

Extrait du El Correo

<http://www.elcorreo.eu.org/NicaraguaNarcotics-traffickers-and-the-ContrasJohn-F-Kerry-s-report>

NicaraguaNarcotics traffickers and the ContrasJohn F. Kerry's report

- Notre Amérique - Terrorisme d'Etat -

Date de mise en ligne : samedi 12 avril 2008

Copyright © El Correo - Tous droits réservés

Selections from the Senate Committee Report on Drugs, Law Enforcement and Foreign Policy chaired by Senator John F. Kerry

Report Kerry : [NARCOTICS TRAFFICKERS AND THE CONTRAS](#)

I. Introduction

The initial Committee investigation into the international drug trade, which began in April, 1986, focused on allegations that Senator John F. Kerry had received of illegal gun-running and narcotics trafficking associated with the Contra war against Nicaragua.

As the Committee proceeded with its investigation, significant information began surfacing concerning the operations of international narcotics traffickers, particularly relating to the Colombian-based cocaine cartels. As a result, the decision was made to incorporate the Contra-related allegations into a broader investigation concerning the relationship between foreign policy, narcotics trafficking and law enforcement.

While the contra/drug question was not the primary focus of the investigation, the Subcommittee uncovered considerable evidence relating to the Contra network which substantiated many of the initial allegations laid out before the Committee in the 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 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 Subcommittee found that the Contra drug links included :

- ▶ Involvement in narcotics trafficking by individuals associated with the Contra movement.
- ▶ Participation of narcotics traffickers in Contra supply operations through business relationships with Contra organizations.
- ▶ Provision of assistance to the Contras by narcotics traffickers, including cash, weapons, planes, pilots, air supply services and other materials, on a voluntary basis by the traffickers.
- ▶ Payments to drug traffickers by the U.S. State Department of funds authorized by the Congress for humanitarian assistance to the Contras, in some cases 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.

These activities were carried out in connection with Contra activities in both Costa Rica and Honduras.

The Subcommittee found that the links that were forged between the Contras and the drug traffickers were primarily pragmatic, rather than ideological. The drug traffickers, who had significant financial and material resources, needed the cover of legitimate activity for their criminal enterprises. A trafficker like George Morales hoped to have his drug indictment dropped in return for his financial and material support of the Contras. Others, in the words of Marcos Aguado, Eden Pastora's air force chief :

... took advantage of the anti-communist sentiment which existed in Central America ... and they undoubtedly used it for drug trafficking. [1]

While for some Contras, it was a matter of survival, for the traffickers it was just another business deal to promote and protect their own operations.

II. 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 U.S. intelligence agencies.

Following that 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."

According to the Department, "... these attempts for the most part took place during the period when the resistance was receiving no U.S. funding and was particularly hard pressed for financial support." The report acknowledged that, "... drug traffickers were attempting to exploit the desperate conditions," in which the Contras found themselves. [2] The Department had suggested that while "individual members" of the Contra movement might have been involved, their drug trafficking was "... without the authorization of resistance leaders." [3]

Following further press reports linking contra supply operations to narcotics, and inquiries from the Foreign Relations Committee to the State Department concerning these links, the State Department issued a second statement to the Congress concerning the allegations on July 24, 1986.

In this report, the State Department said, "... the available evidence points to involvement with drug traffickers by a limited number of persons having various kinds of affiliations with, or political sympathies for, the resistance groups." [4]

A year later, in August 1987, the CIA's Central American Task Force Chief became the first U.S. official to revise that assessment to suggest instead that the links between Contras on the Southern Front in Costa Rica to narcotics trafficking was in fact far broader than that acknowledged by the State Department in 1986.

Appearing before the Iran-Contra Committees' the CIA 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. [5]

The CIA's Chief of the Central American Task Force went on to say :

We knew that everybody around Pastora was involved in cocaine ... His staff and friends (redacted) they were drug smugglers or involved in drug smuggling. [6]

The Justice Department was slow to respond to the allegations regarding links between drug traffickers and the Contras. In the spring of 1986, even after the State Department was acknowledging there were problems with drug trafficking in association with Contra activities on the Southern Front, the Justice Department was adamantly denying that there was any substance to the narcotics allegations. At the time, the FBI had significant information regarding the involvement of narcotics traffickers in Contra operations and Neutrality Act violations. [7]

The failure of U.S. law enforcement and intelligence agencies to respond properly to allegations concerning criminal activity relating to the Contras was demonstrated by the handling of the Committee's own investigation by the Justice Department and the CIA in the spring of 1986.

On May 6, 1986, a bipartisan group of Committee staff met with representatives of the Justice Department, FBI, DEA, CIA and State Department to discuss the allegations that Senator Kerry had received information of Neutrality Act violations, gun running and drug trafficking in association with Contra organizations based on the Southern Front in Costa Rica.

In the days leading up to the meeting, Justice Department spokesmen were stating publicly that "the FBI had conducted an inquiry into all of these charges and none of them have any substance." [8] At that meeting, Justice Department officials privately contradicted the numerous public statements from the Department that these allegations had been investigated thoroughly and were determined to be without foundation. The Justice Department officials at the meeting said the public statements by Justice were "inaccurate." [9] The Justice officials confirmed there were ongoing Neutrality Act investigations in connection with the allegations raised by Senator Kerry.

At the same meeting, representatives of the CIA categorically denied that the Neutrality Act violations raised by the Committee staff had in fact taken place, citing classified documents which the CIA did not make available to the Committee. In fact, at the time, 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. [10]

In August 1986, Senator Richard Lugar, then-Chairman of the Committee and the ranking member, Senator Claiborne Pell, wrote the Justice Department requesting information on 27 individuals and organizations associated with the contras concerning allegations of their involvement in narcotics trafficking and illegal gunrunning. The Justice Department refused to provide any information in response to this request, on the grounds that the information remained under active investigation, and that the Committee's "rambling through open investigations gravely risks compromising those efforts." [11]

On October 5, 1988, the Subcommittee received sworn testimony from the Miami prosecutor handling the Neutrality and gun-running cases that he had been advised that some officials in the Justice Department had met in 1986 to discuss how "to undermine" Senator Kerry's attempts to have hearings regarding the allegations. [12]

The Subcommittee took a number of depositions of Justice Department personnel involved in responding to the Committee investigation or in prosecuting allegations stemming from the Committee's investigation. Each denied participating in any agreement to obstruct or interfere with a Congressional investigation. In order to place in their proper perspective the attempts to interfere with or undermine, the Committee investigation, a lengthy chronology has been prepared which appears at appendix A of this report.

III. The guns and drug smuggling infrastructure develops

Covert war, insurgency and drug trafficking frequently go hand-in-hand without regard to ideology or sponsorship. General Paul Gorman, testified that the use of narcotics profits by armed resistance groups was commonplace. Gorman stated further that : "If you want to move arms or munitions in Latin America, the established networks are owned by the cartels. It has lent itself to the purposes of terrorists, of saboteurs, of spies, of insurgents and subversions." [13]

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. [14]

Drug trafficking associated with revolution in Nicaragua began during the late 1970's with the Sandinistas attempt to overthrow the regime of Anastasio Somoza Debayle. At the time, the Sandinistas were supported by most governments in the region. Those governments helped provide the FSLN with the money, weapons, and the sanctuary they needed to overthrow Somoza. [15]

Costa Rica, which has dozens of unsupervised airstrips near the Nicaraguan border, became an important supply and staging area for the Sandinistas. These air strips were used by Noriega and others for shipments of weapons to the Sandinistas. [16]

Former senior Costa Rican Law enforcement officials told the Subcommittee they were instructed to keep their narcotics investigators away from the Nicaraguan border during the Sandinista revolution. Even when they had received hard information about drugs on the aircraft delivering weapons, the officials, in effort to avoid controversy regarding the war, ignored the tips and let the flights go. [17]

A number of Costa Ricans became suppliers for the Sandinistas. These included Jaime "Pillique" Guerra, who owned a crop dusting service and a related aircraft support business in northern Costa Rica. Guerra refueled and repaired the planes which came from Panama loaded with Cuban weapons for the Sandinistas. [18] Guerra's crop dusting business was excellent cover for the movement of aviation fuel to the dozens of remote airstrips they used without arousing the suspicions of Costa Rican authorities.

When the Sandinista insurgency succeeded in 1979, smuggling activity in northern Costa Rica did not stop. Surplus weapons originally stored in Costa Rica for use by the Sandinistas were sold on the black market in the region. [19] Some of these weapons were shipped to the Salvadoran rebels from the same airstrips in the same planes, flown by the same pilots who had previously worked for the Sandinistas. [20]

Costa Rican law enforcement authorities said that the drug trafficking through northern Costa Rica continued as well. They said that their police units lacked the men, the communications equipment and the transport to close down the airstrips and seize weapons and drugs. [21]

Werner Lotz, a Costa Rican pilot serving sentence for drug smuggling, testified that there was little the Costa Rican government could do to deal with the continuing drug trafficking :

"Costa Rica has got only civil guards, underpaid and easily bought .. To be very clear ... our guard down there is barefoot, and you're talking about 50 men to cover 400 kilometers maybe." [22]

IV. Drug trafficking and the covert war

When the Southern Front against the Sandinista Government in Nicaragua was established in 1983, Costa Rica remained ill-equipped to deal with the threat posed by the Colombian drug cartels. Then, as now, the country does not have a military, its law enforcement resources remain limited, and its radar system still so poor that Contra supply planes could fly in and out of the clandestine strips without being detected. [23]

Following their work on behalf of the Sandinistas and the Salvadoran rebels, the Colombian and Panamanian drug operatives were well positioned to exploit the infrastructure now serving and supplying the Contra Southern Front.

This infrastructure was increasingly important to the drug traffickers, as this was the very period in which the cocaine trade to the U.S. from Latin America was growing exponentially.

In the words of Karol Prado, an officer of the ARDE Contra organization of Eden Pastora on the Southern Front, "drug traffickers ... approaches political groups like ARDE trying to make deals that would somehow camouflage or cover up their activities."

The head of the Costa Rican "air force" and personal pilot to two Costa Rican presidents, Werner Lotz, explained the involvement of drug traffickers with the Contras in the early days of the establishment of the Southern Front as a consequence of the Contras lack of resources :

"There was no money. There were too many leaders and too few people to follow them, and everybody was trying to make money as best they could." [\[24\]](#)

The logic of having drug money pay for the pressing needs of the Contras appealed to a number of people who became involved in the covert war. Indeed, senior U.S. policy makers were not immune to the idea that drug money was a perfect solution to the Contra's funding problems.

As DEA officials testified last July before the House Judiciary Subcommittee on Crime, Lt. Col. Oliver North suggested to the DEA in June 1985 that \$1.5 million in drug money carried aboard a plane piloted by DEA informant Barry Seal and generated in a sting of the Medellin Cartel and Sandinista officials, be provided to the Contras. [\[25\]](#) While the suggestion was rejected by the DEA, the fact that it was made highlights the potential appeal of drug profits for persons engaged in covert activity.

Lotz said that Contra operations on the Southern Front were in fact funded by drug operations. He testified that weapons for the Contras came from Panama on small planes carrying mixed loads which included drugs. The pilots unloaded the weapons, refueled, and headed north toward the U.S. with drugs. [\[26\]](#) The pilots included Americans, Panamanians, and Colombians, and occasionally, uniformed members of the Panamanian Defense Forces. [\[27\]](#) Drug pilots soon began to use the Contra airstrips to refuel even when there were no weapons to unload. They knew that the authorities would not check the airstrips because the war was "protected". [\[28\]](#)

The problem of drug traffickers using the airstrips also used to supply the Contras persisted through 1985 and 1986. By the summer of 1986, it became of significant concern to the U.S. Government officials who were involved in the covert Contra supply operations undertaken during the Boland Amendment period. As then-CIA Station Chief, "Thomas Castillo" testified to the Iran/Contra Committees, U.S. Ambassador to Costa Rica Lewis Tambs wanted to place guards on the secret Contra supply airstrip at Santa Elena in Costa Rica, to avoid :

having drug traffickers use that site, and this was a continuing concern during the period of June, July and August. [\[29\]](#)

The concern highlights the degree to which the infrastructure used by the Contras and that used by drug traffickers was potentially interchangeable, even in a situation in which the U.S. government had itself established and maintained the airstrip involved.

V. The pilots

Pilots who made combined Contra weapons/drug flights through the Southern Front included :

- ▶ **Gerardo Duran**, a Costa Rican pilot in the airplane parts supply business. Duran flew for a variety of Contra organizations on the Southern Front' including those affiliated with Alfonso Robelo, Fernando "El Negro" Chamorro, and Eden Pastora, before U.S. officials insisted that the Contras sever their ties from Duran because of his involvement with drugs. [30] Duran was convicted of narcotics trafficking in Costa Rica in 1987 and jailed.
- ▶ **Gary Wayne Betzner**, drug pilot who worked for convicted smuggler George Morales. Betzner testified that twice in 1984 he flew weapons for the Contras from the U.S. to northern Costa Rica and returned to the United States with loads of cocaine. Betzner is presently serving a lengthy prison term for drug smuggling. [31]
- ▶ **Jose "Chepon" Robelo**, the head of UDN-FARN air force on the Southern front. Robelo turned to narcotics trafficking and reselling goods provided to the Contras by the U.S. [32]

VI. U.S. Government funds and companies with drug connections

The State Department selected four companies owned and operated by narcotics traffickers to supply humanitarian assistance to the Contras. The companies were :â€”SETCO Air, a company established by Honduran drug trafficker Ramon Matta Ballesteros ;

- ▶ **DIACSA**, a Miami-based air company operated as the headquarters of a drug trafficker enterprise for convicted drug traffickers Floyd Carlton and Alfredo Caballero ;
- ▶ **Frigorificos de Puntarenas**, a firm owned and operated by Cuban-American drug traffickers ;
- ▶ **Vortex**, an air service and supply company partly owned by admitted drug trafficker Michael Palmer.

In each case, prior to the time that the State Department entered into contracts with the company, federal law enforcement had received information that the individuals controlling these companies were involved in narcotics.

Officials at NHAO told GAO investigators that all the supply contractors were to have been screened by U.S. intelligence and law enforcement agencies prior to their receiving funds from State Department on behalf of the Contras to insure that they were not involved with criminal activity. [33] Neither the GAO nor the NHAO were certain whether or not that had actually been done. [34]

The payments made by the State Department to these four companies between January and August 1986, were as follows :

SETCO	for air transport service	\$186.924,25
DIACSA	for airplane engine parts	\$41.120,90
Frigorificos De Puntarenas	as a broker/supplier for various services to Contras on the Southern Front	\$ 261.932,00
VORTEX	for air transport services	\$317.425,17
Total	...	\$806.401,20

[35]

A number of questions arise as a result of the selection of these four companies by the State Department for the provision of humanitarian assistance to the contras, to which the Subcommittee has been unable to obtain clear answers :

- ▶ Who selected these firms to provide services to the Contras, paid for with public funds, and what criteria were used for selecting them ?
- ▶ Were any U.S. officials in the CIA, NSC, or State Department aware of the narcotics allegations associated with any of these companies ? If so, why were these firms permitted to receive public funds on behalf of the Contras ?
- ▶ Why were Contra suppliers not checked against federal law enforcement records that would have shown them to be either under active investigation as drug traffickers, or in the case of DIACSA, actually under indictment ?

Ambassador Robert Duemling, Director of the Nicaraguan Humanitarian Assistance Organization (NHAO), who was responsible for the operation of the program, was unable to recall how these companies were selected, when questioned by Senator Kerry in April, 1988. [36] Ambassador Duemling also could not recall whether or not the contractors had in fact been checked against law enforcement records prior to receiving funds from the State Department. In previous testimony before the Iran/Contra Committees, Ambassador Duemling had recalled that NHAO had been directed by Lt. Col. Oliver North to continue "the existing arrangements of the resistance movement" in choosing contractors. [37]

At best, these incidents represent negligence on the part of U.S. government officials responsible for providing support to the Contras. At worst it was a matter of turning a blind eye to the activities of companies who use legitimate activities as a cover for their narcotics trafficking.

A. Setco/hondu carib

Before being chosen by the State Department to transport goods on behalf of the Contras from late 1985 through mid-1986, SETCO had a long-standing relationship with the largest of the Contra groups, the Honduras-based FDN. Beginning in 1984, SETCO was the principal company used by the Contras in Honduras to transport supplies and personnel for the FDN, carrying at least a million rounds of ammunition, food, uniforms and other military supplies for the Contras from 1983 through 1985. According to testimony before the Iran/Contra Committees by FDN leader Adolfo Calero, SETCO received funds for Contra supply operations from the contra accounts established by Oliver North. [38]

U.S. law enforcement records state that SETCO was established by Honduran cocaine trafficker Juan Matta Ballesteros, whose April 1988 extradition from Honduras to the United States in connection with drug trafficking charges caused riots outside the U.S. Embassy in Tegucigalpa.

For example, a 1983 Customs Investigative Report states that "SETCO stands for Services Ejecutivos Turistas Commander and is headed by Juan Ramon Mata Ballesteros, a class I DEA violator." The same report states that according to the Drug Enforcement Agency, "SETCO aviation is a corporation formed by American businessmen who are dealing with Matta and are smuggling narcotics into the United States." [39]

One of the pilots selected to fly Contra supply missions for the FDN for SETCO was Frank Moss, who has been under investigation as an alleged drug trafficker since 1979. Moss has been investigated, although never indicted, for narcotics offenses by ten different law enforcement agencies. [40]

In addition to flying Contra supply missions through SETCO, Moss formed his own company in 1985, Hondu Carib, which also flew supplies to the Contras, including weapons and ammunition purchased from R.M. Equipment, an arms company controlled by Ronald Martin and James McCoy. [41] "The FDN's arrangement with Moss and Hondu Carib was pursuant to a commercial agreement between the FDN's chief supply officer, Mario Calero, and Moss, under which Calero was to receive an ownership interest in Moss' company. The Subcommittee received documentation that one Moss plane, a DC-4, N90201, was used to move Contra goods from the United States to Honduras. [42] On the basis of information alleging that the plane was being used for drug smuggling, the Customs Service obtained a court

order to place a concealed transponder on the plane. [43]

A second DC-4 controlled by Moss was chased off the west coast of Florida by the Customs Service while it was dumping what appeared to be a load of drugs, according to law enforcement personnel. When the plane landed at Port Charlotte no drugs were found on board, but the plane's registration was not in order and its last known owners were drug traffickers. 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. [44] A law enforcement inspection of the plane revealed the presence of significant marijuana residue. [45] DEA seized the aircraft on March 16, 1987.

B. Frigoríficos de Puntarenas

Frigoríficos de Puntarenas is a Costa Rican seafood company which was created as a cover for the laundering of drug money, according to grand jury testimony by one of its partners, and testimony by Ramon Milian Rodriguez, the convicted money launderer who established the company. [46]

From its creation, it was operated and owned by Luis Rodriguez of Miami, Florida, and Carlos Soto and Ubaldo Fernandez, two convicted drug traffickers, to launder drug money. [47] Luis Rodriguez, who according to Massachusetts law enforcement officials directed the largest marijuana smuggling ring in the history of the state, was indicted on drug trafficking charges by the federal government on September 30, 1987 and on tax evasion in connection with the laundering of money through Ocean Hunter on April 5, 1988. [48]

Luis Rodriguez controlled the bank account held in the name of Frigoríficos which received \$261,937 in humanitarian assistance funds from the State Department in 1986. Rodriguez signed most of the orders to transfer the funds for the Contras out of that account. [49] Rodriguez was also president of Ocean Hunter, an American seafood company created for him by Ramon Milian-Rodriguez. [50] Ocean Hunter imported seafood it bought from *Frigoríficos* and used the intercompany transactions to launder drug money. [51]

In statements before a Florida federal grand jury in connection with a narcotics trafficking prosecution of Luis Rodriguez, Soto testified that he knew Luis Rodriguez as a narcotics trafficker who had been smuggling drugs into the U.S. since 1979. Soto also testified that they were partners in the shipment of 35,000 pounds of marijuana to Massachusetts in 1982. [52]

Milian-Rodriguez told Federal authorities about Luis Rodriguez' narcotics trafficking prior to Milian-Rodriguez' arrest in May 1983. In March and April 1984, IRS agents interviewed Luis Rodriguez regarding Ocean Hunter, drug trafficking and money laundering, and he took the Fifth Amendment in response to every question. [53]

Despite the information possessed by the FBI, Customs and other law enforcement agencies documenting Luis Rodriguez' involvement in narcotics trafficking and money laundering, the State Department used Frigoríficos, which he owned and operated, to deliver humanitarian assistance funds to the Contras in late 1985. Official funds for the Contras from the United States began to be deposited into the Frigoríficos account in early 1986, and continued until mid-1986. [54]

In May 1986, Senator Kerry advised the Justice Department, Drug Enforcement Agency, State Department, NHAO and CIA of allegations he had received involving Luis Rodriguez and his companies in drug trafficking and money laundering. In August 1986, the Foreign Relations Committee asked Justice whether the allegations about Luis Rodriguez were true, and requested documents to determine whether the State Department might have in fact provided funds to a company controlled by drug traffickers. Justice refused to answer the inquiry.

The indictment of Luis Rodriguez on drug charges 18 months later demonstrated that the concerns raised by Senator Kerry to the Justice Department and other agencies in May 1986 concerning his companies were well founded, as the State Department had in fact chosen companies operated by drug traffickers to supply the Contras. [55]

C. DIACSA

DIACSA was an aircraft dealership and parts supply company partly owned by the Guerra family of Costa Rica. DIACSA's president, Alfredo Caballero, was under DEA investigation for cocaine trafficking and money laundering when the State Department chose the company to be an NHAO supplier. Caballero was at that time a business associate of Floyd Carlton—the pilot who flew cocaine for Panama's General Noriega.

In an affidavit filed in federal court in January, 1985, DEA Special Agent Daniel E. Moritz described working as an undercover money launderer "for the purpose of introducing myself into a criminal organization involved in importing substantial quantities of cocaine into the United States from South America." [56] That organization was the Carlton/Caballero partnership. According to Agent Moritz, the cocaine traffickers used DIACSA offices "as a location for planning smuggling ventures, for assembling and distributing large cash proceeds of narcotics transactions, and for placing telephone calls in furtherance of the smuggling ventures." [57]

From March 1985 until January 1986, Moritz received approximately \$3.8 million in U.S. currency from members of this organization "to be distributed, primarily in the form of wire transfers around the world." Most of the \$3.8 million was delivered in DIACSA's offices.

Moritz met both Alfredo Caballero and Floyd Carlton in March of 1985. Moritz had previously learned from a confidential informant that Carlton was a "major cocaine trafficker from Panama who frequented DIACSA and was a close associate of Alfredo Caballero." The informant added that "Caballero provided aircraft for Floyd Carlton Caceres' cocaine smuggling ventures" and that Caballero allowed Carlton and "members of his organization to use DIACSA offices as a location for planning smuggling ventures, for assembling and distributing large cash proceeds of narcotics transactions and for placing telephone calls in furtherance of the smuggling ventures." Alfredo Caballero was described by the informant "as the man in charge of operations for Floyd Carlton Caceres' cocaine transportation organization." [58]

Other members of the group were Miguel Alemany-Soto, who recruited pilots and selected aircraft and landing strips, and Cecilia Saenz-Barria. The confidential informant said that Saenz was a Panamanian "in charge of supervising the landing and refueling of the organization's aircraft at airstrips on the Panama/Costa Rica border" and that he "arranges for bribe payments for certain Costa Rican officials to ensure the protection of these aircraft as they head north loaded with cocaine." [59] During 1984 and 1985, the principal Contra organization, the FDN, chose DIACSA for "intra-account transfers." The laundering of money through DIACSA concealed the fact that some funds for the Contras were through deposits arranged by Lt. Col. Oliver North. [60]

The indictments of Carlton, Caballero and five other defendants, including Alfredo Caballero's son Luis, were handed down on January 23, 1985. The indictment charged the defendants with bringing into the United States on or about September 23, 1985, 900 pounds of cocaine. In addition, the indictment charged the defendants with laundering \$2.6 million between March 25, 1985 and January 13, 1986. [61]

Despite the indictments, the State Department made payments on May 14, 1986 and September 3, 1986, totaling \$41,120.90 to DIACSA to provide services to the Contras. [62]

In addition, the State Department was still doing business with DIACSA on its own behalf six months after the

company's principals had been indicted. Court papers filed in the case in July 1986, show that the U.S. Embassies of Panama and Costa Rica were clients of DIACSA. While DIACSA and its principals were engaged in plea bargaining negotiations with the Justice Department regarding the cocaine trafficking and money laundering charges, U.S. Embassy personnel in Panama and Costa Rica were meeting with one of the defendants to discuss purchasing Cessna planes from the company. [63]

Each of the defendants in the DIACSA case was ultimately convicted on charges of importing cocaine into the United States. The sentences they received ranged from ten years for one non-cooperating defendant, to nine years for Floyd Carlton, to three years probation for Luis Caballero and five years probation for his father, DIACSA's owner, Alfredo Caballero, as a consequence of their cooperation with the government. [64]

D. Vortex

When the State Department signed a contract with Vortex to handle Contra supplies, Michael B. Palmer, then the company's Executive Vice-President signed for Vortex. At the time, Palmer was under active investigation by the FBI in three jurisdictions in connection with his decade-long activity as a drug smuggler, and a federal grand jury was preparing to indict him in Detroit. [65]

The contract required Vortex to receive goods for the Contras, store, pack and inventory them. At the time the contract was signed, Vortex's principal assets were two airplanes which Palmer previously used for drug smuggling. [66] Vortex was selected by NHAO assistant director Philip Buechler, following calls among Buechler, Palmer, and Pat Foley, the president of Summit Aviation. [67]

VII. The case of George Morales and frs/arde

In 1984, the Contra forces under Eden Pastora were in an increasingly hopeless situation. On May 30, 1984, Pastora was wounded by a bomb at his base camp at La Penca, Nicaragua, close to the Costa Rica border. That same day, according to ARDE officer Karol Prado, aid to ARDE from the United States was cut off. [68]

Despite continued pressure from the United States, Pastora refused to place his ARDE forces under a unified command with the largest of the Contra organizations—the Honduras-based FDN. The CIA considered Pastora to be "disruptive and unpredictable." [69] By the time the Boland Amendment cut off legal military aid to the Contras, the CIA had seen to it that Pastora did not receive any assistance, and his forces were experiencing "desperate conditions." [70]

Although there are discrepancies among the parties as to when the initial meeting took place, Pastora's organization was approached by George Morales, a Colombian drug trafficker living in Miami who had been indicted on narcotics trafficking charges.

According to the State Department report to the Congress of July 26, 1986 :

Information developed by the intelligence community indicates that a senior member of Eden Pastora's Sandino Revolutionary Front (FRS) agreed in late 1984 with (Morales) that FRS pilots would aid in transporting narcotics in exchange for financial assistance...the FRS official agreed to use FRS operational facilities in Costa Rica and Nicaragua to facilitate transportation of narcotics. (Morales) agreed to provide financial support to the FRS, in addition to aircraft and training for FRS pilots. After undergoing flight training, the FRS pilots were to continue to work for the FRS, but would also fly narcotics shipments from South America to sites in Costa Rica and Nicaragua for later

transport to the United States. Shortly thereafter (Morales) reportedly provided the FRS one C-47 aircraft and two crated helicopters. He is reported to have paid the sum of \$100,000 to the FRS, but there was no information available on who actually received the money. [71]

The State Department said it was aware of only one incident of drug trafficking resulting from this agreement between the Contras and Morales and that was the case of Contra pilot Gerardo Duran. Duran was arrested in January 1986, in Costa Rica for his involvement in transporting cocaine to the United States. [72] Duran was an FRS pilot from 1982 to 1985 and operated an air taxi service in Costa Rica. According to Marco Aguado and Karol Prado, Duran would fly supplies to the Contras on the Southern Front and he would charge for each flight. [73]

Robert Owen, courier for Lt. Col. Oliver North, testified to the Iran/Contra Committees that he told North he thought Karol Prado was involved in trafficking drugs out of Panama, and that Pastora's pilot, Marco Aguado, was also involved. [74] The Subcommittee was unable to validate Owen's claims. Prado vehemently denied these allegations stating that he believed the drug trafficking allegations against Pastora were the result of a CIA effort to discredit him. [Deposition of Karol Prado, *ibid.*, p. 285.]

Morales testified that his involvement with the Contras started in 1984 at the urging of Marta Healey, the widow of one of his drug pilots, Richard Healey. [75] Marta Healey's first husband was Adolfo "Popo" Chamorro, the second in command to Eden Pastora in the FRS. She came from a prominent Nicaraguan family.

At the time of his first contract, Morales was under indictment for marijuana smuggling. He testified that he thought by assisting the Contra cause his indictment would be dropped. Marta Healey introduced Morales to Popo Chamorro, Marco Aguado and Octaviano Cesar at a meeting in Miami. According to Morales, he wanted to make a deal : He would help the Contras with their needs, and "they in exchange would help me with my objective, which was solving my indictment." Morales believed the Contra leaders would help him solve his legal problems because of their contacts with the CIA. [76]

On October 31, 1987 in San Jose, Costa Rica, the Subcommittee videotaped the depositions of three Contra leaders with intimate knowledge of the Morales relationship with Pastora's organization in video depositions. The three were Karol Prado, Pastora's head of communications ; Marco Aguado, Pastora's air force chief ; and Octaviano Cesar who, along with his brother Alfredo, were political allies of Pastora's at the time. A fourth, Adolfo "Popo" Chamorro, who was Pastora's second in command in ARDE, testified in closed session of the Subcommittee in April 1988. Chamorro's testimony was taken in closed session by the consent of the Subcommittee at his request. Dick McCall, of Senator Kerry's personal staff, in an arrangement worked out with Chamorro and his attorneys, subsequently interviewed him in Miami.

Each denied knowing that Morales was under indictment for drug trafficking when they first met him at Marta Healey's house in Miami. Popo Chamorro said that as far as he knew Morales was just another rich Miami resident with strong anti-Communist feelings. [77]

In addition, all three denied receiving more than \$10,000 in cash from Morales. The Subcommittee found that \$10,000 was given to Popo Chamorro to cover the cost of transporting a C-47 owned by Morales, which he donated to ARDE, from Haiti to Ilopango Air Force Base in El Salvador. [78]

While denying receiving funds personally, Prado, Aguado and Cesar each confirmed elements of Morales' story.

According to Prado, Octaviano Cesar and his brother Adolfo allied themselves politically with Pastora in the Summer of 1984. A decision was then made to send Popo Chamorro and Octaviano Cesar to the United States to look for

funds. [79] In September, Popo Chamorro returned to Costa Rica with photographs of a DC-4 and a Howard plane, and told Pastora that they would get six more planes, including a Navajo Panther from George Morales. [80]

Pastora told Chamorro that the C-47 was the most practical plane for the Contras at the time and Popo returned to Miami to arrange for its transfer. Chamorro provided the Subcommittee with an aircraft purchase order, dated October 1, 1984. The notarized purchase order provided that for the sum of one dollar, a McDonnell-Douglas DC-3, the civilian designation for a C-47, would be transferred to Marco Aguado. The order was signed by George Morales, as the seller, and by Marco Aguado, as the purchaser.

In addition, 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. Of the 24 flights during this period, eleven were to La Penca on the Nicaraguan side of the Rio San Juan. [81]

The Subcommittee substantiated key elements of the Morales story, although it did not find evidence that Cesar, Chamorro, or Prado were personally involved in drug trafficking. First, all witnesses agreed that Morales gave ARDE a C-47. Evidence of an association between them is also provided by a Customs document. This document, provided to the Committee by the U.S. Customs Service, shows that Morales entered the United States from the Bahamas on October 13, 1984, with Marco Aguado, Octaviano Cesar and Popo Chamorro. They carried \$400,000 in cash and checks which were declared by Aguado, Chamorro and Cesar. They claimed that the checks and money were returned to Morales after clearing Customs. [82]

Aguado summarized the relationship between the Southern Front Contras and the drug traffickers in terms of the exploitation of the Contra movement by individuals involved in narcotics smuggling. According to Aguado, the trafficking organizations, "took advantage of the anti-communist sentiment which existed in Central America ... and they undoubtedly used it for drug trafficking." Referring to the Contra resupply operations, Aguado said the traffickers used "the same connections, the same air strips, the same people. And maybe they said that it was weapons for Eden Pastora, and it was actually drugs that would later on go to the U.S.... They fooled people ... Unfortunately, this kind of activity, which is for the freeing of a people, is quite similar to the activities of the drug traffickers." [83]

Octaviano Cesar testified that when he dealt with Morales he was :

Thinking in terms of the security of my country. It just didn't enter my mind that I would become involved in such a mess, because it never entered into my mind to get in that [drug] business ...

I went a couple of times inside in Nicaragua and I saw people there. Young kids 15, 16 years old, they were carrying 30, 40 rounds of ammunition against the Sandinistas ... And that's why I did it. I'm not proud of it, but I just didn't have any choice. I mean, the U.S. Congress didn't give us any choice. They got these people into a war. The people went inside of Nicaragua, 80 miles inside. They had thousands of supporters, *campesinos* there helping them ... Now, when those people retreat, those *campesinos* were murdered by the Sandinistas. I don't want that, but that's the reality of life. [84]

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 attache's office that were [sic] based at Ilopango also, and any person or any plane landed there, they had to go----

Senator KERRY. And they basically said to you that it was all right as long as you don't deal in the powder ; is that correct ? Is that a fair quote ?

Mr. Cesar. Yes. [\[85\]](#)

After the La Penca bombing of May 30, 1984, all assistance was cut off by the CIA to ARDE, while other Contra groups on both fronts continued to receive support from the U.S. government through a variety of channels. The United States stated that the cut-off of ARDE was related to the involvement of its personnel in drug trafficking. Yet many of the same drug traffickers who had assisted ARDE were also assisting other Contra groups that continued to receive funding. Morales, for example, used Gerardo Duran as one of his drug pilots, and Duran worked for Alfonso Robello and Fernando "el Negro" Chamorro, who were associated with other Contra groups, as well as for ARDE. [\[86\]](#)

In a sworn deposition which was taken in San Jose Costa Rica by the Subcommittee on October 31, 1987, Karol Prado, Pastora's treasurer and procurement officer, vehemently denied allegations concerning the personal involvement of ARDE leadership in drug trafficking. Prado said that because of Pastora's problems with the U.S. government, it was his belief that the CIA was attempting to discredit the former Sandinista Commandante and his supporters in ARDE with allegations that they were involved in drug trafficking. [\[87\]](#)

Thomas Castillo, the former CIA station chief in Costa Rica, who was indicted in connection with the Iran/Contra affair, testified before the Iran/Contra Committees that when the CIA became aware of narcotics trafficking by Pastora's supporters and lieutenants, those individuals' activities were reported to law enforcement officials. [\[88\]](#) However, Morales continued to work with the Contras until January 1986. He was indicted for a second time in the Southern District of Florida for a January 1986 cocaine flight to Bahamas and was arrested on June 12, 1986.

Morales testified that he offered to cooperate with the government soon after he was arrested, and that he was willing to take a lie detector test. He said his attorneys repeated the offer on his behalf several times, but on each occasion the U.S. Attorney, Leon Kellner, refused. [\[89\]](#)

Leon Kellner and Richard Gregorie, then the head of the criminal division of the Miami U.S. Attorney's office, met with the staff of the Committee in November 1986. They said that Morales' story was not credible and that Morales was trying to get his sentence reduced by cooperating with a Senate committee. As Morales had not yet been sentenced, both Kellner and Gregorie discouraged the staff from meeting with Morales at that time, and the staff respected their request. Kellner and Gregorie said that Morales was like the many Miami cocaine traffickers who use the "I was working for the CIA" defense. [\[90\]](#)

Following his testimony before the Subcommittee, Morales renewed his offer to work with the government. This time, federal law enforcement officials decided to accept the offer. Morales provided the government with leads that were used by law enforcement authorities in connection with matters remaining under investigation. In November 1988, the DEA gave Morales a lengthy polygraph examination on his testimony before the Subcommittee and he was considered truthful. [\[91\]](#)

Viii. John Hull

John Hull was a central figure in Contra operations on the Southern Front when they were managed by Oliver North, from 1984 through late 1986. [92] Before that, according to former Costa Rican CIA station chief Thomas Castillo's public testimony, Hull had helped the CIA with military supply and other operations on behalf of the Contras. [93] In addition, during the same period, Hull received \$10,000 a month from Adolfo Calero of the FDN "at North's direction." [94]

Hull is an Indiana farmer who lives in northern Costa Rica. He came to Costa Rica in mid-1970's and persuaded a number of North Americans to invest in ranch land in the northern part of the country. [95] Using their money and adding some of his own, he purchased thousands of acres of Costa Rican farm land. Properties under his ownership, management or control ultimately included at least six airstrips. To the many pilots and revolutionaries who passed through the region, this collection of properties and airstrips became known as John Hull's ranch.

On March 23, 1984, seven men aboard a U.S. government owned DC-3 were killed when the cargo plane crashed near Hull's ranch, revealing publicly that Hull was allowing his property to be used for airdrops of supplies to the Contras. [96] But even before this public revelation of Hull's role in supporting the Contras, officials in a variety of Latin American countries were aware of Hull's activities as a liaison between the Contras and the United States government. Jose Blandon testified, for example, that former Costa Rican Vice President Daniel Oduber suggested he (Blandon) meet with Hull in 1983, to discuss the formation of a unified southern Contra command under Eden Pastora. [97]

Five witnesses testified that Hull was involved in cocaine trafficking : Floyd Carlton, Werner Lotz, Jose Blandon, George Morales, and Gary Betzner. Betzner was the only witness who testified that he was actually present to witness cocaine being loaded onto planes headed for the United States in Hull's presence.

Lotz said that drugs were flown into Hull's ranch, but that he did not personally witness the flights. He said he heard about the drug flights from the Colombian and Panamanian pilots who allegedly flew drugs to Hull's airstrips. Lotz described the strips as "a stop for refuel basically. The aircraft would land, there would be fuel waiting for them, and then would depart. They would come in with weapons and drugs." Lotz said that Hull was paid for allowing his airstrips to be used as a refueling stop. [98]

Two witnesses, Blandon and Carlton recounted an incident involving the disappearance of a shipment of 538 kilos of cocaine owned by the Pereira or Cali cocaine cartel. Teofilo Watson, a member of Carlton's smuggling operation, was flying the plane to Costa Rica for the Cartel. The plane crashed and Watson was killed. The witnesses believed that the crash occurred at Hull's ranch and that Hull took the shipment and bulldozed the plane, a Cessna 310, into the river. Carlton testified that the Colombians were furious when they discovered the cocaine missing. He said they sent gunmen after Hull and in fact kidnapped a member of Hull's family to force the return of the cocaine. When that failed they became convinced that Carlton himself stole the cocaine and they sent gunmen after him. The gunmen dug up Carlton's property in Panama with a backhoe looking for the lost cocaine, and Carlton fled for his life to Miami. [99]

Gary Betzner started flying for Morales' drug smuggling network in 1981. 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 Air Force Base in El Salvador. His co-pilot on the trip was Richard Healey, who had flown drugs for Morales. [100]

Betzner said the weapons were unloaded at Ilopango by Salvadoran military personnel and an American whom he assumed worked for the U.S. Department of Defense. Betzner testified that he and Healey flew the plane on to Colombia where they picked up a load of marijuana and returned to their base at Great Harbor Cay in the Bahamas. [101]

According to Betzner, the next Contra weapons and drugs flight took place in July 1984. Morales asked him to fly a

load of weapons to Hull's ranch and to pick up a load of drugs. Betzner flew a Cessna 402-B to John Hull's ranch. According to Betzner, he was met at the airstrip by Hull and they watched the cargo of weapons being unloaded, and cocaine, packed in 17 duffel bags, and five or six two-foot square boxes being loaded into the now-empty Cessna. Betzner then flew the plane to a field at Lakeland, Florida. [\[102\]](#)

Yet another guns for drugs flight was made two weeks later. On this trip, Betzner said he flew a Panther to an airstrip called "Los Llanos," about ten miles from Hull's properties and not far from the Voice of America transmitter in northern Costa Rica. Betzner testified that Hull met him again and the two watched while the weapons were unloaded and approximately 500 kilos of cocaine in 17 duffel bags were loaded for the return flight to Florida. [\[103\]](#)

Hull became the subject of an investigation by the U.S. Attorney for the Southern District of Florida in the spring of 1985. In late March 1985, Assistant U.S. Attorney Jeffrey Feldman and two FBI agents went to Costa Rica to investigate Neutrality Act violations by participants in the Contra resupply network that were also under investigation at the time by Senator Kerry. Both the Feldman and Kerry inquiries had been prompted in part by statements made to reporters by soldiers of fortune imprisoned in Costa Rica who alleged John Hull was providing support for the Contras with the help of the National Security Council. [\[104\]](#)

Feldman and the FBI agents met with U.S. Ambassador to Costa Rica, Lewis Tambs, and the CIA Chief of Station, Thomas Castillo, who told him John Hull knew Rob Owen and Oliver North and gave the impression that Hull had been working for U.S. interests prior to March of 1984. In addition, one of the embassy security officers, Jim Nagel, told one of the FBI agents accompanying Feldman, that regarding Feldman's inquiries, "... these were agencies with other operational requirements and we shouldn't interfere with the work of these agencies." [\[105\]](#) When Feldman attempted to interview Hull, Feldman learned that Hull was told by the embassy staff not to talk to him without an attorney present. [\[106\]](#)

Feldman concluded that U.S. Embassy officials in Costa Rica were taking active measures to protect Hull. After Feldman interviewed two of the mercenaries, Peter Glibbery and Steven Carr, regarding their allegations of Hull's involvement in criminal activity, Feldman learned that Kirk Kotula, Consul in San Jose, was "trying to get Carr and the rest of these people to recant their statements regarding Hull's involvement with the CIA and with any other American agency." [\[107\]](#) Feldman added "... it was apparent we were stirring up some problem with our inquiries concerning John Hull." [\[108\]](#) Feldman concluded that because Hull was receiving protection from some US officials, that it would not be possible to interview him. Feldman therefore took no further steps to do so. [\[109\]](#)

In an effort to stop the investigation against him and to cause the Justice Department to instead investigate those urging an investigation of Hull, Hull prepared falsified affidavits from jailed mercenaries in Costa Rica to U.S. Attorney Kellner. In the affidavits the mercenaries accused Congressional staff of paying witnesses to invent stories about illegal activities associated with the clandestine Contras supply network. The Justice Department ultimately concluded that the affidavits had been forged. Kellner testified that he "had concerns about them and ... didn't believe them." [\[110\]](#)

To this day, the Justice Department has taken no action against John Hull for obstruction of justice or any related charge in connection with his filing false affidavits with the U.S. Justice Department regarding the Congressional investigations.

In the period in which he was providing support to the Contras, Hull obtained a loan from the Overseas Private Investment Corporation for \$ 375,000 which ultimately proved to have been obtained with false documentation.

In 1983, Hull and two associates, Mr. William Crone and Mr. Alvaro Arroyo approached OPIC for a loan to finance a joint venture wood products factory that would make wheelbarrow and ax handles for the U.S. market. In fact,

according to testimony from Crone and OPIC officials, no contributions from Hull, Arroyo or himself were made to the joint venture. On the basis of the application, some supporting documentation and a site visit, on March 30 1984, OPIC advanced \$ 375,000. [111]

By the end of 1985, after one interest payment, the loan lapsed into default, and OPIC officials began to recognize that the project was a fraud, and that Hull had made false representations in making the application to OPIC. [112] OPIC officials found that the money which was disbursed by their Agency was deposited in Hull's Indiana bank account and the funds were withdrawn by Hull in cash. When OPIC inquired in 1986 as where the funds were going, Hull told OPIC officials that he would be using the cash to buy Costa Rican money on the black market to get a more favorable exchange rate. [113]

In fact, Costa Rica has a favorable exchange rate for foreign investment and the excuse Hull offered does not make sense. What appears to have happened is that Hull simply took the money, inasmuch as no equipment was purchased for the factory, no products were shipped from it, and Hull's partner, Crone, testified that he never saw the money. Indeed, prospective purchasers complained that they paid Hull for products in advance but never received delivery. [114]

On the basis of the subsequent OPIC investigation of the loan to Hull's company, in April 1987, the case was referred to the Justice Department for a criminal fraud investigation. [115] While nothing has yet happened for almost two years, the Justice Department maintains the investigation is still ongoing. [116]

OPIC foreclosed on the properties which Hull had put up as collateral for the loan. Following the foreclosure to recover their monies, OPIC sold the property at auction. However, in order to prevent a sale far below the market price, OPIC bid at the auction and wound up purchasing its own property for \$187,500.

OPIC then attempted to sell the property directly. An advertisement was placed in The Wall Street Journal which attracted a single offer from an investment banker in Philadelphia. An agreement was negotiated whereby the company purchasing the property from OPIC was required to make no down payment, and only to repay OPIC its \$187,500 from the future proceeds of the sale of timber cut on the land. The corporation which purchased the property has no other assets other than the land. If the agreement is fulfilled by the purchasers of the land, OPIC will realize repayment of \$187,500, half of the original \$375,000 loaned to Hull. [117]

The Subcommittee also heard testimony investors who had allowed Hull to purchase property for them and then to manage the property, who testified that he did not deliver on his promises, he failed to purchase the properties he said he would, and in one case, took farm equipment off a farm he was paid to manage and converted it for his own use. [118]

In mid-January 1989, Hull was arrested by Costa Rican law enforcement authorities and charged with drug trafficking and violating Costa Rica's neutrality.

Ix. The San Francisco frogman case, Udn-Farn and Pcne

The San Francisco Frogman case was one of the first cases in which allegations linking specific Contra organizations to drug smugglers surfaced. In a July 26, 1986 report to the Congress on Contra-related narcotics allegations, the State Department described the Frogman case as follows :

"This case gets its nickname from swimmers who brought cocaine ashore on the West Coast from a Colombian vessel

in 1982-1983. It focused on a major Colombian cocaine smuggler, Alvaro Carvajal-Minota, who supplied a number of West Coast smugglers. It was alleged, but never confirmed, that Nicaraguan citizen Horacio Pereira, an associate of Carvajal, had helped the Nicaraguan resistance. Pereira was subsequently convicted on drug charges in Costa Rica and sentenced to twelve years imprisonment. Two other Nicaraguans, Carlos Cabezas and Julio Zavala, who were among the jailed West Coast traffickers convicted of receiving drugs from Carvajal, claimed long after their conviction that they had delivered large sums of money to resistance groups in Costa Rica and that Pereira, who was not charged in the case, has said the profits from the drug sale would finance resistance activities." [\[119\]](#)

The allegations made by Cabezas and Zavala involved two Southern Front Contra groups—UDN-FARN, a military group associated with Fernando "El Negro" Chamorro, and PCNE, a Contra political group in the South. Cabezas claimed that he helped move 25 to 30 kilos of cocaine from Costa Rica to San Francisco, generating \$1.5 million. According to Cabezas, part of that money was given to Troilo and Fernando Sanchez to help Eden Pastora's and Fernando "El Negro" Chamorro's operations on the Southern Front in 1982 and 1983. [\[120\]](#)

After the trial, the U.S. government returned \$36,020 seized as drug money to one of the defendants, Zavala, after he submitted letters from Contra leaders claiming the funds were really their property. The money that was returned had been seized by the FBI after being found in cash in a drawer at Zavala's home with drug transaction letters, an M-1 carbine, a grenade, and a quantity of Cocaine. [\[121\]](#)

The Subcommittee found that the Frogman arrest involved cocaine from a Colombian source, Carvajal-Minota. In addition, Zavala and Cabezas had as a second source of supply, Nicaraguans living in Costa Rica associated with the Contras. FBI documents from the Frogman case identify the Nicaraguans as Horacio Pereira, Troilo Sanchez and Fernando Sanchez. [\[122\]](#) Pereira was convicted on cocaine charges in Costa Rica in 1985 and sentenced to 12 years in prison. [\[123\]](#) An important member of the Pereira organization was Sebastian "Huachan" Gonzalez, who also was associated with ARDE in Southern Front Contra operations. Robert Owen advised North in February 1985, that Gonzalez was trafficking in cocaine. [\[124\]](#) Jose Blandon testified that Eden Pastora knew that Gonzalez was involved in drug trafficking while he was working with ARDE. Gonzalez later left the Contra movement and fled from Costa Rica to Panama, where he went to work for General Noriega. [\[125\]](#)

During the Pereira trial, evidence was also presented by the Costa Rica prosecutor showing that drug traffickers had asked leader Ermundo Chamorro the brother of UDN-FARN leader Fernando "El Negro" Chamorro, for assistance with vehicles to transport cocaine and for help with a Costa Rica police official. [\[126\]](#)

Troilo and Fernando Sanchez were marginal participants in the Contra movement and relatives of a member of the FDN Directorate. [\[127\]](#)

X. The Cuban-American Connection

Several groups of Miami-based Cuba Americans provided direct and indirect support for the Southern Front during the period that the Boland Amendment prohibited official U.S. government assistance. Their help, which included supplies and training, was funded in part with drug money. [\[128\]](#) The State Department described the allegations in its July 1986 report to Congress as follows :

There have been allegations that Rene Corbo and other Cuban Americans involved in anti-Sandinista activities in Costa Rica were connected with Miami-based drug traffickers. Corbo reportedly recruited a group of Cuban American and Cuban exile combatants and military trainers in the Miami area who operated inside Nicaragua and in the northern part of Costa Rica. Two Cuban exiles in this group, Mario Rejas Lavas and Ubaldo Hernandez Perez, were captured by the Sandinistas in June 1986. They were reportedly members of the UNO/FARN group headed by Fernando "El

Negro" Chamorro. There is no information to substantiate allegations that this group from Miami has been a source of drug money for the UNO/FARN or any other resistance organization. [129] On May 6, 1986, Committee staff met with representatives of the Justice Department, FBI, DEA, CIA and State Department, to advise them of allegations of gun running and drug trafficking in connection with this group.

In August 1986, the Committee requested information from the Justice Department regarding the allegations concerning Corbo and fellow Cuban Americans Felipe Vidal, Frank Castro, and Luis Rodriguez and Frank Chanes (two of the principals in Frigorificos de Puntarenas and Ocean Hunter), concerning their involvement in narcotics trafficking. The Justice Department refused to provide any information in response to this request, on the grounds that the information requested remained under active investigation, and that the Committee's "rambling through open investigations gravely risks compromising those efforts." [130]

Less than three months earlier, the Justice Department had advised both the press and the Committee that the allegations had been thoroughly investigated and were without foundation. [131]

At no time did the Justice Department disclose to the Committee in response to its inquiry that extensive information had in fact been developed by the FBI from 1983 through 1986 suggesting that many of the allegations the Committee was investigating were true.

At the May 6, 1986 meeting with Committee staff, the CIA categorically denied that weapons had been shipped to the Contras from the United States on the flights involving Rene Corbo, noting that the material on which they were basing these assertions was classified, and suggested that the allegations that had been made to the contrary were the result of disinformation. [132]

In fact, as the FBI had previously learned from informants, Cuban American supporters of the Contras had shipped weapons from south Florida to Ilopango, and from there to John Hull's airstrips in Costa Rica. [133] The persons involved admitted to the FBI that they had participated in such shipments, making general statements about them beginning in 1985. On June 4, 1986 and June 16, 1986, Rene Corbo, one of the principals in the shipments, explicitly told the FBI that he had participated in shipping weapons to the Contras in violation of U.S. Neutrality laws. [134]

The Cuban-American contingent supporting the Contra effort on the Southern Front work with Pastora until May 30, 1984 bombing at La Penca. After the assassination attempt on Pastora they shifted their allegiance to Fernando "El Negro" Chamorro of UDN-FARN. By mid-June 1984, the drug smuggling through the Southern Front zones controlled by the Contras had grown sufficiently obvious that Robert Owen warned Lt. Col. Oliver North at the NSC that the "Cubans (are) involved in drugs." [135]

Notes taken by Colonel Robert L. Earl during his tenure at the NSC described how in August 1986, the CIA was worried about

... disreputable characters in the Cuban-American community that are sympathetic to the Contra cause but causing more problems than help and that one had to be careful in how one dealt with the Cuban-American community and its relation to this, that although their motives were in the right place there was a lot of corruption and greed and drugs and it was a real mess. [136]

In August 1988, Corbo and Castro were indicted in a Neutrality Act case involving the Contras brought by the U.S. Attorney for Miami and prosecuted by Assistant U.S. Attorney Jeffrey Feldman. No narcotics-related allegations were included in the August 1988 indictment. [137]

One of the three principals in Frigorificos de Puntarenas and Ocean Hunter, Luis Rodriguez, was indicted on drug charges in April 1988. The others, Frank Chanes and Moises Nunez, participated in Contra military assistance operations in 1984 and 1985. [138] Nunez was employed by both the drug money laundering front, Frigorificos de Puntarenas, and by Glenn Robinette on behalf of the Second-North Enterprise. Former CIA Costa Rica Chief of Station Thomas Castillo told the Iran-Contra committees that Nunez "was involved in a very sensitive operation" for the Enterprise. [139]

XI. Ramon Milian Rodriguez and Felix Rodriguez

A particularly controversial allegation arose during the course of the Subcommittee's investigation. This involved Ramon Milian Rodriguez's offer to assist the Contras, following his arrest for money laundering.

In a June 26, 1987 closed session of the Subcommittee, Milian Rodriguez testified that in a meeting arranged by Miami private detective Raoul Diaz with Felix Rodriguez, he (Milian) offered to provide drug money to the Contras. Milian Rodriguez stated that Felix accepted the offer and \$10 million in such assistance was subsequently provided the Contras through a system of secret couriers.

Milian Rodriguez testified that he also offered to assist in entrapping the Sandinistas in a drug sting—all in return for dropping the charges then pending against him.

Felix Rodriguez strenuously denied Milian Rodriguez's version of the meeting, stating that he reported Milian's offer to a number of U.S. government agencies, including the FBI and CIA. No action was taken by those agencies, and Milian Rodriguez's case went to trial.

Raoul Diaz refused to respond to a Committee subpoena to discuss his recollection of the meeting. Therefore, because of the difficulty the Subcommittee faced in ascertaining who was telling the truth—Ramon Milian Rodriguez or Felix Rodriguez—Milian was asked whether he would be willing to take a polygraph examination. He agreed to submit to an examination on the question of providing drug money to the Contras through Felix Rodriguez.

Senator Kerry, the Subcommittee Chairman, arranged for one of the country's leading polygraph experts, Dr. Donald Raskin of the University of Utah, to travel to Washington, D.C. to administer the test. Dr. Raskin administered a partial examination of Milian Rodriguez on June 3-4, 1988. On two critical questions, Ramon Milian Rodriguez's answers were determined to be deceptive by Dr. Raskin. The questions were as follows :

1. Did Felix Rodriguez ask you to arrange deliveries of money for the Contras during the meeting at Raoul's office ?

► Answer, yes.

2. Did you arrange approximately five deliveries of money for the Contras on the basis of phone calls you personally received from Felix Rodriguez ?

► Answer, yes.

On the third question, Dr. Raskin could not determine whether or not Ramon Milian Rodriguez was being truthful in his response. The question was as follows :

3. Did you arrange the deliveries of at least \$5 million for the Contras using the procedures that you and Felix worked out ?

► Answer, yes.

At that point, Milian Rodriguez stated that he did not want to continue the examination. Based upon Dr. Raskin's oral evaluation of Ramon Milian Rodriguez, the Chairman concluded that his version of the meeting with Felix Rodriguez and his subsequent relationship with Felix in providing drug money for the Contras was not truthful. The Chairman reached no conclusion regarding the issue of whether Ramon Milian arranged for the deliveries of at least \$5 million for the Contras.

During Felix Rodriguez' public testimony before the Subcommittee on July 14, 1988, Senator Kerry stated that he did not believe Ramon Milian Rodriguez' version of the meeting was truthful.

However, Milian Rodriguez' testimony regarding the Cartels, General Noriega's role in narco-trafficking, and his involvement in setting up companies which were later used to support the Contras, was corroborated by a number of witnesses, including Jose Blandon, Floyd Carlton, Gerald Loeb, and a Miami attorney who had supplied information on the Cartels in a closed session deposition. In addition, Milian Rodriguez' testimony on many of these points was corroborated by extensive documentary evidence and by grand jury statements by his partners in federal criminal proceedings.

Post-scriptum :

Footnotes :

[1] Subcommittee deposition of Marcos Aguado, Part 3, p. 285.

[2] "Allegations of Misconduct by the Nicaraguan Democratic Resistance," State Department document #3079c, April 16, 1986.

[3] State Department document 3079c

[4] Allegations of Drug trafficking and the Nicaraguan Democratic Resistance, State Department document #5136c, July 26, 1986."

[5] Iran-Contra testimony of Central American Task Force Chief, August 5, 1987, 100-11, pp. 182-183.

[6] Iran-Contra deposition of Central American Task Force Chief, Appendix B, Vol. 3 pp. 1121 - 1230. Also North Diary page Q1704, March 26, 1984, "Pastora revealed as drug dealer."

[7] See extensive FBI investigative materials released in discovery in *U.S. v. Corbo* and *U.S. v. Calero*, SD Florida, 1988, documenting information the FBI had collected regarding these matters from 1984-1986.

[8] National Public Radio, All Things Considered, May 5, 1986, Bill Buzenberg ; *New York Times*, May 6, 1986, p. A-6.

[9] Memcoms of May 6, 1986 meeting, Subcommittee files.

[10] Winer MemCom, 5/6/86, Messick MemCom, 5/6/86 ; Marum Memcom ; 5/6/86, Committee Files ; see Iran/Contra Deposition of FBI Agent Kevin Currier, Appendix B, Vol. 8 pp. 205-206.

- [11] Foreign Relations Committee-Justice Department correspondence, August 10, 1985.
- [12] Subcommittee testimony of Jeffrey B. Feldman, October 5, 1988, p. 24 ; Feldman MemCom, November 17, 1987.
- [13] Subcommittee testimony of General Paul Gorman, Part 2, February 8, 1988 p. 44.
- [14] Subcommittee testimony of David Westrate, Part 4, July 12, 1988, p. 144.
- [15] Interviews conducted by Senator John F. Kerry with current and former Costa Rican law enforcement officials, San Jose, Costa Rica, October 31, 1987.
- [16] Subcommittee testimony of Jose Blandon, Part 2, February 9, 1988 pp. 138-139.
- [17] Kerry interviews in Costa Rica, op. cit.
- [18] Subcommittee closed session with Werner Lotz, Part 4, April 8, 1988, p. 673 ; Blandon testimony, Part 2, p. 86 ; see also Carlton, Part 2, p. 196.
- [19] Lotz testimony, Part 4, p. 674 and Subcommittee testimony of Frances J. McNeil, Part 3 April 4, 1988, p. 58.
- [20] Blandon testimony, Part 2, p. 86 and McNeil, Part 3, p. 55, and Subcommittee testimony of Floyd Carlton, Part 2, February 10, p. 196.
- [21] Kerry interviews in Costa Rica, ibid.
- [22] Lotz testimony, op. cit., p. 690.
- [23] Lotz, Part 4, p. 690.
- [24] Lotz, Part 4, p. 678.
- [25] DEA Testimony before House Subcommittee on Crime, July 28, 1988.
- [26] Ibid, pp. 683-684.
- [27] Ibid, pp. 680, 682.
- [28] Kerry interviews in Costa Rica, ibid.
- [29] Castillo deposition, ibid., p. 483.
- [30] Lotz, Part 4, p. 681- Letter of Eden Pastora to David Sullivan and Assistant Secretary of State Elliot Abrams, April 10, 1986.
- [31] Subcommittee testimony of Gary Betzner, Part 3, April 7, 1988, pp. 262-265.
- [32] Robert W. Owen, Iran-Contra testimony, May 14, 1987, p. 7 ; see also memo from Owen to Oliver North, April 1, 1985, pp. 1, 3.
- [33] Subcommittee interviews with GAO analysts, September 28, 1988.
- [34] Subcommittee interviews with GAO analysts, ibid.- interviews with Ambassador Duemling, April 6, 1988.

[35] Source for Payments to Suppliers : GAO Analysis of NHAO Accounts, final figures provided by Department of State to the Subcommittee on Narcotics, Terrorism and International Operations. January 4, 1989.

[36] Duemling statement to Senator Kerry, April 6, 1988.

[37] Iran-Contra deposition of Robert Duemling, Appendix B, Volume 9, pp 47-78.

[38] See Iran-Contra testimony of Adolfo Calero, Appendix B, Volume 3, p. 176.

[39] U.S. Customs Service investigative report, "Guy Penilton Owen, et al., N90201," file NOGGBDO30036, New Orleans, May 18, 1983, pp. 6-8.

[40] Subcommittee interview with Sheriff of Port Charlotte County, Florida, May 1987.

[41] See Commerce Department Shipper's Export Declaration for R/M Equipment, Inc., file 0003688, Miami, Florida, February 28, 1985, re shipments for "Armed Forces of Honduras."

[42] Commerce Department's Shipper's Export Declaration for R/M Equipment, Inc., file # 0003688, Miami, Florida, February 28, 1985.

[43] Customs report, NOGGGGGBDO300036, *ibid.*, p. 13

[44] Address book seized by Customs, Port Charlotte, Florida, N2551, March 16, 1987.

[45] Subcommittee staff interview with Sheriffs investigators, Port Charlotte County, Florida, May, 1987.

[46] Grand jury statements of Carlos Soto on file in *U.S. v. Rodriguez*, 99-0222, USDC, Northern District of Florida, September 29, 1987, and Subcommittee testimony of Ramon Milian-Rodriguez, Part 2, February 11, 1988, pp. 260-261 ; documents seized in *U.S. v. Milian Rodriguez*, SD Florida 1983.

[47] *Ibid.*

[48] *U.S. v. Luis Rodriguez*, 87-01044, US District Court for the Northern District of Florida ; *U.S. v. Luis Rodriguez*, 88-0222 CR-King, U.S. District Court for the Southern District of Florida.

[49] Banking records of Frigorificos de Puntarenas subpoenaed by House Foreign Affairs Subcommittee on the Western Hemisphere, May 1986 ; GAO Analysis NHAO Expenditures, May 1986.

[50] Corporate Records, Florida Secretary of State, Ocean Hunter, Inc.

[51] Grand jury statements of Soto, *ibid.*, Ramon Milian-Rodriguez, *ibid.*

[52] Documents on file in *U.S. v. Rodriguez*, 99-0222, USDC, Northern District of Florida, 1988, from grand jury statements of Carlos Soto.

[53] Documents on file in *U.S. v. Luis Rodriguez*, *ibid.*, Northern District of Florida.] In September, 1984, Miami police officials advised the FBI of information they had received that Ocean Hunter was funding contra activities through "narcotics transactions," and noting that Luis Rodriguez was its president. This information confirmed previous accounts the FBI had received concerning the involvement of Ocean Hunter and its officers in Contra supply operations involving the Cuban American community. [[FBI 302, Continental Bank Bombing, FBI Agent George Kiszynski, MM174A-1298, released in *U.S. v. Corbo*, Southern District of Florida, 1988.

[54] GAO Analysis of NHAO Payments, Western Hemisphere Subcommittee of House Foreign Affairs Committee, May 1986 ; banking records subpoenaed by Western Hemisphere Subcommittee.

[55] U.S. V. Luis Rodriguez, *ibid.*, Northern District of Florida ; GAO analysis of NHAO payments.

[56] Affidavit of Daniel E. Moritz, Special Agent for the DEA January 1985, *U.S. v. Carleton* et al., SD Florida, 85-70.

[57] *Ibid.*

[58] Moritz Affidavit, pp. 3-4, *ibid.*

[59] *Ibid.*

[60] See Iran-Contra testimony of Adolfo Calero, Appendix B Volume 3, p. 176

[61] *U.S. v. Carlton*, et al., U.S. District Court, Southern District of Florida, January 23, 1986.

[62] GAO Analysis, NHAO Accounts, provided to Subcommittee September, 1988

[63] Motion For Permission to Travel, *U.S. v. Caballero*, SD Florida, 86-70-CR, July 16, 1986.

[64] Court record, *U.S. v. Carlton-Caceres*, et al. SD Florida 86-070.

[65] Indictment, *U.S. v. Palmer*, Detroit U.S. Attorney's Office, 1986 ; Subcommittee testimony of Michael B. Palmer, Part 3, April 6, 1988, pp. 208-213.

[66] Palmer, Part 2, p. 205 and Palmer Subcommittee Deposition, April 5, 1988, pp. 75-79, see generally Palmer indictment by Detroit U.S. Attorney in June 1986, and documents released as discovery in *U.S. v. Vogel* et al.

[67] Palmer testimony, House Judiciary Subcommittee on Crime, September 23, 1988.

[68] Subcommittee deposition of Karol Prado, Part 3, p. 278, see also Iran/Contra Testimony of CIA Central American Task Force Chief, August 5, 1987, 100-11, pp. 192-183.

[69] Castillo executive session, Iran/Contra Committees, *ibid.*, pp. 9-10.

[70] Subcommittee deposition of Octaviano Cesar, San Jose, Costa Rica, October 31, 1987, Part 3, pp. 278-281.

[71] State Department document #5136c, p. 5.

[72] *Ibid.*

[73] Subcommittee testimony of Marco Aguado and Karol Prado, Part 3, p. 285.

[74] Iran-Contra testimony of Robert Owen, Appendix B, Volume 20, pp. 849-850.

[75] Subcommittee testimony of George Morales, Part 3, April 7, 1988, p. 297.

[76] *Ibid.*, p. 300.

[77] Closed session testimony of Adolfo "Popo" Chamorro, April 6, 1988, p. 13.

[78] *Ibid.*, p. 15.

[79] Testimony of Karol Prado, Part 3, p. 278.

[80] Ibid., pp. 278-279

[81] Chamorro, *ibid.*, pp. 11-12.

[82] Depositions of Aguado, Prado and Cesar, Part 3, pp. 277-286 and Chamorro, *ibid.*, pp. 16, 20.

[83] Aguado, Part 3, p. 285

[84] Cesar, Part 3, p. 286.

[85] *Ibid.*, p. 282.

[86] See e.g. Letter from Eden Pastora to David Sullivan and Elliott Abrams, *Ibid.*

[87] Subcommittee testimony of Karol Prado, Part 3, p. 385. See North Diary p. Q0450, July 24, 1984. The entry reads : "get Alfredo Cesar on Drugs," see also Iran-Contra declassified executive session testimony of Thomas Castillo, May 29, 1987, pp. 83-85 and Iran-Contra deposition of Thomas Castillo, Appendix B Volume E, pp. 250-252.

[88] Iran-Contra declassified executive session of Thomas Castillo, p. 84.

[89] Subcommittee testimony of George Morales, Part 1, July 16, 1987, p. 98.

[90] David Keany and Andy Semmel of the Senate Foreign Relations Committee staff and Dick McCall of Senator Kerry's staff, attended the meeting.

[91] See correspondence from DEA Administrator to John C. Lawn to Senator John F. Kerry, January 13, 1989.

[92] North notebook pages Q 0344, 0414, 0415, 0426, 0431, 0543, 0550, 0932, 0955, 0977, 1156 1159 ; Iran-Contra Deposition of Robert W. Owen, May 4, 1987, pp. 6-15 and October 1, 1987, pp. 3-34 ; RWO Exhibit 12, 2/27/86 ; Iran-Contra testimony, May 14, 1987, p. 818.

[93] Castillo executive session, *ibid.*, p. 59.

[94] Iran-Contra deposition of Robert W. Owen, Appendix B, Vol. 20, pp. 650, 802

[95] Testimony of Louell Hood and Douglas Siple, Subcommittee on International Economic Policy, Trade, Oceans and Environment and Subcommittee on Terrorism, Narcotics and International Operations, October 30, 1987, pp. 160-161.

[96] "The CIA Blows an Asset," Newsweek, September 3, 1984, pp. 48-49.

[97] Subcommittee testimony of Jose Blandon, Part 2, p. 129.

[98] Subcommittee deposition of Werner Lotz, Part 4, April 8, 1988, pp. 681-682, 691-696.

[99] Subcommittee testimony of Floyd Carlton, Part 2, pp. 205-507 ; Subcommittee testimony of Jose Blandon, Part 2, pp. 115-116.

[100] Betzner, Part 3, pp. 253-254, 256.

[101] *Ibid.*, pp. 257-258

[102] Ibid., pp. 262-267 ; see also Morales testimony, Part 3, pp. 301-304 and DEA polygraph of Morales.

[103] Ibid., pp. 262-267.

[104] Iran-Contra deposition of Jeffrey Feldman, Appendix B, Volume 10, April 30, 1987, pp. 77-78 ; Statements of Steven Carr and Peter Glibbery to Senate staff, March 8, 1986.

[105] Feldman, *ibid.*, pp.

[106] Ibid. p. 86.

[107] Ibid. pp. 86-88.

[108] Ibid., p. 84.

[109] Ibid., pp. 86-88.

[110] Iran-Contra testimony of Leon Kellner, Appendix B, Vol. 10, April 30, 1987, pp. 1094-1095.

[111] Testimony of Eric Garfinkel, Vice President and General Counsel, Overseas Private Investment Corporation, Subcommittee on International Economic Policy Trade, Oceans and Environment and Subcommittee on Terrorism, Narcotics and International Operations, Part 1, October 30, 1987 pp. 106-107.

[112] Ibid., p. 107.

[113] Ibid., p. 127.

[114] Subcommittee interviews with prospective purchasers.

[115] OPIC testimony, *ibid.*, p. 107.

[116] Subcommittee interviews with OPIC and Justice staff, January 1989.

[117] OPIC documents provided the Subcommittee.

[118] Subcommittee testimony of Crone, Sipple and Hood, *ibid.*, pp. 147-167.

[119] State Department Document #5136c, July 26, 1986

[120] San Francisco Examiner, March 16, 1986.

[121] Ibid.

[122] November 8, 1982, FBI teletype from San Francisco to Director, *U.S. v. Zavala, et al.*

[123] CBS Evening News, June 2, 1986.

[124] Iran/Contra Testimony of Robert Owen, May 14, 1987, Exhibit RWO 7, p. 801.

[125] Blandon, Part 2, pp. 132-133.

[126] CBS Evening News, June 12, 1986.

[127] Staff interview with Carlos Cabezas, March, 1988, and with former Contras in San Francisco and Miami.

[128] FBI 302's of Special Agent George Kiszynski, released in *U.S. v. Calero* and *U.S. v. Corbo*, both Southern District of Florida, including 3/8/85 interview of Frank Castro, 12/17/84 interview of Raphael Torres Jimenez, 3/1/85 interview of Rene Corbo ; 9/6/84 interview of Jose Coutin ; see also grand jury testimony of Carlos Soto in *U.S. v. Luis Rodriguez*, Northern District of Florida.

[129] State Department Document #5136c, July 26, 1986.

[130] Letter of John Bolton to Senator Richard G. Lugar and Senator Claiborne Pell, August 11, 1986.

[131] Statements of DOJ spokesman Pat Korten to National Public Radio, May 5, 1986 ; New York Times, May 6, 1986 ; statements of Korten, Kenneth Vergquist, and other Justice Department officials to Committee staff prior to June 26, 1986 Executive Session ; see generally Kellner Deposition to Subcommittee, November 8, 1988, noting his objections to statements by Justice regarding the case.

[132] Winer Memcom, May 6, 1986 meeting, Subcommittee files.

[133] See generally the investigative files of Special Agent Kiszynski released in *U.S. v. Corbo* and *U.S. v. Calero* ; SD Florida 1988 ; admissions of Ramon Milian Rodriguez to Customs in May 1983, *U.S. v. Milian Rodriguez*, SD Florida, documents released in connection with *U.S. v. Luis Rodriguez*, *ibid*.

[134] FBI 302's of SA Kiszynski, released in *U.S. v. Corbo*, SD Florida, 1988.

[135] North Notebook Entry Q-0344.

[136] Iran/Contra Deposition of Robert L. Earl. Appendix B, Vol. 9, p. 1109.

[137] *U.S. v. Calero et al.* and *U.S. v. Corbo et al.*, *ibid*.

[138] *U.S. v. Luis Rodriguez*, Northern District of Florida ; FBI 302's of SA Kiszynski, *ibid*.

[139] Iran-Contra Testimony of Owen, Appendix B, Vol. 20, pp. 733-735 ; deposition of Thomas Castillo, Appendix B, vol 3, p. 180.