

COCAINE AND THE WHITE HOUSE CONNECTION

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By Murray Waas

WASHINGTON - Since the administration first declared its war on drugs, the amount of cocaine flooding American's shores has skyrocketed from 40 metric tons in 1986 to an all-time high of 178 metric tons last year. The glut on the market has caused the street price of cocaine to be cut in half and cut in half again, until the price is 80 percent of what it once had been.

With the lower prices and the advent of crack, what was once a \$100-a-gram indulgence for the well-to-do has been transformed into the Big Mac of drugs. Crack has turned whole sections of American cities into veritable war zones, causing unprecedented violence, killings and deaths by overdose. In 1988, Washington DC., the nation's capital, will almost surely set a new record for the number of homicides in a single year in the city's history, an event largely caused by increased drug activity. In LA last year, gangs dealing in drugs committed a record number of homicides, and the figures this year are worse. And the crack epidemic has created a new class of victims earlier drug plagues didn't touch: children.

Election-year polls show overwhelmingly that drugs are regarded by the American public as the single greatest problem facing America and the one of most universal concern. Few Americans, however, link the Reagan administration and the White House directly to the increase in drug traffic and drug crime.

But a special investigation by the Weekly shows otherwise. The White House and the administration have, the inquiry revealed, covertly but consistently worked to protect elements of the major cocaine-smuggling network in the world, the Columbia-based Medellin cartel, going so far as to block to destroy major investigations into the cartel, including those reaching to, and promising prosecutions of, the cartel's highest echelons.

The White House and heads of other government agencies chose this course of action for a simple reason: the cartel's operations at many levels had become inextricably entwined with the administration's secret and illegal efforts to aid the contras. Consequently, not only didn't administration officials move against the cartel in many places it could have - in Panama, in Honduras, in the U.S. and elsewhere - but some of its top officials actively intervened with subordinate U.S. government agencies to head off actions against significant cartel elements.

Among the Weekly's findings:

- In its efforts to wage a covert war against the Nicaraguan government, the

White House and the administration built alliances with many of the most notorious cocaine traffickers in this region.

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- Senior officials in the Reagan administration received detailed intelligence reports describing Panama's dictator Manuel Antonio Noriega's extraordinary relationship with the Medellin cartel over a four-year period, but blocked all criminal, diplomatic and political actions against him by various government agencies. Noriega at the time was helping run guns to the contras and was offering to assassinate Sandinista officials.
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- In 1986 the White House deliberately destroyed the most important drug investigation of the decade, perhaps the most important in federal history, just as it was on the verge, Drug Enforcement Agency officials believe, of seizing the absolutely highest leaders of the Medellin cocaine cartel and of obtaining massive information into its far-flung holdings and operations. White House agents, particularly Lt. Col. Oliver North, crippled the investigation in order to obtain a short-term gain against the Sandinistas.
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- U.S. intelligence and law enforcement officials in 1983 began detailed reports linking some of Honduras' top military officers to the Medellin cartel and cocaine smuggling into the United States. The investigation was stopped. The contras, of course, use Honduras as a safe haven.
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- A number of senior officials of the Reagan administration, including former Attorney General Edwin Meese, Oliver North, and former Asst. Secretary of State for Inter-American Affairs, Elliott Abrams, who interceded to obtain special treatment for a Honduran general who was convicted in Florida of smuggling more than a ton of cocaine into the U.S. The Honduran general, Jose' Bueso Rosa, planned to use part of the proceeds of the coke deal to assassinate the elected president of Honduras.
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- Federal investigative reports obtained by the Weekly reveal that the administration acted to block important mid-level investigations into cocaine smuggling and illegal arms traffic based in Florida.
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- Former AG Edwin Meese, in what may have been obstruction of justice, intervened in and tried to impede a Miami investigation into an arms and drug-smuggling operation between Florida and the Costa Rica ranch of American expatriate John Hull, identified as a major player in the Oliver North-Richard Secord illegal contra arms-supply network.

The man in charge of the Reagan administration's war on drugs through most of the years these events took place is now the Republican candidate for president. Since 1982, Vice-President George Bush has played an active role as head of the special South Florida task force set up to coordinate the anti-drug operations of several local, state and federal law enforcement agencies, a unit later expanded into a nationwide anti-drug network called the National Narcotic Border

Interdiction system, which Bush today still leads. [Remember the date of this series of articles.]

In this position Bush had access to most if not all of the highest-level intelligence on the Medellin cartel and its allies. In addition, the Iran-contra investigation showed that his vice-president's office was at minimum kept informed on some of the illegal contra arms operation. Despite this, Bush maintains today that he did not see many of the documents discussed in this report or know of the events described below.

But to borrow from President Reagan's speech at the Republican convention, the facts related below are as stubborn as they are real:

THE COCAINE CARTEL

The story begins with those who run the vast empire that is responsible for smuggling cocaine into this country: the Columbian drug lords. Together, the most powerful of the drug lords make up the Medellin cartel, which is believed by federal law enforcement officials to be responsible for more than 65% of the cocaine that finds its way onto America's streets.

For satisfying America's insatiable hunger for the white powder, the cartel's yearly revenues exceed those of General Motors, Exxon, IBM or any other American corporation, for that matter. Last year both Forbes and Fortune listed two of the four principal cartel partners, Pablo Escobar Gaviria and Jorge Ochoa Vasquez, as two of the richest men in the world. The two other cartel partners, Carlos Ledher Rivas and Gonzalo Rodriguez Gacha, are also believed to be billionaires.

The most conspicuous consumer among the cocaine overlords is Pablo Escobar. He has built 80 soccer fields and an entire suburb of low-cost housing, under the administration of a Catholic priest, for the peasants of his native Medellin. Escobar himself counts among his residences a 50,000 acre ranch called the Hacienda Nadoles, located three hours outside Medellin. The Hacienda has 24 artificial lakes and a network of roads 60 miles long. Escobar has also built his own private zoo on the Hacienda, stocked with four giraffes, two dwarf elephants, and several of his favorite animal - hippopotamuses.

The Medellin cartel may well be the single most powerful and largest multinational concentration of wealth in the world today other than a national sovereign state. With its yearly revenues exceeding those of a number of the nations of Central America, it is not surprising that cartel money has corrupted the highest echelons of a dozen different nations in the region and single handedly destabilized others.

Taking a lesson from Standard Oil, the cartel has set up a well-managed, multinational, vertically integrated industry. It pays peasants in Peru and Bolivia to cultivate cocaine plants in the Andes mountains. Under the cartel's supervision, the peasants then process the leaves into cocaine base, which is shipped to Columbia, where, in cartel laboratories, it is mixed with either ether and acetone to become pure cocaine. The cocaine is finally shipped to the U.S. using Central American and Caribbean nations as transshipment points and to launder the profits.

At each step of the process, the cartel makes a hefty profit: a kilogram of cocaine paste smuggled into Columbia is worth \$1,700 at the time; processed into pure cocaine in a cartel lab, it is worth \$4,000. Once smuggled into the United States, this kilogram is worth \$18,000. When it's made into crack and sold on the streets, it brings a retail price of more than \$160,000. Such an enterprise, of course, requires the best possible talent to run it. Says one federal law-enforcement official: "Some multinational corporations are not run as well." A pilot who testified at the trial of Carlos Ledher says the cartel was run "like a Fortune 500 company".

As Ramon Milian-Rodriguez, a former high-level accountant and money-lauderer for cartel partner Pablo Escobar, explained to the Weekly in an interview from prison, "We had economists, we had major bankers, we had attorneys. The guy who took over for me was a graduate of Harvard Law School. I'm a graduate from Santa Clara University, which is a very major Jesuit institution. But let me tell you, when we sat at the table, I was average. I mean, you have no idea the kind of talent they eventually bought.

We practiced the principles of co-insurance, the principles of diversifying industries. Some of the more Machiavellian things that we did were a result of this group of advisers that can sit on the board of any company, except that few companies could pay us the way we were being paid".

So much cocaine is now exported from Columbia that it now exceeds coffee as the nation's single most lucrative export. As has been widely reported, the cartel's concentrated economic power has enabled it to buy off vast sectors of Columbia's military, police, judiciary and congress. Those who cannot be bought off are killed. The murdered in recent years include 181 narcotics officers, a dozen reporters and editors, 57 judges, Columbia's minister of justice, and two successive attorneys general.

In the countries that the cartel uses as transshipment points and safe havens to smuggle cocaine into the U.S., the corruption is just as high-placed and extensive. For example, the Reagan administration, according to published reports, is currently contemplating bringing an indictment against Bahamian Prime Minister Lynden Oscar Pindling for accepting millions of dollars in bribes from the cartel. A federal grand jury earlier this year indicted Haiti military leader Colonel Jean-Claude Paul for receiving \$250,000 in payoffs from the cartel to allow military airfields to be used to refuel planes for cocaine flights to the U.S. And, last February, a federal grand jury indicted Panamanian dictator Manuel Antonio Noreiga for accepting \$5.4 million in cartel payoffs in exchange, prosecutors charged, for "utilizing his position to sell the country of Panama to drug traffickers".

Ramon Milian-Rodriguez was among those who arranged cartel payoffs for Noreiga. But he pointed out that he corrupted many others nearly as powerful whose names are not yet revealed: "I had colonels and government ministers in Columbia, Venezuela, Bolivia, all of Central America," he told the Weekly.

The indictment of Noreiga and Paul and any pending action against Pindling came quite late in the game for the administration, and ONLY AFTER ENORMOUS PUBLIC OUTCRY ABOUT DRUGS. In reality, the administration had several excellent opportunities over the years to do great damage to these vast and sprawling cartel operations. It didn't act, and in many cases, actively subverted these opportunities. The reasons became clear on closer scrutiny of events.

On October 11, 1968, the Panamanian military overthrew the oligarchy then running the country. Brigadier General Omar Torrijos seized power as head of the Panamanian Defense Forces, and would rule the country with an iron fist for the next 13 years. During that time a young, ambitious military officer named Manuel Antonio Noriega could be constantly found at Torrijos' side. Born to an illegitimate mother in 1934, Noriega was placed in a foster home at age 5. In his teens, he would be tagged with the nickname "cara pina" - pineapple face - because of a face permanently scarred by acne.

Strongman Torrijos, in turn, had his own good reasons to be loyal to his younger protégé. According to some published accounts, before Torrijos seized power, he shot a man with blank bullets as part of a prank. They might as well have been real - the man died of a heart attack. Noriega adroitly covered up the affair and Torrijos was not prosecuted.

Shortly after Torrijos seized power in 1968, a group of young army officers attempted a coup of their own. At the time Torrijos was traveling outside the country. Noriega, then in charge of the garrison in one of Panama's largest provinces, secured an airstrip so that Torrijos could safely return. Together they successfully suppressed the coup.

Noriega was rewarded with a promotion. He became head of G-2, the military intelligence arm of the national guard, the equivalent of what might be considered a combination of Panama's CIA and FBI. Noriega, according to a Senate investigation, would maintain dossiers on the private lives of the Panama elite that would have made J. Edgar Hoover green with envy. He would also conduct covert intelligence operations that William Casey would speak of admiringly.

It was during Noriega's G-2 period that U.S. intelligence and law enforcement agencies began receiving the first hard and extensive evidence of his involvement with narcotics trafficking. According to the same Senate investigation, the Bureau of Narcotics and Dangerous Drugs (BNDD), the forerunner to the DEA, in the late '60s, amassed what one source now describes as "irrefutable evidence" that Noriega was a drug trafficker.

Richard Nixon was then president of the United States. And Nixon - like the presidents before and since - promised progress in the war on drugs. With the blessing of the Nixon White House, John Ingersoll, head of the BNDD, was dispatched to Panama to present Torrijos with evidence of Noriega's drug trafficking. Torrijos suggested that something would be done. But Torrijos, out of loyalty to Noriega, or out of fear, did nothing.

With the Nixon White House still pressuring the BNDD to act, the BNDD came up

with a plan to have Noreiga assassinated. A 1978 report by the Senate Intelligence Committee recounted the scheme in some detail. Although the report only described Noreiga as a "Guardia Nacional officer", intelligence sources now identify him as Noreiga. The report said that in 1972 the BNDD prepared an options paper as to how to deal with the Panamanian. The options listed included linking Noreiga against General Torrijos; leaking information on drug trafficking to the press; linking his removal to negotiations over the future status of the Panama Canal, or "total and complete immobilization". The last phase, of course, was a bureaucratic euphemism for assassination.

A subsequent investigation by the Justice Department could find no evidence that an assassination attempt was ever made. [Editorial note: It figures.] Surprisingly, though, none of the less drastic options to move against Noreiga were carried out either. Noreiga was allowed to continue his drug activities with impunity.

The lack of resolve by the BNDD, or anyone else in the U.S. government, against Noreiga presumably can be explained by the fact that in 1967, Noreiga had gone to work for the CIA. [That Noreiga worked for the CIA for years has been widely published. An intelligence source identified the year as 1967.] Noreiga was a valuable asset. As head of one of the largest and best-run intelligence services in all of Central America, he was able to provide rich and valued intelligence about the region. As one former U.S. intelligence official told this reporter, "The perception was that we have very few assets of his caliber."

In 1981, Torrijos died in a mysterious plane crash. Noreiga succeeded him shortly thereafter. The CIA now had an asset on its payroll who was head of state. The Medellin cartel already had the same man on its payroll.

What happened next is perhaps best described by Leon Kellner, the former U.S. attorney in Miami who last February was in charge of the federal grand jury that indicted Noreiga for taking \$5.4 million in bribes from the Medellin cartel. "In plain and simple language," Kellner said, "Noreiga utilized his position to sell the country of Panama to drug traffickers."

First, though, Noreiga had to solidify his power. After Torrijos death, the National Guard worked out a deal for rotating the job of commander of the defense forces. In this way, Noreiga and Reuben Dario Paredes, who many in the armed forces considered to be Torrijos rightful heir, were intended to share power. Noreiga would later not keep his half of the bargain.

Among those with a large stake in the Noreiga and Paredes deal was the Medellin cartel. Like Noreiga, Paredes was already on the cartel's payroll, according to Ramon Milian-Rodriguez, the former cartel executive now in jail, but the cartel thought it would get a much better bargain from Paredes. Milian-Rodriguez, a Cuban-born American accountant, was at the time - the early '80s - one of the cartel's principal money launderers, in charge of much of the business operations in Panama. Now serving a 35-year prison sentence for, among other things, laundering \$130 million in drug proceeds from the U.S. through banks in Panama, Milian-Rodriguez in his interviews with the Weekly related that the Cartel as

assiduously wooed both Paredes' drug-dealing son, who was fronted large amounts of cocaine. "Paredes let us hand drugs to his son, so we had Paredes exactly where we wanted him."

"We knew we could get a much better deal from Paredes. Noreiga was a greedy son-of-a-bitch, and even then we knew he would demand a larger share of the profits...so we [leaders of the cartel] worked hard to keep Paredes as head of the PDF" - going so far, Milian-Rodriguez said, as to lobby Paredes hard not to enter the deal with Noreiga. "But Noreiga convinced him: 'I'll take the military and we'll let you be a strong president.'" Paredes believed him. As events unfolded, it turned out that the cartel's assessment was correct.

Meanwhile, almost from the moment Noreiga solidified his power base, intelligence reports of his involvement with the Medellin cartel were readily made available to the Reagan administration.

Norman Bailey was the chief economist for the national Security Council from 1981 to 1983. Bailey told the Weekly that his fellow NSC officers, as well as others in the Reagan administration, regularly received classified intelligence reports about Noreiga's links to the cartel. Bailey, in fact, says he recalled reviewing one top-secret document called the National Intelligence Daily [NID], a report pulling together intelligence from a variety of U.S. agencies, including the CIA, Defense Intelligence Agency and the National Security Council, that in great detail described just how deep was Noreiga's involvement with the Medellin cocaine lords.

The NID described a 1983 meeting in Panama City between Noreiga and cartel higher-ups during which Noreiga granted permission for the Cartel to set up cocaine processing plants in Panama, the first such time the Cartel was to be involved in the manufacture of cocaine outside its native borders of Columbia. Bailey says later, as a consultant to the NSC after he left the staff job, reviewed another even more explosive NID detailing a second meeting between Noreiga and cartel higher-ups held in the summer of 1985 in Cuzco, Peru. According to information obtained through electronic surveillance, as well as first-hand accounts by reliable informants, the meeting's purpose was to allow drug traffickers from Peru, Bolivia and the Columbian cartel to discuss dividing up their territory and to arrange a formal process for settling disputes among themselves. Noreiga agreed to serve as mediator.

Asked if such intelligence information was strong enough for the top officials of the Reagan administration to conclude beyond a reasonable doubt that Noreiga was a drug trafficker, Bailey remarked, "This wasn't a smoking gun. It was a 21-gun salute."

Another U.S. government official who in the same years reviewed classified intelligence reports regarding Panama was Francis McNeil, the deputy director of the Bureau of Intelligence and Research. McNeil regularly read the most highly classified and most sensitive intelligence reports of the U.S. government. "By 1984," he recalled in an interview, "there was most certainly hard intelligence

possessed by the DEA and, I think, by the CIA, about the involvement of Panamanian military officials in drug trafficking."

Although McNeil says he doesn't remember whether he saw the specific reports linking Noreiga to the drug trade, "nonetheless, the conclusion then, and again in 1985, was that not a sparrow falls in Panama without General Noreiga getting a feather from that sparrow. And, consequently, we were certain he had to know what was going on and had to be involved."

But 1984 and particularly 1985, were crucial years in the Reagan administration effort to aid the contras. In the fall of 1984, Congress had passed the Boland Amendment, cutting off all U.S. aid to the contras and barring government agencies from assisting them in any manner. The amendment would stay in effect until October 1986. By 1985, the contras were in desperate straits and the illegal White House operation to save them, for which former National Security Adviser Admiral John Poindexter and his key assistant, Lt. Col. Oliver North, have now been indicted, was in full swing. At the very moment the U.S. government was confronted with evidence that Noreiga was setting up cocaine labs for the cartel and brokering meetings between the highest kingpins of the cocaine underworld, he was also playing a significant role in the administration's illegal contra efforts.

The full extent of what exactly Noreiga did on behalf of the contras that would inspire the Reagan administration to refuse to take action against a major drug trafficker, like Noreiga, while allowing the Medellin cartel to be sure the flow of cocaine onto the streets of America went on unimpeded, is still not completely known. But some major details have surfaced.

According to ABC News, Noreiga, "at Washington's request," allowed Panama to be used as a drop-off point for secret Israeli arms shipments to the contras as early as 1983, with the Israelis reimbursed for the effort with cover U.S. funds. The arms, ABC reported earlier this year, were then transported "from an extensive network of Panamanian airfields" to contra bases in planes normally used for drug running from Panama into the U.S. by the cartel. Panama remained a drop-off point well into 1986, the network reported. [Whether the contras received some of the drug money from the flights wasn't known, ABC said.]

According to Jose Blandon, a former top political aide to Noreiga who defected to the U.S. after Noreiga's indictment, the Panamanian dictator agreed during the Boland Amendment years to a U.S. proposal to allow the training in Panama of 200 to 250 contras, this between July 1985 and May 1986. At a meeting in Panama in October 1985, Blandon told a congressional inquiry. North asked Noreiga if he wanted anything done in return for Noreiga's assistance to the contras. "The only thing we need help with is money," Blandon says Noreiga told North. Noreiga explained that Panama was then facing a staggering foreign debt.

Over the next year, the U.S. Agency for International Development increased its aid to Panama from a previous high of \$1.3 million to \$74 million. Panama's commercial creditors also refinanced Panama's international debt payment and provided credits and loans totaling more than \$148 million. Noreiga later told

Bandon that he believed North was behind all this good fortune.

That Noriega was deeply involved with the White House contra operation until the end was revealed in still-classified computer messages sent between former NSC aides Oliver North and John Poindexter and obtained by the Iran-contra committee. The messages disclose that Noriega offered to carry out assassinations against Sandinista officials and to support sabotage missions from Panamanian territory against Nicaraguan targets. (The final Iran-contra report mentions only a "third party" as having made the offer, but committee sources and published reports say it was Noriega.) North testified in closed session that Poindexter told him not to become involved in assassinations but to take the sabotage offer, provided such operations weren't financed by the U.S. government. But Poindexter said North could use funds diverted from Iranian arms-sales profits. North claimed in his still-classified testimony that he was fired from his job on the NSC staff before he and Noriega could put the plan into action.

That same year, 1986, North and Noriega worked together on another covert operation regarding U.S. contra policy. For years the administration had been justifying arming the contras by claiming that the Sandinistas had been providing arms to the leftist rebels in El Salvador. A major White House problem with Congress and the public, however, was that the entire intelligence apparatus of the U.S. government couldn't provide any evidence of this.

North's solution, Bandon testified, was to try to fabricate the evidence. He and Noriega devised a scheme whereby they would arrange an arms shipment to the rebels that would be made to appear to have originated with the Sandinistas. A Swiss arms dealer arranged for the arms to be sent first to Panama via Peru. The scheme fell apart when, while passing through Peru in June 1986, the arms were seized by authorities. The Peruvian government confirmed the seizure.

While the entire top echelon of the administration was refusing to act against the Panama-Medellin connection (for the record, Vice President George Bush, though in charge of the administration drug

efforts and in particular the interception of drugs from Latin America, now says he never saw the intelligence reports on Noriega's drug dealings), events were conspiring to make it increasingly difficult to keep the lid on and to protect contra ally Noriega. One of those events was the murder of the key political opposition figure to Noriega in Panama.

If Dr. Hugo Spadafora had any flaw, it was that the diminutive man was both hopelessly naive and the truest of Panamanian patriots. Both flaws would prove to be fatal. In 1984, the Panamanian opposition leader undertook a virtually single-handed effort to expose Noriega's corruption and involvement in the drug trade. If the Panamanian people knew the truth, he reasoned, they would rise up to overthrow Noriega.

Floyd Carlton Cacarez, a Panamanian pilot who personally made payoffs to Noriega on behalf of the Medellin cartel, was among those whom Spadafora

approached for information. Now in protective custody (Carlton would be the prosecution's chief witness if Noreiga were ever to stand trial in the U.S.). Carlton told a Senate foreign relations subcommittee last February that Spadafora kept in his personal possession, a notebook in which he wrote down the dates and numbers of flights into Panama carrying drugs or engaging in gun running. Pointing to the notebook, Spadafora told Carlton: "I'm going to have a bomb explode in Panama. I'm going to set it off with all this information I have." Published reports in Panama confirm the existence of the notebook.

Just before he was murdered, Spadafora approached DEA officials in Costa Rica. He offered to provide extensive evidence of Noriega's involvement with the cartel as well as cocaine dealings by the contras. DEA agent Bobby Nieves, then stationed in Costa Rica, told a Senate foreign relations subcommittee earlier this year that the offer was transmitted to higher DEA officials. Despite Spadafora's prominence, nothing was done. The DEA now refuses to comment on the matter.

In September 1985, Spadafora was murdered. The day of his killing he had the notebook with him - he never let it out of his sight, Carlton and others have said. The troublesome notebook was never seen again.

Even by Central American standards, Spadafora's abduction, torture and murder, was a particularly morbid affair. High thigh muscles were sliced open, his testicles were crushed, a pole was forced up his rectum, the insignia F-8 - the calling card of one of the Panamanian Defense Force's death squads - was carved into his back and, finally, his head was slowly severed while he was still alive. Spadafora's headless body was found across the border in neighboring Costa Rica a short time later; his head was found by a soldier on September 16.

The murder of such a prominent figure in such a way was too much to stomach, and too public, for Panama's then-puppet civilian president, Ardito Barletta. Barletta, who had been elected to office on the strength of a massive voter fraud engineered by Noreiga and who had earlier tolerated the murders and tortures of other Noreiga political opponents, nevertheless ordered an investigation of the Spadafora killing. Noreiga responded by briefly, but secretly, incarcerating Barletta until he agreed to resign.

The murder touched off a major policy review in the U.S. government in which covert support for Noriega was forced to become overt. According to Francis McNeil, the U.S. ambassador to Panama at the time, Everett Brigg, recommended before Barletta was forced to resign, that the administration supports him as the legitimate president of Panama and publicly demand and work toward Noriega's ousting. Other senior officials in the State Department and elsewhere, endorsed Briggs' recommendations.

But according to McNeil and other State Department officials, the policy initiative was overruled by Asst. Secretary of State for Inter-American Affairs, Elliott Abrams. As a key architect of the administrations' Nicaraguan policy, McNeil says, Abrams was more concerned about Panama's continued support for the contras than about promoting democracy in Panama or taking action against drug

traffickers. "Abrams said doing anything about Noriega had to be put on the back burner until the contras solidified power," McNeil says.

CIA Director William Casey, backed Abrams. Although in retrospect, Noriega's help did little to turn the contras into anything resembling a viable fighting force, Abrams' policy did allow the Medellin cartel more time to solidify its hold on Panama. Abrams, of course, was implicated by the Iran-contra committee in the William Casey-Oliver North efforts to arm the contras.

In November 1985, five months after the Spadafora murder, CIA Director, William Casey, was scheduled to meet in Panama with Noriega. Although having lost the policy battle over Noriega's outing with Abrams and Casey, State Department official nevertheless wanted Casey to issue a warning to Noriega that he should cut his ties to drug traffickers and move to democratize Panama.

But Casey did not follow up. After the meeting with Noriega, Casey filed a "memorandum of conversation" or "memcon", as they are called in the Foreign Service - describing the Casey-Noriega meeting, according to McNeil and another State Department diplomat who saw the memo. The CIA Director said he hadn't brought up the issues of narcotics and democratization because Noriega already "knew the U.S. positions on those matters." The memo related that Casey, did, however, take the time to chastise Noriega for transferring U.S. technological goods and know-how to Cuba, circumventing the trade embargo against Cuba.

"I think that pretty much underscores what the administration's policies were and were not at the time," the U.S. diplomat who read the memo says. Francis McNeil now says in an interview, "General Noriega was getting signals from Mr. Casey that he need not pay attention. He is reading the body language from the CIA and the Defense Department that he need not pay attention to the babbling from the State Department; that the stated policy [against drugs and for democracy] is only for show, and that, essentially, he [Noriega] is the favorite of the Director of the Central Intelligence Agency and he therefore can do anything he wants."

In June 1986, reporter Seymour Hirsch published a front-page story in the NY Times detailing Noriega's involvement in drug trafficking, money laundering and the murder of Spadafora. The article prompted yet another administration policy review. According to McNeil, at an initial meeting of high-level administration officials, Abrams this time urged that Noriega be removed from power, at one point even comparing him to the recently deposed Philippine dictator Ferdinand Marcos. But at a subsequent meeting, held a short time later in the office of Deputy Secretary of State, John Whitehead, Abrams returned to his original position, arguing that nothing should be done until the contras had prevailed in their war against the Sandinistas. To McNeil, this showed an "obsession with Nicaragua overwhelming what might otherwise have been more rational policy making." McNeil and other State Department officials opposed to administration policy were subsequently fired or eased out.

When, last February, the administration approved a federal grand jury indictment against Noriega, alleging that he had received more than \$5 million from the

Medellin cartel, it cited the charges as evidence of its willingness to be tough on drug traffickers. But the Weekly inquiry found that, along with Spadafora, federal law enforcers had three other key witnesses on which to base an indictment of Noreiga available to them at least two years earlier.

According to a former high-ranking official, "As long as Noriega was assisting us in shipping arms to the contras and providing intelligence of some value, he was the darling of Casey, Poindexter and Abrams. It's when obtained intelligence became conclusive beyond any reasonable doubt that he was also shipping arms to the [leftist] Salvadoran rebels and providing intelligence to the Soviets, that the love affair ended. These guys acted as if they were scorned lovers. The attitude was, after all we did for this guy, he's cheating on us - and with our enemy."

One witness ignored before, but now considered value, is Floyd Carlton, the Panamanian pilot who had worked for both Noriega and the Medellin cartel. The Noriega indictment, in fact, indicates that Carlton is the prize witness. Carlton gave detailed testimony to the grand jury about his role as a go-between for Noriega and Pablo Escobar in arranging Cartel payoffs to Noriega. Carlton testified that he himself would pilot some of the cocaine during flights from Columbia to Panama, for which Noriega would be provided a percentage of the profits.

"After each flight," Carlton testified, "I would call Noriega to tell him that I had his money and he would send one of his assistants to come pick it up." Carlton testified to the Senate foreign relations subcommittee that he tried to make the very same information available to the DEA more than two years before the indictment, but was rebuffed. Carlton said that in 1985, that key secret contra-aid year, one of his planes carrying drugs for the Medellin cartel was diverted to a landing strip on the Costa Rican ranch of American expatriate, John Hull, where the pilot, Teofolio Wilson, was murdered and the drugs stolen. First on the payroll of the CIA and later that of Oliver North, Hull was at the time, playing a key role in the administration's covert contra resupply network, as well as, according to several witnesses uncovered by federal investigators, working with the Medellin cartel, perhaps in return for money for the contras.

Thinking that Carlton had double-crossed them and stolen the load of coke, the Columbians came looking for him. A relative of Carlton's was kidnaped and tortured. Carlton contacted DEA agents in Panama City in an attempt to make a deal in exchange for protection. Carlton said he told the agents; "The fact is that I believe I can go before the American judicial system and speak of a lot of things that are happening in this country [Panama] and I can prove them. They asked, 'such as what?' So I said, 'Money laundering. Drugs. Weapons. Corruption. Assassinations.' But when I mentioned the name of General Noriega, they immediately became upset, and I noticed that. And of course, I became nervous at that point. They did not try to contact me again, and the only thing that I asked for was protection for myself and my family."

The DEA confirmed that Carlton met with its agents at that time, but refused comment on the specifics of what was discussed at the meetings. The DEA says it

wasn't pressured by administration officials to ignore Carlton's evidence. And DEA Chief, John Lawn, told Congress that the CIA and NSC had not provided his agency with intelligence reports on Noreiga's Medellin dealings with which to verify or put into perspective other evidence of Noreiga-Medellin links. Congressional investigators scoff at the notion that the DEA, which has extensive field staff throughout Latin America, didn't know of Noreiga's activities already through its own intelligence apparatus.

Another potential anti-Noreiga witness allegedly ignored in the past, was the now-jailed Ramon Milian-Rodriguez, who, seeking a deal for himself after his arrest on money-laundering charges, offered in 1983 to provide Justice Department and customs officials with evidence of Noreiga's cocaine trafficking. "I told them we virtually owned Noriega and that [we] do anything we want in Panama," Milian-Rodriguez told the Weekly.

Similarly, Steven Michael Kalish, a 38-year old high school dropout who pled guilty last year to charges related to running a multi-million dollar marijuana-smuggling and money-laundering scheme, asked the Justice Department, through his attorney in November 1986, if, in return for consideration of a reduced sentence, it was interested in hearing his first-hand knowledge of paying off Noriega for protection of his operation. The Justice Department declined.

The testimony Kalish was willing to provide was essentially the same that he gave the Senate Permanent Committee on Investigations last January, when he testified that between late 198 and mid-1984, he had personally paid Noriega more than \$1 million in bribes in order to use Panama as a secure money-laundering and trans-shipment site. For reasons that are still unexplained, the Justice Department did a complete turnaround, made a deal with Kalish, and late last January brought him to testify before a federal grand jury in Tampa, indicted Noreiga for taking bribes from Kalish on the same day the Miami federal jury indicted him for taking payoffs from the Medellin cartel.

During the mid-'80s period that the DEA was ignoring evidence provided by Carlton, Spadafora and other credible witnesses linking Noreiga to the Medellin Cartel, the agency that sent Noriega a letter praising him as an effective partner in the war on drugs. And not without reason: Noriega, in a show of cooperation, was helping the DEA corral cocaine dealers - but ONLY those who competed with his main source of revenue, the Medellin cartel.

In May 1987, Noreiga even found himself singled out for praise by Attorney General Edwin Meese. Noriega had worked closely with the DEA in an undercover operation, code-named "Operation Pisces." The investigation had led to the arrest of more than 465 people and the seizure of more than 19,000 kilograms of cocaine in "the largest and most successful undercover investigation in federal law enforcement history," Meese boasted. "Operation Pisces penetrated the very highest level of the Medellin cartel...we are very grateful to the Panamanian authorities for their outstanding work."

Operation Pisces produced favorable headlines for both the administration and its

embattled attorney general. But Congress was later told that the claim that the undercover operation "penetrated the highest level of the Medellin cartel" was little more than a public relations sham. "It did not affect anyone in Panama," Jose Bandon testified to a Senate subcommittee. "AG Edwin Meese needed to have one success in the war against drug trafficking. So Noriega provided him with one." Those burned were actually competitors of the Medellin cartel or those who refused to pay the cartel protection money, Bandon testified. "When they [the cartel] have a problem with someone who does not pay, then [the Panamanian government] turns him over to the DEA. That is how they keep the DEA happy."

Additionally,, according to Bandon and federal law enforcement officers, the man who Noriega appointed to be his liaison with the DEA, Luis Quiel, was simultaneously one of Noreiga's liaisons to the Medellin cartel. Quiel periodically would turn over to the DEA those drug smugglers whom the cartel wanted to get rid of. This was corroborated as well by former cartel executive, Milian-Rodriguez. "If someone was making inroads on our territory or taking money from the cartel," Milian-Rodriguez told the Weekly, "We would have Noriega or one of his men to turn their name over to the DEA."

In the end, the complex web of relationships Noriega had set up with the Reagan administration, the DEA and the Medellin cartel was as ingenious as it was diabolical. Everybody seemed to benefit. The administration got to use Panama as a base of operations for its covert war against Nicaragua. The DEA was made to appear that it was making progress in the war against drugs. The DEA acquiesced to the pro-contra crowd in the administration because it had its own self-interested reason to do so, not wanting to act against someone as responsible as Noreiga for some of its largest seizures and arrests. And the Medellin cartel got safe transport for its cocaine through Panama, with little chance of interference from the United States, and with the DEA acting as an enforcement agency against the cartel's competitors. The losers, of course, were the American people: Medellin cocaine shipments to the U.S. soared during the contra support years.

If there is any single maneuver by the administration that angers the handful of congressional investigators in the know about it, is the case of Barry Seal. It is a story about some of the government's highest officials betrayed what the DEA calls one of the biggest and most promising drug investigations in history, one that had in its sights the very highest leadership of the Medellin cartel, including Pablo Escobar and Jorge Ochoa Vasquez, but is also a tale of one of the most dramatic disinformation campaigns ever perpetrated on the American public by this or any other administration.

In 1981, Barry Seal, a trained pilot turned drug runner, was arrested by the DEA for cocaine smuggling. Seal, it turned out, had excellent connections in the Medellin cartel. He was also a good natural actor. The DEA decided to put him to work as an undercover informer. Seal agreed, in return for leniency. Over the next three years, Seal, making 50 trips to Columbia, Panama and other cocaine way stations, managed to penetrate to the highest levels of the cartel and to win

widespread trust. The DEA by that time considered him, as a DEA official would later tell the House Crimes Subcommittee in relating the sordid tale, "one of the most significant undercover investigators" in its history.

But there turned out to be a rub. In 1984, the CIA got wind of Seal's activities and demanded in. Seal at this point had been landing for refueling at a small agricultural airfield in Nicaragua - apparently unbeknownst to Sandinista officials, the DEA officials testified - and had been meeting in Nicaragua with drug kingpin Escobar, who had temporarily fled there after his cartel murdered the Columbian Minister of Justice and the heat got turned on in his own country. The CIA wanted to use these facts to set up a sting operation against the Sandanistas that it could later present to the American public as evidence of Sandinista evil, thus to bring pressure on Congress to vote aid to the contras.

The DEA balked. Using Seal in this manner would end his usefulness as an undercover agent and destroy what could be its greatest case ever, just as Seal was about to bring in the goods. High CIA officials pounded away at the DEA brass in a series of meetings, but to no avail. At this point, late June 1984, DEA officials were summoned to the White House, where they met with Oliver North. With a vote coming up in Congress on contra aid, North said it was imperative that the DEA release photos of Seal and his plane in Nicaragua, along with "evidence" of Sandinista drug dealing. DEA officials told him this was impossible and would represent improper intervention in an ongoing criminal investigation.

Undeterred, Oliver North called assistant DEA Administrator, Frank Montestero, and made the same demand. Again he was told that it couldn't and wouldn't be done and was advised of the overwhelming magnitude of the case being made.

Soon after, on July 17, 1984, a story appeared in the right-wing Washington Times that was quickly picked up and fleshed out by the major media. The article said that the DEA had developed evidence that "a number of highly placed Nicaraguan officials" participated in a cocaine smuggling ring, one involving Interior Minister Thomas Borge and defense Minister Humberto Ortega and supervised by KGB agents. The article made clear, without giving Seal's name, that the government had a highly placed informer providing the details of drug shipments from Nicaragua. Federal investigators would later say the article was leaked by Oliver North.

Appalled and enraged, the DEA immediately pulled Seal from the field, abruptly ending its investigations and its high hopes for breaking up the cartel. DEA officials would later tell Congress that none of the allegations about the Sandinistas in the article were true. No matter - on March 16, 1986, just prior to another contra-aid vote by Congress, President Reagan went on national television and, displaying huge blowups of what he said was a plane being loaded with cocaine at a Nicaraguan airfield, repeated the charges that originally appeared in the Washington Times. President Reagan embellished on one other part of the story, naming an alleged Sandinista official in the picture. "This picture, secretly taken at a military airfield outside Managua, shows Frederico Vaughan," Reagan said, "a top aide to one of the nine comandantes who rule

Nicaragua, loading an aircraft with illegal narcotics bound for the United States. No, there seems to be no crime to which the Sandinistas will not stoop - this is an outlaw regime," he concluded.

The televised speech and the picture-show drug charges were credited with playing a significant role in Congress' reversal of its ban on aid to the contras in the subsequent role of \$100 million in military assistance. As for Barry Seal, he was assassinated a year after the White House decided the investigation was expendable.

Until hearings his summer at the House Crime subcommittee, chaired by Rep. William Hughes (D-NJ), the DEA mostly kept its silence about being so betrayed. But given the chance to tell the story, DEA officials were unusually forthcoming. As DEA agent Ernst Jacobsen explained to the committee: "We were in the middle of probably the most significant investigation of my career, and I know that it's probably one of the most significant investigations in DEA history. We had a chance to probably get together and arrest all the cartel members." He added: "Mr. Seal was so well entrenched in the cartel, they were going to show him all their assets in the United States, all their strips, all their storage areas in Georgia, in Florida. They were going to show him a 40,000 acre ranch in the Yucatan [a province of Mexico] that they owned to [transship cocaine into the U.S.]. They stored [the cocaine] in Mexico and from Mexico they would fly it into the United States in small aircraft, four or five hundred "keys" at a time.

They were going to show him their whole operation, that's the first thing. The second thing was that Mr. Seal had agreed to get all the cartel members at one place where they could be arrested. And we were in the process of doing that when the storm broke."

Rep. Hughes, a former prosecutor, remarked later, "This was the most outrageous intervention in an ongoing criminal investigation I've ever heard of."

Meanwhile, new evidence has surfaced indicating strongly that the entire case against the Sandinistas, photos included, was concocted by Oliver North and the CIA. Most telling is the new evidence about "Frederico Vaughan", the supposedly photographed aide to the comandantes. In other media in 1985, it has been noted, "If Frederick Vaughan remains a mystery, his cousin's career is better known. Barney Vaughan is a banker in Miami, and he has ties to the contras. Vaughan....now works for BAC International Credit Corporation of Miami, and the popular bank is one of several Florida banks the General Accounting Office had identified as holding contra accounts...BAC International is part of a CIA-gun money laundering operation which has shuttled millions of taxpayer's dollars to the contras in violation of congressional restrictions. Vaughan, who acknowledges his connections with top contra leaders, says he has not seen his cousin since 1982, and denies any involvement with the Sandinista sting."

More damaging to the White House is evidence presented at the House Crime Subcommittee hearings, suggesting that Frederico Vaughan is an employee of the United States, either of the Embassy, the CIA or Oliver North's NSC. Committee

investigators dialed Vaughan's number in Managua in an attempt to question him. A domestic worker who answered the phone told them they had reached the home of a recently expelled U.S. Embassy official. The worker also told the investigators that the U.S. Embassy had rented the White House in Managua continuously since 1981.

Other evidence indicates Vaughan had ties to Oliver North. Hughes made public two references from North's diaries, dated June 26, 1984, and July 17, 1984. One read, "Freddie Vaughan." The other said: "Freddie Vaughan coming in late July." A knowledgeable source told the Weekly that still-classified portions of North's diaries contain at least six references to Frederico Vaughan.

It is hard to escape the conclusion, therefore, that the "Sandinista drug dealing" caper was a put-up operation meant to deceive the American people, one that went right into the Oval Office. No president in memory, knowingly or unknowingly, not even Nixon, is known to have engaged in a television appearance in which an entire scenario was invented to dupe the American public. That this scenario had a far higher cost than duplicity alone - the shutdown of the DEA's biggest case during the Reagan administration, and a new lease on life for the biggest drug cartel in the world - is a subject yet to be properly explored by Congress or the media.

Honduras, the original of the banana republics, already has a long and expansive relationship with the United States when the Reagan administration approached the Honduran military in early 1981, with a proposal that would allow the contras to use Honduras as the chief safe haven and staging area from which to conduct their war against the Sandinistas. The CIA official who led the negotiations, Dewey Clarridge, never even conferred with Honduras' then-civilian president. As in Noriega's Panama, the civilian government had no real power; Clarridge negotiated only with those who could give him what he wanted.

The man with whom Clarridge talked was Col. Leonides Torres-Arias, then chief of Honduran military intelligence. "I speak in the name of President Ronald Reagan," Clarridge told him, as recorded in Newsday reporter Roy Gutman's book, *Banana Diplomacy*. "We want to support this effort to change the government of Nicaragua."

Torres-Arias responded that Honduras, as a long-time friend and ally of the U.S., wanted to be of assistance but feared that, as at the Bay of Pigs, the U.S. would lose its resolve and fail to follow through. Honduras would then have thousands, perhaps tens of thousands, of well-trained restless foreign troops inside its territory with nothing to do and with only time on their hands. Such a prospect was singularly uninviting. "Believe me, Colonel," Clarridge assured Torres-Arias, "there will never be a new Bay of Pigs."

With such assurances, Torres-Arias and his superiors agreed to become partners in the Reagan administration's war against Nicaragua. As Enrique Bermudez, the contra's military commander, would describe the new arrangement, "The Hondurans will provide the territory, the Americans the money, and the

Argentines, the front."

Shortly after Torres-Arias agreed to help his nation into a new covert relationship with the U.S., he signed onto another secret, but far more lucrative relationship with a second foreign power: The Medellin cartel.

Thomas Zepeda, then the DEA' station chief in Honduras, began developing the evidence that Torres-Arias was working for the cartel. Zepeda, in a still-secret deposition taken by the Senate foreign relations subcommittee but obtained by the Weekly, said he would furiously cable his superiors in Washington describing how Torres-Arias was allowing planes loaded with cocaine to refuel at Honduran military bases for flights between Columbia and the U.S. Zepeda also reported to his superiors that as many as a dozen of Honduras' top military officers might be working for the Medellin cartel.

Asked why so many Honduran military officers consented to go on the cartel's payroll, Zepeda responded: "It was an accepted fact, a way of life, the normal course of business.

To counter the cartel's new inroads into Honduras, Zepeda recommended that the DEA provide him with greater resources. Instead, he testified, the DEA closed the only office it had in Honduras and Zepeda found himself transferred to another remote corner of the globe. The DEA claimed later that its actions were caused solely by budget cutbacks.

But one former high-level U.S. diplomat who served in the region, offered a quite different explanation to the Weekly: "Without the support of the Honduran military, there would have been no such thing as the contras," the official said. "It's that simple. If evidence were developed linking the Honduran military to cocaine trafficking, the administration would have to take action - causing an immediate and conclusive end to the contras - or purposely turn a blind eye to what was going on. Neither alternative was particularly appealing. So they got rid of Zepeda before they were forced into taking a serious look in the first place." With the DEA's only station closed down, the Cartel was free to expand its operation in Honduras.

The close ties between the Honduran military and the Medellin cartel are illustrated in an incident that occurred when cartel kingpin, Jorge Ochoa, was briefly detailed and arrested in his native Columbia in 1984. When he was caught, Ochoa was driving a Porsche owned by the Honduran military attache to Columbia, Col. Said Speer. Like his fellow Honduran army colonel, Leonides Torres-Arias, Speer had long been on the cartel's payroll, according to Zepeda.

Another important Honduran wooed by Dewey Clarridge was Army Chief of Staff, General Jose Bueso Rosa, the top aide to military strongman, General Gustavo Alvarez Martinez, commander of the armed forces and strong supporter of the contras. In March 1984, Alvarez Martinez and Bueso Rosa were removed from power after a shakeup in the Honduran government. Alvarez Martinez moved to Miami, to live in luxurious exile, financed by his corrupt enterprises from his top-dog military days. Bueso Ros was demoted to the lowly post of ambassador to

Chile.

In 1985, Bueso Rosa was convicted in federal court in Miami of conspiring to murder the then-president of Honduras, Roberto Suazo Cordova, in an attempt to regain power for himself and Alvarez Martinez. According to court records, the assassination plot was to be financed by the importation of a ton - 2,230 pounds to be exact - of Medellin cartel cocaine into the U.S. Bueso Rosa and others involved in the scheme, were to make \$10.3 million from the sale of the cocaine. Then, court records allege, they were going to pay \$300,000 and throw in 20 pounds of cocaine to a team of four hit men to carry out the assassination. One of Bueso Rosa's co-conspirators, a Honduran arms dealer named Gerard Lachinian, had agreed to provide the hit men with machine guns, silencers, night-vision goggles, and a jet to whisk them out of Honduras once the order was carried out.

Everything seemed to be going like clockwork for a while. Lachinian had arranged for the plane bringing the cocaine into the U.S. to land at a remote airstrip in Osceola County, Florida - right outside Disney world. Lachinian and Bueso Rosa soon were to learn an unpleasant truth: those they had hired to off-load the cocaine and to carry out the assassination, were undercover FBI agents.

Facing the prospect of serious jail time, the Iran-contra investigators found that Bueso Rosa first contacted Oliver North and threatened to tell all he knew about the contra resupply network if something wasn't done on his behalf. This was revealed in a "prof," or computer message, Oliver North sent his boss, Admiral Poindexter, on September 17, 1986. One federal law enforcement source says Bueso Rosa at one point even threatened to call North and other Reagan officials as witnesses at his trial.

The extent to which Bueso Rosa was involved in support of the Reagan administration's covert contra resupply network is suggested in sealed federal court records obtained by the Weekly. The records were ordered to be kept secret by the judge who heard that Bueso Rosa case because of national security concerns. That the government even put in a deposition on his behalf, even while a U.S. attorney was prosecuting him, is evidence of his importance.

"General Bueso Rosa has always been a valuable ally to the United States," the court papers say. "As chief of staff on the Honduran armed forces, he immeasurably furthered the United States' national interest in Central America. He is primarily responsible for the initial success of the American military preserve in Honduras. For this service, he was awarded the Legion of Merit by the President of the United States, the highest award that can be presented to a foreign military officer.

In his prof memo, Oliver North made clear, however, that White House concern over Bueso Rosa wasn't focused on its debt to a loyal ally. "When the FBI broke the case, Bueso Rosa was indicted for conspiracy." North wrote Poindexter. "His legal advice was to keep his mouth shut and everything would be worked out. Although subpoenas were prepared for Gorman, Clarridge, Negroponte and North, they were never issued because Bueso Rosa pleaded guilty (on advice of

counsel)." (North was referring here to Gen. Paul Gorman, commander of U.S. forces in the southern hemisphere; CIA honcho Clarridge; former U.S. ambassador to Honduras, John Negroponte, and North himself.) North, the prof memo made clear, had promised the general he would spring him from prison in a few days and he would "walk free."

"The major concern..." North noted to Poindexter, was the "Bueso Rosa will break his long-standing silence about the Nicaraguan resistance [the illegal supply network] and other sensitive operations...Gorman, Clarridge, FBI official Oliver Revell, Justice Department officer Steven Trott, and [Elliott] Abrams will call quietly in the morning to look at the options: pardon, clemency.

Deportations, reduced sentence. The objective is to keep Bueso Rosa from feeling like he was lied to in the legal process and start spilling the beans."

What were the "sensitive operations" other than the resupply effort? Bueso Rosa's co-conspirator, Gerard Lachinian, has told congressional investigators that the plot to kill Suazo Cordova had been sanctioned by officials in the Reagan administration, who were less than pleased with Suazo's commitment to support the contras. There is no independent corroboration of Lachinians's claims.

One of those who has his own theory on the case is former State Department official Frances McNeil. "No less than eight senior officers of the U.S. government got involved in the effort to get Bueso Rosa off," explains McNeil. "Admiral Poindexter, whose notes say that the president would like something to be done for him; Colonel North; Dewey Clarridge of the CIA...and Elliott Abrams. There's no specific reason for them wanting to get him off. But there is circumstantial evidence...that would make one wonder if there's not a narcotics angle.

"It begins with the case itself, obviously. It adds when you consider that Oliver North's notes show that he is concerned about narcotics involvement of the so-called "arms supermarket" [a mid-1985 North diary entry notes that \$14 million used to set up the arms "supermarket" in Honduras "came from drugs"] and it extends of course, to the involvement of certain Honduran military officers in cocaine trafficking..."

On the very next day after Poindexter received North's computer message, Poindexter wrote back to North: "You may advise all concerned that the president will be as helpful as possible to settle this matter." Was Poindexter falsely invoking Reagan's name or had the president actually given his approval, as Poindexter contended, to a plan to subvert the criminal justice system to obtain special treatment for an individual convicted of conspiracy to murder the head of state for a U.S. ally with proceeds from cocaine trafficking? (For inexplicable reasons, the Iran-contra committee did not ask Poindexter a single question about the matter, despite the fact that he was questioned in private and public sessions for 10 days.)

North and other high-level officials subsequently held three meetings with Justice Department officials to discuss Bueso Rosa. Attending two of these meetings, and arguing strongly on Bueso Rosa's behalf was Elliott Abrams.

At first, Iran-contra committee sources say, Justice officials refused to cave in to the demands. Eventually, however, according to government sources, Associate Attorney General Steven Trott, (since promoted to federal judge), agreed to take the matter up personally with then AG Edwin Meese. Meese consented to transfer Bueso Rosa to a minimum-security prison at Elgin Air Force Base in Florida. For the improved accommodations at the country club, Bueso Rosa now agreed to keep his silence.

In the meantime, though, Frances McNeil had found out about Abrams' intercession and argued against Bueso Rosa getting special treatment. "here you have a man trying to overthrow a friendly government and kill its present, who was our ally," says McNeil. "Bueso Rosa was going to make all this happen with narcotics dollars. So you have in a sense, three stated policies of the President of the United States being ignored. One is anti-terrorism, the other is anti-narcotics, the third is to support friendly democracies."

End of Article

Monica Backs Perot on Clinton Drug Charge

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