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WASHINGTON TIMES  
23 May 1986

# Cuban-backed fronts evade U.S. embargo

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THE WASHINGTON TIMES

An international network of corporations secretly owned by Cuba routinely evades the U.S. embargo and gives the Castro regime access to badly needed technology, medical equipment and American-made spare parts, U.S. intelligence sources say.

As many as 130 such fronts also provide cover for Havana's covert operations, including the purchase and transportation of arms to Latin American insurgents, the sources told The Washington Times.

Much of the business conducted by the Cuban companies is legitimate, but their hidden ownership gives them far more leeway than Cuba's state trading corporation to

skirt a U.S. embargo on strategic goods. Embargos were imposed by the Eisenhower and Kennedy administrations in the early 1960s and subsequently, in 1982, were tightened by the Reagan administration.

The Cuban companies operate in 11 Latin American and three African countries as well as in Canada, Japan and much of Western Europe. But the Cubans have concentrated their greatest effort in Panama, where more than 60 Cuban-backed individuals and firms are operating, according to the Treasury Department. The department's Office of Foreign Assets Control says, however, that their recent list — April 1, 1986 — is not complete.

The 60 Cuban-related companies operating in Panama is, by far, in excess of those in any other country, according to the Treasury Department list. The next largest number, five, are in Spain.

One front, CIMEX, has operated for years in Panama. A CIMEX subsidiary, Servinaves, is said to be 49 percent owned by the chief of Panama's armed forces, Gen. Manuel Antonio Noriega. Servinaves has used ports and airfields in Panama for transshipments of arms to Latin guerrillas, according to the intelligence sources.

About 20 of the front companies have been involved in arms purchases on the so-called "gray mar-

ket," which provides Havana with a variety of untraceable weapons that are then handed over to Latin America's many guerrilla groups.

Intelligence sources say \$11 million worth of arms are known to have been bought under Cuban auspices in this manner since 1979, and they stress that this is a conservative estimate.

The purchases consist largely of small arms and ammunition, but equipment to manufacture weapons also has been included.

Spain is a principal supplier of gray market arms to Cuba, but France and West Germany also have dealt with Cuban front companies. Smaller purchases have been made in Belgium and other Western European countries.

Panamanian-based companies are heavily involved in the arms traffic. U.S. intelligence sources suspect that M-79 grenade launcher ammunition was purchased along with a supply of submachine guns last year.

In late December, the Colombian army captured more than 50 of these 9mm machine guns that apparently were purchased from the International Transport Corp., whose headquarters is in Panama. The automatic weapons were identical to 200 others that were confiscated by Costa Rican authorities six months earlier, sources say.

The Cuban-owned companies also provide cover for the foreign operations of Cuba's intelligence services, especially the Americas Department, which is under the direct control of the Cuban Communist Party. The Americas Department is primarily responsible for covert operations in the Western Hemisphere.

Besides arms, the front companies have placed a high priority on obtaining Western computers and badly needed communications technology.

Canada is a favorite place to purchase U.S. equipment because of the availability and variety of American-made goods there. Recent purchases included jamming equipment that U.S. analysts believe may be used against Radio Marti.