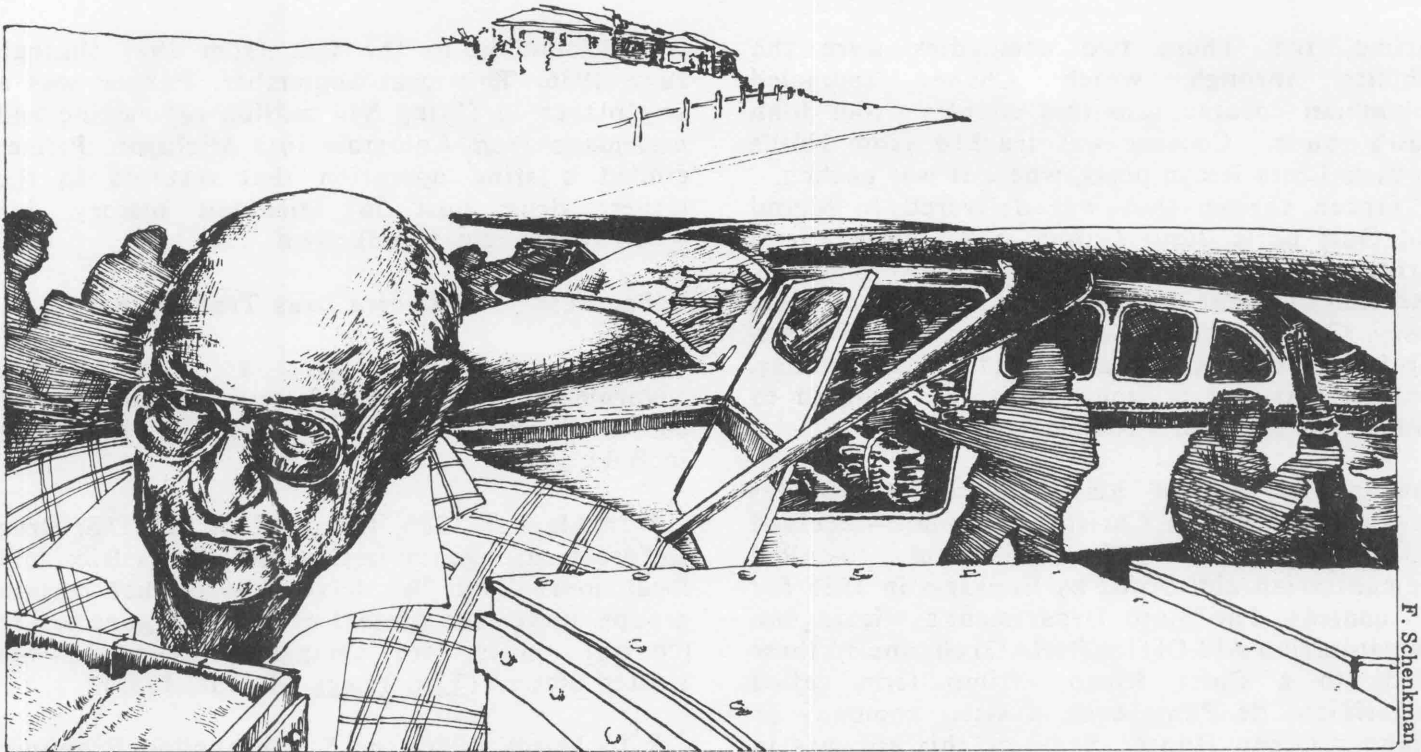
a contra drug smuggling operation, his indictment would be "taken care of." One of the contra leaders who approached Morales was Octaviano Cesar, an alleged CIA operative. (CBS News, West 57th, April 6, 1987)

Morales accepted the deal and eventually donated \$3 million in cash, pilots, houses, and planes to the contra movement. He directed his pilots to fly weapons to Hull's ranches in northern Costa Rica, and return with narcotics. The drug sales went to buy more contra weapons, fueling the guns-for-drugs trade. Morales says Hull was paid \$300,000 per flight into his ranches. (CBS News, West 57th, April 6, 1987)

Gary Betzner, one of Morales's pilots, told CBS News about two of his runs to Hull's ranch. "I took two loads--small aircraft loads--of weapons to John Hull's ranch in Costa Rica, and returned to Florida with approximately a thousand kilos of cocaine." Betzner estimates such drug flights eventually netted the contras "around forty million." (Out of Control, Leslie Cockburn, p. 17)

A third pilot, Michael Tolliver, tells how he, in March 1986, flew 28 thousand pounds of weapons to Aguacate air base in Honduras, which was off-loaded by contra troops. His DC-6 returned to South Florida carrying 25,360 pounds of marijuana, which he flew freely into Homestead Air Force Base, where the pot was unloaded. Tolliver was paid \$75,000 for the trip. (Newsday, April 6, 1987, and Cockburn, p. 183)

U.S. government officials and some members of the press dismiss Morales, Betzner, and Tolliver as unsavory, convicted drug traffickers whose testimony lacks credibility. However, as CBS journalist Leslie Cockburn writes in her new book, Out of Control, these pilots "had already been tried, convicted, and sentenced on separate charges entirely unrelated to their contra-related activities. There was no possibility of shorter sentences. Indeed, since they were confessing to a whole series of offenses for which they never had been indicted, they ran the risk of increased sentences for new charges. The best they could hope for was immunity from prosecution for the contra drug runs they were now disclosing." (Cockburn, p. 176) In fact, no such immunity or deal has been made for their confessions.



The guns-for-drugs operation on John Hull's ranch.

The Medellin Payoff

Perhaps the most explosive revelation concerning the CIA-contra-cocaine connection comes from Ramon Milian-Rodriguez, a money launderer for the Medellin cartel, who at the same time was a CIA employee carrying funds to U.S.-favored politicians throughout Latin America. Milian told CBS News and a Senate Foreign Relations subcommittee that he arranged to have \$10 million of Colombian drug money funneled to the contras. The cash was disbursed through a network of couriers in Miami, Costa Rica, Guatemala, and Honduras. These payments began in late 1982 and continued through 1985.

According to Milian, the money was intended to win friends in Washington for the Colombian drug kingpins. "The cartel figured it was buying a little friendship," said Milian, according to a congressional source. "...What the hell is 10 million bucks? They thought they were going to buy some good will and take a little heat off them. They figured [that] maybe the CIA or DEA

[Drug Enforcement Administration] will not screw around so much." (*Newsday*, June 28, 1987)

Milian testified that this money pipeline for the contras was arranged by an old friend and longtime CIA veteran Felix Rodriguez (alias "Max Gomez"). Rodriguez arranged the exact money "drops": "Felix would call me with instructions on where to send the money." (Cockburn, p. 155) As he testified in the Iran/contra hearings, Rodriguez worked with Oliver North to help oversee the airdrop of contra supplies into Nicaragua from the Illopango airbase in El Salvador. He received assistance from Vice-President George Bush's office, meeting directly with Bush three times, apparently to discuss, in part, the contra effort.

Mr. Shrimp and Humanitarian Aid

Airplanes were not the only way cocaine from John Hull's ranch was smuggled to the U.S.. Christic Institute defendant Francisco "Paco" Chanes is the owner of two Miami-based seafood import companies: Ocean Hunter, Inc. and Mr.

Shrimp, Inc. These two companies were the vehicles through which Chanes smuggled Colombian cocaine into this country from John Hull's ranch. Cocaine was trucked from Hull's lands to Costa Rican ports, where it was packed in frozen shrimp that was delivered to Miami and Gulf ports. Jesus Garcia is a former Miami corrections officer and associate of U.S. mercenary leader and Christic defendant Tom Posey. Garcia worked with Chanes on the arms-for-drugs operation, and says of Ocean Hunter, Inc.: "It was just a front. What they wanted to import was cocaine." (Cockburn, p. 157)

Chanes and two of his associates--one Moises Dagoberto Nunez, a Christic defendant--received \$231,587 of the \$27 million of so-called "humanitarian aid" voted by Congress in 1985 for the contras. The State Department's Nicaraguan Humanitarian Aid Office (NHAO) channeled these funds to a Costa Rican shrimp firm called Frigorificos de Puntarenas, a sister company of Chanes's Ocean Hunter. Some of this aid was in turn paid out to bank accounts in Israel and South Korea, at the same time as these two countries were supplying arms to the contras.

Robert Owen, Oliver North's private liaison to the contras, was curiously assigned by the State Department, at the insistence of contra leader Adolfo Calero, to oversee the "humanitarian aid" account granted to Chanes's company under a \$50,000 contract from NHAO. According to Leslie Cockburn, one of Owen's colleagues described this contract as "a payoff" for working with North. A well-informed State Department source says Owen was advised by February 1986 that he was working with drug traffickers. (Cockburn, pgs. 160-161)

In February of 1986, the State Department itself enlisted the services of an indicted drug trafficker. The NHAO office signed a \$97,000 contract with Michael B. Palmer, vice-president of Vortex, a now-defunct air cargo company, to ship part of the \$27 million of "humanitarian aid" to the contras. Ten months earlier, Palmer was jailed for three months in Colombia on drug smuggling charges. And four months after he negotiated the contract with the State Department, on June 19, 1986, Palmer was charged with conspiracy and drug possession. He was allegedly part of a smuggling ring that brought more than 1000 pounds of marijuana

from Colombia to the U.S. from 1977 through June 1986. This past September, Palmer was a key player in flying \$44 million of cocaine and marijuana from Colombia into Michigan. Palmer eluded a sting operation that resulted in the largest drug bust in Michigan history; his whereabouts remain unknown.

Other Reports of Contra Drug Trafficking

Over the past two years, a range of U.S. government and press reports have documented contra involvement in drug smuggling. These include:

* In May of 1985, the chief of the U.S. Drug Enforcement Agency in San Jose, Costa Rica told local journalists: "We have reports that certain groups, under the pretext of running guns to the [contra] rebels, are smuggling drugs to the United States." (Tico Times, May 31, 1985)

* In March 1986, the San Francisco Examiner reported that a major cocaine ring broken up in 1983 had helped fund a Costa Rican-based contra organization. The "frogman" case is considered the biggest drug bust in West Coast history--430 pounds of cocaine was seized while being off-loaded from a Colombian freighter in San Francisco. The case's contra connection was covered up when court documents were sealed.

The Examiner story revealed that the U.S. government returned \$36,020 that was seized as drug money to Julio Zavala, one of the convicted smugglers, because he submitted letters from contra leaders claiming it was political money "for the reinstatement of democracy in Nicaragua." Zavala testified that he delivered about \$500,000 to one contra group, the Nicaraguan Democratic Union-Nicaraguan Revolutionary Armed Forces (UDN-FARN). The head of UDN-FARN, Fernando "El Negro" Chamorro, has been linked to drug trafficking and has worked closely with John Hull. (Kerry Report, p. 10)

* The most important person in the frogman case was a Nicaraguan expatriate named Norwin Meneses-Cantero, the brother of Somoza's chief of police for Managua. A Drug Enforcement Agency confidential report of February 6, 1984 described Meneses-Cantero as "the apparent head of a criminal organization responsible for

smuggling kilogram quantities of cocaine into the United States." He is reputed to have bought a condominium for FDN military chief Enrique Bermudez in Miami. Meneses-Cantero also appeared at a contra fundraiser in San Francisco with contra leader Adolfo Calero in 1984. (SF Examiner, June 23, 1986)

* Testimony in the "frogman" case also implicated Horacio Pereira, a Nicaraguan contra supporter in Costa Rica. When Pereira was himself tried and convicted for drug trafficking in Costa Rica in 1986, the government produced wire-tapped phone conversations between Pereira and contra leader Juan Sebastian "Guachan" Gonzalez Mendiola, leader of a contra faction linked to John Hull's ranch. According to CBS News: "In the conversations the men discuss large amounts of cocaine they were sending to the United States. The wire-tapped phone calls show the drug dealers have ties to the highest level of leadership in Costa Rica." (CBS News, June 12, 1986)

* In May of 1986, ABC television correspondent Karen Burns reported that congressional investigators believed that "contras [had] smuggled shipments of cocaine in commercial shrimp boats from [Central America] to the Miami area."

* On January 20 of this year, the New York Times reported that "officials from several [U.S. government] agencies said that by early last fall [1986], the Drug Enforcement Administration office in Guatemala had compiled convincing evidence that the contra military supply operation was smuggling cocaine and marijuana."

* Last February, Jack Blum, a Special Counsel to the Senate Foreign Relations Committee investigating contra drug trafficking allegations, told the Los Angeles Times: "I believe that there is no question, based on the things that we have heard, that contras and the contra infrastructure have been involved in the cocaine trade and in bringing cocaine into Florida."

* The House Select Committee on Narcotics Abuse and Control, chaired by Rep. Charles Rangel (D-NY), submitted to U.S. Customs the names of 38 individuals and companies associated with the contras that may have been connected to drug smuggling. In a June 23 press release,

Rangel said he received a letter from William Rosenblatt, acting Customs commissioner. "Customs reports," said Rangel, "that for 24 of the 38 individuals and companies we asked them to check, there is 'positive' information on the Customs computer indicating previous 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 HISTORY OF DRUGS AND U.S. COVERT OPERATIONS

As shocking as the contra-drug connection may be to most Americans, scholars of U.S. covert operations over the past 40 years will not be suprised. Covert operations--with their use of large, unaccountable sums of cash, secret bank accounts, dummy corporations, clandestine planes and airstrips, mercenaries, and shady businessmen, all operating under the protection of the U.S. and foreign governments--are a natural breeding ground for illicit activity. There is a striking continuity between past drug-related U.S. covert operations and the "Secret Team" of rogue agents and operatives who were used by Oliver North to privately conduct the contra war.

The narcotics link to U.S. covert operations goes at least back to the early 1950s, when the CIA gave support to opium-growing, Chinese Nationalist guerilla forces (the KMT) operating in Thailand and Burma to attack Communist China. The CIA used planes from two front companies--Civil Air Transport and Sea Supply Corporation--to drop military and other supplies to the KMT. These planes then flew opium back out to Thailand or Taiwan. CIA backing for the KMT in the "Golden Triangle"--where Thailand, Burma, and Laos converge--resulted in the explosion of the heroin plague in the United States. (See, among others, Jonathan Kwitny, Crimes of Patriots: A True Tale of Dope, Dirty Money, and the CIA, pgs. 43-52)

When Fidel Castro came to power in Cuba in 1959, the U.S. government began a major covert operation to topple his government. Washington enlisted remnants of Fulgencio Batista's regime and members of the Mafia, who lost their

Havana casinos--as well as a crucial port for the narcotics trade between the Sicilian and U.S. Mafias--to the revolution. After the failed Bay of Pigs invasion, the Cuban exile forces were regrouped under an operation code-named "Mongoose," which was directed by Christic Institute defendant Theodore Shackley, and his assistant, Thomas Clines, from February 1962 until its termination in 1965.

The participation of known Batista and Mafia associates in the program--some of whom were implicated in drug smuggling--embarrassed the U.S. government and was a factor in the decision by the Johnson Administration to close down "Mongoose." In the early 1970s, "Operation 40," the ultra-secret sub-group within the CIA-sponsored Cuban exile counterrevolutionary force, was also closed down after one of its planes crashed in Southern California with several kilos of cocaine and heroin aboard. (New York Times, January 1, 1975)

Between 1966 and 1969, Shackley served as the CIA Chief of Station in Laos, scene of a large ongoing CIA-directed covert war. Christic defendants Thomas Clines, Richard Secord, and John Singlaub all worked with Shackley during this period in Southeast Asia.

In Laos, the CIA supported a Laotian army officer of the Hmong tribe, General Vang Pao, and his clandestine army of 36,000 Hmong tribesmen. This army was American-organized, financed, and equipped to fight the Communist Pathet Lao forces. As part of fighting the insurgency, Vang Pao carried out an assassination program, partially funded by his opium trade, to eliminate suspected or known "communist sympathizers." Vang Pao and his highland tribesmen, who historically were opium poppy farmers, prospered in their traditional occupation; in 1970, Vang Pao opened a heroin laboratory at Long Tieng, Laos, long-time site of both CIA and Vang Pao headquarters.

There are many reports that CIA airlines--notably Air America, the successor to Civil Air Transport--flew opium out of isolated opium-growing areas, particularly those controlled by the Hmong tribesmen in northeastern Laos. "I have no doubt that Air America was used to transport opium," says DEA Far East regional director John J. O'Neill. (Kwitny, p. 51) Some of

this heroin was sold to U.S. soldiers in Vietnam. Much of it ended up on the streets of America.

Some of the profits from the drug traffic in the Golden Triangle found their way to the shadowy Nugan Hand Bank in Australia. The men behind the bank--which folded under bloody intrigue in 1980--included a network of U.S. generals, admirals, and CIA officials. Christic defendants Theodore Shackley, Thomas Clines, Richard Secord, and Rafael "Chi Chi" Quintero all figure prominently in the Nugan Hand Bank, which was linked to narcotics trafficking, gun-running, money laundering, and massive fraud. (See Kwitny and New York Times, March 8, 1987) All four defendants, according to the Times, were close with Nugan Hand Bank co-founder Michael J. Hand, a former Army Green Beret and military intelligence officer who worked in Laos with Air America, as did Secord.

A more contemporary example of drug-linked U.S. covert operations is in Afghanistan. That is the scene of the largest and most expensive (over \$500 million a year) U.S. covert operation under the so-called "Reagan Doctrine" of backing "freedom fighters" around the globe. Like the Nicaraguan contras, the mujahideen rebels also help finance their war through drug trafficking. Rebel commanders and soldiers grow opium poppy to support their war against the Soviet and Afghan armies. Afghanistan and the bordering tribal areas of Pakistan are now "the world's leading source of heroin exports to the United States and Europe," according to a State Department report of February 12, 1986.

A U.S. GOVERNMENT CONNECTION?

After establishing the many links between the contra movement and drug trafficking, the more disturbing question remains: What did the Reagan Administration and U.S. Government agencies know of contra drug activity? Did they "wink and nod" at such activity in order to keep the contras funded and armed during the Boland Amendment ban on U.S. aid to the contras? Did U.S. officials impede or obstruct investigations and prosecutions of these operations? Did any U.S. officials directly or indirectly--using private "cutouts"--assist or facilitate contra drug trafficking?

The first question is the easiest to answer. Documents released by the Iran/Contra Select Committee reveal that the Reagan Administration was and is well aware of drug trafficking activities by the contras:

* A CIA back-channel message to Oliver North from U.S. Ambassador to Costa Rica Lewis Tambs, dated March 28, 1986, has noted on it that contra drug leader Adolfo " 'Popo' Chamorro is alleged to be involved in drug trafficking."

* An April 1, 1985 memo from Rob Owen to Oliver North describes one Costa Rican rebel leader, Jose Robelo (Chepon), with the words "potential involvement in drug running." Another contra leader, Sebastian Gonzalez (Wachan), was "now involved in drug running out of Panama," according to Owen.

* A February 10, 1986 memo to North from Owen identifies a DC-4 plane being used by the contras as "used at one time to run drugs, and part of the crew had criminal records. Nice group the Boys [the CIA] choose."

* Oliver North, during an August 9, 1985 meeting with Owen, wrote in his notes: "DC-6 which is being used for runs [to supply the contras] out of New Orleans is probably being used for drug runs into U.S."

These documents make clear Oliver North's knowledge of drug trafficking by contra leaders. One of them, Fernando "El Negro" Chamorro--who received about \$500,000 from one of the men convicted in the "frogman" cocaine bust--was in fact promoted by Washington. Following the departure of contra leader Eden Pastora, who headed the largest contra group in Costa Rica, Chamorro was chosen by North and Owen to lead a unified "Southern Front" for the contras based in Costa Rica. Owen visited him in Costa Rica and wrote to North about Chamorro's military needs.

There is a fine line between U.S. officials merely knowing of contra drug trafficking and being complicit in such activity. The first charge is damning enough. At a minimum, the Reagan Administration has tolerated association with drug smugglers as a price for backing the contras. At worst, individuals and agencies within the U.S. government can be charged with

shielding from justice or actively assisting contra drug trafficking as one more component of the secret program to keep the contras armed and funded when Congress cut off aid.

The pilots who flew in the "guns-for-drugs" operation for the contras believe the Reagan Administration was fully aware and largely responsible for contra drug activity. (See box) Some of the major players in Oliver North's private network--all of whom are cited as former or current employees or operatives for the CIA or the NSC--are at the heart of the contra-drug operation.

The most important link between the Reagan Administration and contra drug smuggling is John Hull, whose ranch lands served as the center of the arms-for-drugs operation. Hull had several



Long-time CIA operative Felix Rodriguez arranged for \$10 million of Colombian drug money to be sent to the contras, according to congressional testimony.

meetings with Oliver North, according to the Tower Commission, and his name shows up repeatedly in North's handwritten notes. Hull has long been called a CIA operative--a charge he denied vehemently until recently admitting to receiving CIA funding. (Washington Times, July 24, 1987. See page 1 of this report for more on Hull's CIA and NSC links.) Oliver North's personal liaison to the contras--Rob Owen--worked closely with Hull, the contras, Cuban-Americans, and mercenaries operating on his ranch. (See Kerry Report)

Two of Oliver North's key operatives in the contra air resupply operation based in El Salvador--Felix Rodriguez and Rafael "Chi Chi" Quintero--are implicated in contra drug dealing. As mentioned earlier, Rodriguez served as a conduit for distributing \$10 million of Colombian cocaine money funneled to the contras. And Quintero--a veteran CIA contract agent and Christic Institute defendant--had two meetings with contra drug pilot Michael Tolliver to discuss Tolliver's operations. (CBS News, West 57th, April 6, 1987)

Individuals flying or shipping drugs into the U.S. would appear to need some help from government agencies. The Boston Globe reported in April that between 50 and 100 flights that "had been arranged by the CIA took off from or landed at U.S. airports during the past two years without undergoing inspection" by the Customs Service. That same month CBS News reported that the CIA directly intervened when Customs detained indicted drug trafficker Michael Palmer on a flight back from Central America. Customs officials were told to drop the issue of Palmer's extensive drug connections.

Whether or not Oliver North or other U.S. officials directly assisted the contra/drug operation, it is clear that the Reagan Administration obstructed investigations into, or, at the very least, has been remarkably dilatory in prosecuting contra gun and drug running activities. Attorney General Edwin Meese and the U.S. Attorney in Miami, Leon Kellner, intervened to head off an investigation of illicit contra activities out of Miami. The Justice Department cover-up was intended to keep secret derogatory information about the contras and their backers at a time when the Congress was preparing to vote on contra aid in the spring of 1986.

(Murray Waas and Joe Conason, The Village Voice, March 31, 1987)

In fact, contra drug smuggling raises serious questions for the entire U.S. government law enforcement apparatus. Such questions were posed by the National Security Archive, a Washington-based research group, in a July 6,

DRUGS-FOR-GUNS: A U.S. GOVERNMENT ROLE?

Q: "Do you really believe the government decided to get into the drug business in order to pay for the contras? The American government?"

A: "As incredulous as it may sound, I believe that they not only decided to get into it, I think they orchestrated the whole thing."

-- Michael Tolliver,
Contra drug pilot,
to CBS News' West 57,
April 6, 1987

"They [the Reagan Administration] needed the financial support for the contras and it [drug sales] was one more way for them to obtain that financial support. The word came down from Washington, from the top, that no matter what has to be done in order to get money to supply the contras has got to be done."

-- George Morales,
Drug smuggler who
arranged contra drug
smuggling operations,
Quoted in Out of Control

"I smuggled my share of illegal substance, but I also smuggled my share of weapons [to the contras] in exchange, with the full knowledge and assistance of the DEA [Drug Enforcement Agency] and the CIA."

-- Gary Betzner,
Contra drug pilot,
Newsweek,
January 26, 1987

1987 memo to the Select Committee on Narcotics Abuse and Control:

"Were the field officers in Central America, the Caribbean, and the U.S. from the various agencies (DEA, Customs, Bureau of Alcohol, Tobacco, and Firearms, FBI) with jurisdiction over drug violations aware of the contra-drug allegations? If not, why not? If they were aware, where are their reports to their superiors? How did law enforcement officers not know or report these allegations when Robert Owen clearly knew and reported them to Oliver North? What, if any, investigations were ever undertaken into these allegations? What were the results of these investigations, if any? Were law enforcement officers ever directed not to investigate? What contacts, if any, did law enforcement officers have with other federal agencies, including the intelligence community, regarding these contra-drug allegations? Was the intelligence community involved in investigating these allegations?"

WILL THIS STORY BE TOLD?

There are both limits and possibilities for broadly exposing the contra/drug story to the American public. First, the difficulties.

It is self-evident that the Reagan Administration wants to conceal its association with the contra drug trafficking enterprise. Why some members of Congress and the press are hesitant to expose this operation is less clear. Certainly, pressure from the CIA and DEA, among other government agencies which do not want their methods and participation revealed, is one factor. Some members of Congress are cautious about revealing a major skeleton in the CIA's closet: namely, how drug trafficking has been linked to U.S. covert operations over the past 40 years. The pro-contra lobby in Congress no doubt realizes how damning a full-blown drug trafficking expose of President Reagan's "freedom fighters" would be. Moreover, there is the traditional desire of many in Congress and public life not to face unpleasant truths.

For instance, the Senate and House Select Committees on the Iran/Contra affair refused to deal with the contra-drug aspect of the scandal, as reflected in their final report. Indeed, House Committee staff investigator Robert Bermingham

sent a confidential memo on July 23 to co-Chairmen Senator Daniel Inouye and Congressman Lee Hamilton, urging them to issue an official statement saying that an exhaustive investigation by the staff had produced no evidence of contra involvement in drug activity. In fact, Bermingham and his colleagues misrepresented the position of the House Judiciary subcommittee investigating these charges, and never even consulted with the investigator on the Senate Foreign Relations Committee probing the contra-drug link, as revealed in a July 29 Boston Globe article.

What makes this attempt to discredit the drug charges against the contras and their private supporters highly suspect is that the chief investigator for the Senate Select Committee was Thomas Polgar. Polgar succeeded Christic defendant Theodore Shackley as CIA station chief in Saigon. He was also CIA station chief in Mexico prior to his retirement in 1978, and later worked as a consultant for Nicaraguan dictator Anastacio Somoza as an employee of the Miami-based firm of Palumbo and Wilkinson, both ex-CIA officers themselves. Polgar was a consultant to Vice-President George Bush's Task Force on Combatting Terrorism, and, in that capacity, worked closely with aides to Lt. Col. Oliver North in 1985. In December of 1986, Polgar, writing in the Miami Herald, praised contra air-supply pilot Eugene Hasenfus and other "decent men with a patriotic motivation who believe in what they are doing."

During Polgar's brief investigative trip to Costa Rica this past spring, he did not contact the Christic Institute or our plaintiffs, journalists Martha Honey and Tony Avirgan, for information or access to sources knowledgeable about either narcotics trafficking or the La Penca bombing. According to some of those he did interview--and these did not include jailed British mercenary Peter Glibbery or Christic defendant John Hull--Polgar, like Bermingham, seemed more interested in dismissing any idea of drug involvement than in seeking information.

Investigations into the contra-drug connections are now being carried out elsewhere in Congress. Senator John Kerry (D-MA), Chair of the Senate Foreign Relations Subcommittee on Terrorism, Narcotics, and International Operations, continues to probe the matter. Kerry's subcommittee has had to endure sabotage from

within. Richard Messick, a Republican staff member, not only passed documents from Kerry's probe to the Justice Department, which referred to Messick as "our spy on the committee," but according to the Village Voice of July 14, 1987, relayed misinformation from the Justice Department to discredit witnesses before the committee. Messick was also the source for Washington Times stories intended to undercut both Kerry and the investigation.

Overall, the major media continue to treat the story of contra drug links very cautiously. The experience of Associated Press reporters Bob Parry and Brian Barger, who began developing the contra drug story over two years ago, was one of constant refusal of their editors to run the material (see the Columbia Journalism Review, Sept/Oct 1986). AP was pressured by the Reagan Administration to delete some of their story. "A senior White House official called and said [John] Hull had enough problems right now," says one AP staff member. "They very much wanted to keep his name out of the report."

On the positive side, there are a number of individuals and institutions trying to fully document and reveal the disturbing contra-drug connection. Leslie Cockburn's new book, Out of Control, best summarizes the current evidence of contra drug trafficking and the U.S. role in it. There are also two good chapters on Martha Honey and Tony Avirgan's investigation into the La Penca bombing, and the Christic Institute's exposure of the "Secret Team" behind the Iran/contra scandal. Cockburn produced the two landmark segments on CBS News' West 57th revealing the contra-drug connection.

While most of the mainstream press ignored the West 57th programs, a number of good articles on this issue have appeared--such as those by Knut Royce in Newsday and Seth Rosenfeld in the San Francisco Examiner. Other reporters are currently developing leads for future stories, which will hopefully keep this story alive and press it forward.

An important opportunity for breaking the contra-drug story wide open is in two subcommittees of Congress. The Senate Foreign Relations subcommittee, chaired by Kerry, and the House Judiciary Subcommittee on Crime,

chaired by Rep. William Hughes (D-NJ), are independently looking into the contra-drug connection. A third committee, the House Select Committee on Narcotics Abuse and Control, chaired by Rep. Charles Rangel (D-NY), engaged in a brief and limited investigation, and has turned its evidence and jurisdiction over to the Hughes panel.

The Senate and House subcommittees are expected to hold hearings over the coming months. The Kerry committee already made a splash this summer when contra drug pilot George Morales and money launderer Ramon Milian-Rodriguez testified behind closed doors about the contra-drug connection. Investigators on the Hughes committee are, among other things, looking into allegations that the Justice Department under Edwin Meese has obstructed investigations into the contra arms-and-drugs network. While the two subcommittees are pinched by limited funds and resources, they should be encouraged--particularly the two full committee chairs, Clairborne Pell (D-RI) and Peter Rodino (D-NJ)--to conduct a far-reaching investigation of the existing evidence, unlike the Iran/Contra Select Committee.

Finally, three D.C.-based public interest groups--the Christic Institute, the National Security Archives, and the International Center for Development Policy--are conducting their own independent research and investigation into the contra-drug connection, and, in the process, are sharing useful information with one another.

The Christic Institute lawsuit is now in its discovery phase, and we have been granted federal subpoena power to act as a "private attorney general" under tough anti-crime statutes. Christic is empowered to subpoena testimony and documents over the coming months. Free from the political pressures imposed on the Tower Commission, the Select Committee of Congress, and the Special Prosecutor, the Christic Institute will be posing the hard questions, under oath, to the major players in the Contragate scandal. We will undoubtedly unearth more evidence of drug trafficking by the contras and their supporters, and make that information available to the Congress, the press, and, most importantly, the American public.

AN ISSUE OF COMMON CONCERN

In a nationally-televised speech on March 16, 1986, President Reagan told the nation: "Every American will be outraged to learn that top Nicaraguan government officials are deeply involved in drug trafficking." A few days later, the Drug Enforcement Administration disputed Reagan's assertion by saying that it had no such evidence. (New York Times, March 19, 1986)

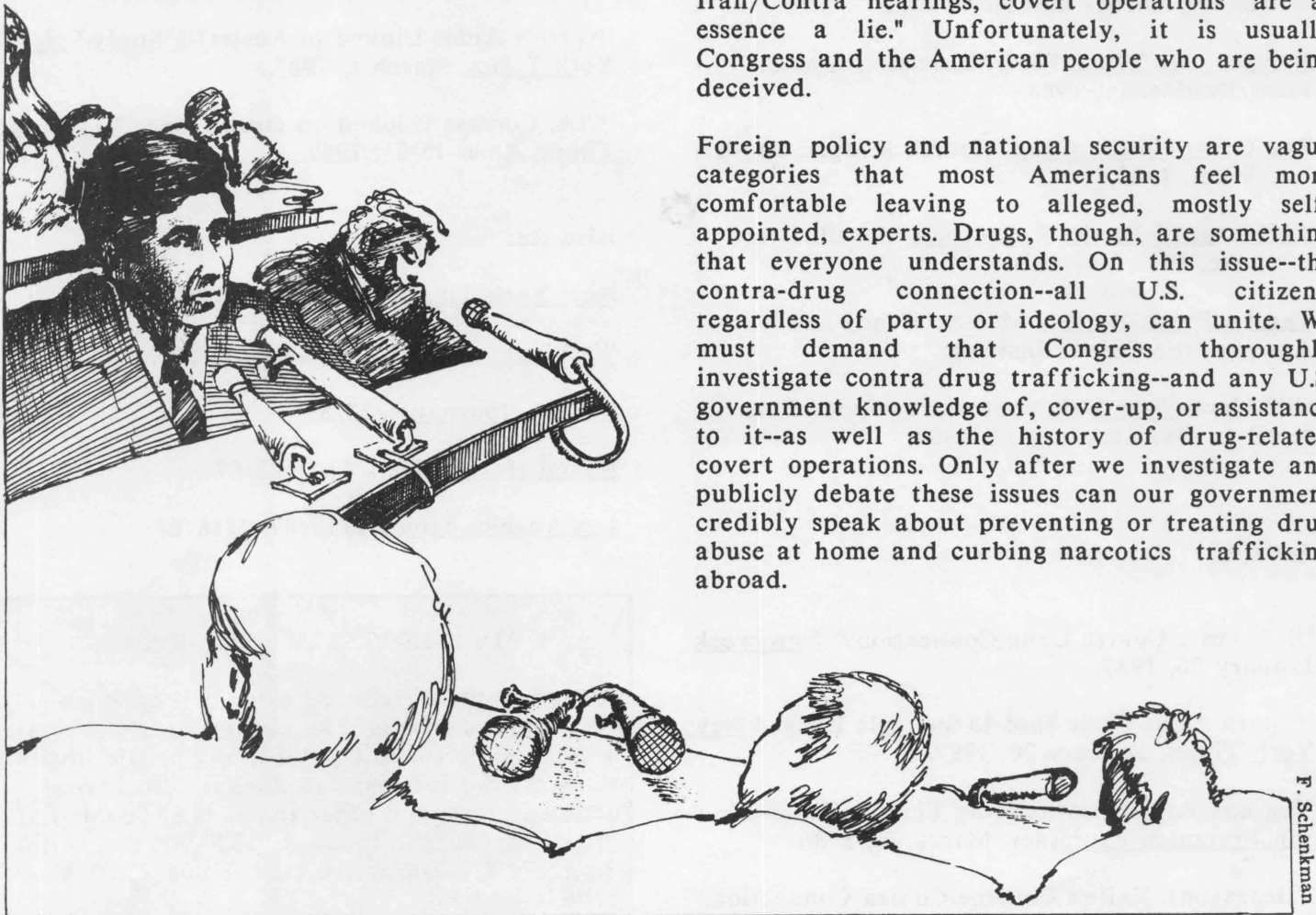
The real outrage for America's parents, of course, should come from learning that the Nicaraguan contras are involved in drug trafficking themselves, and that U.S. officials knew about it. Despite this fact, the Reagan Administration has provided hundreds of millions of U.S. taxpayer dollars to help the President's beloved "freedom fighters" attempt to topple the Nicaraguan government. President Reagan--who

once said he is "a contra, too" and called the contras "the moral equivalent of our founding fathers"--is expected to seek another \$270 million in new military and/or "humanitarian" aid for the contras.

U.S. government association with drug traffickers is not only the price paid for backing the contras, but, more generally, for engaging in covert operations around the world for the past 40 years. Covert operations are the ideal conduit for the drug trade and other criminal activity. Even when cloaked by patriotic appeals for achieving "freedom" and "democracy" abroad, covert operations invariably undermine our democracy at home. They subvert our values, our need for an open, honest, and accountable foreign policy, and respect for the rule of law.

As Oliver North told the nation during the Iran/Contra hearings, covert operations "are at essence a lie." Unfortunately, it is usually Congress and the American people who are being deceived.

Foreign policy and national security are vague categories that most Americans feel more comfortable leaving to alleged, mostly self-appointed, experts. Drugs, though, are something that everyone understands. On this issue--the contra-drug connection--all U.S. citizens, regardless of party or ideology, can unite. We must demand that Congress thoroughly investigate contra drug trafficking--and any U.S. government knowledge of, cover-up, or assistance to it--as well as the history of drug-related covert operations. Only after we investigate and publicly debate these issues can our government credibly speak about preventing or treating drug abuse at home and curbing narcotics trafficking abroad.



F. Schenkman

Two congressional committees are currently investigating contra drug dealing.

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