T26003 Thu Jul 28 06:25:51 1988 Page 1 1: APIuw 2: 0217 3: -Drug Smuggling, Bjt,0594 4: 5: Thu Jul 28 01:20:50 1988 6: 7: Hearings Ask: Did Reagan Administration Condone Drug Smuggling? 8: By LARRY MARGASAK 9: Associated Press Writer 10: WASHINGTON (AP) A House panel is opening hearings on whether 11: the Reagan administration condoned drug smuggling and other criminal activities to further its Central American policy. 12: Chairman William J. Hughes said his House Judiciary subcommittee 13: on crime will examine `allegations of drug smuggling, gun running 14: 15: and money laundering between Central American and the U.S. and the role our government played in ignoring or even encouraging the 17: criminal activities.'' Hughes said the series of hearings will `demonstrate there were 18: 19: other motives driving drug law enforcement, like votes on Contra 20: aid.'' 21: President Reagan has been a strong opponent of Nicaragua's 22: Sandinista government and steady supporter of the Central American 23: nation's Contra rebels. At various times, both sides in the Nicaraguan conflict have been accused of aiding or taking part in 25: drug smuggling. Hughes said the first hearing today would examine allegations 26: 27: that members of the Sandinista regime cooperated with the Colombian drug cartel to import cocaine into the United States in 1984. 28: 29: The committee is to hear testimony on flights to Nicaragua and other locations in South and Central America by convicted drug 30: pilot Barry Seal, who became a government informant in a federal 31: 32: sting operation. 33: The Seal operation, designed to trap cocaine smugglers, was compromised and ended early because of leaks to the news media from 34: 35: sources familiar with the plan. 36: Hughes said a CIA witness was invited to testify on the agency's 37: role in the operation, but he notified the committee he would 38: refuse to cooperate on Fifth Amendment grounds of 39: self-incrimination. 40: More than 100 subpoenas have been issued for witness testimony and the production of documents, Hughes said. Judicial grants of 41: 42: immunity have been obtained to compel testimony of six persons who refused to cooperate, invoking their Fifth Amendment privilege. 43:

Seal in February 1986 was assassinated in a Baton Rouge, La. machine gun attack, as he pulled up in his Cadillac at a Salvation Army halfway house. He was confined there part-time on a six-month sentence for narcotics and bank fraud convictions.

No immunity grant has been issued for the CIA witness, and

45: Hughes said there has been no decision on pursuing the agency's

51: In an interview Wednesday, Hughes said, `We're looking at 52: whether ... an obstruction of justice' caused the end of the Seal operation. `The whole operation was aborted because of leaks to

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49: 50: 54: the media.''

Seal had contacts with the Colombian drug cartel and `came in contact with at least one Sandinista,'' Hughes said.

In October 1985, Seal told a presidential organized crime

T26003 Thu Jul 28 06:25:51 1988 Page 2 commission that he quit his job as an airline pilot because smuggling was so simple, so lucrative.'' He said he easily eluded 59: detection to fly tons of cocaine into the United States for a top 60: 61: fee of \$1.5 million. `I have landed clandestinely in probably every South American country there is,'' Seal said. There is no problem if you have 62: 63: 64: the necessary contacts and dollars with you. 'I Seal told panelists how fly-for-hire pilots take off and land 65: without interference from authorities in Colombia, Nicaragua and 66: other Latin American nations. 67: Seal said he transported cocaine into the United States while 68: working for an illicit drug cartel he said was as sophisticated 69: 70: as any Fortune 500 company.'' He displayed night-vision goggles, telephone encryption devices 71: 72: and high-technology message-sending units. ``I don't believe there's any paramilitary group better equipped than my former associates, ' he said. 74: 75: 76: AP-NY-07-28-88 0123EDT+ 77: 78: