

PHILADELPHIA INQUIRER
12 May 1985

ARTICLE APPEARED
ON PAGE 2-A

Cocaine profits linked to Latin upheaval

By Frank Greve
Inquirer Washington Bureau

WASHINGTON — Profits from cocaine smuggling are promoting intrigue and turmoil in Honduras, Nicaragua and El Salvador, recent federal indictments suggest.

Politicians of every stripe allegedly are involved — leftist, rightist, in office, insurgent, and in exile. Millions of dollars from narcotics trafficking, the U.S. indictments suggest, were intended to finance everything from arms purchases to an election campaign and a coup. Top Reagan administration officials say some of the money was intended to help finance the government of Nicaragua.

"The sums are insignificant in terms of the global narcotics trade, but they can have a huge impact in the Central American political arena, whether it be in elections, terrorism or insurgencies," Clyde D. Taylor, deputy assistant secretary of state for international narcotics matters, warned in a recent interview. "A \$10 million drug deal can buy a lot of insurgency and political action anywhere in Central America."

The region's growing significance to smugglers results, he said, from recent crackdowns in Colombia and Mexico, plus improved U.S. surveillance of Caribbean air routes and sea lanes.

The effect has been to channel more traffic into Central America, which smugglers had long considered too far off-course for runs to South Florida and less desirable than Mexico for refueling en route to other points in North America.

Among the situations described in a variety of government documents:

- Proceeds from an alleged \$10.3 million cocaine run were to finance an alleged assassination plot against Honduran President Roberto Suazo Cordova.

- U.S. Customs agents nabbed a leading Salvadoran ultra-rightist and three companions with an unexplained \$5.9 million in cash a month before that country's election. All four showed up on Customs' list of narcotics trafficking suspects, according to a government affidavit filed in connection with the search of their chartered jet.

- Smugglers refueled at a military airfield in Nicaragua and sought to set up a cocaine processing laboratory in that country.

- Two U.S. Army Green Berets are charged with selling more than a ton of stolen Army mines, grenades, explosives and ammunition to federal agents they

thought were Nicaraguan rebels, or *contras*. An affidavit filed in the case alleged that the Green Berets were to be paid in cash and cocaine. No smuggling indictments, however, name U.S.-backed *contras* fighting Nicaragua's Sandinista government.

For smuggling cases involving both arms and narcotics, the Reagan administration has coined a new term: "narcoterrorism." In the administration view — not persuasive to all drug experts — Nicaragua and Cuba have become narcoterrorism's leading sponsors in the Western Hemisphere.

Gen. Paul F. Gorman, for example, recently retired commander in chief of the U.S. Army's Southern Command based in Panama, asserted in congressional testimony in March that Latin American drug traffickers had "reacted to pressure from lawful authorities in many countries by forming common cause with Marxist-Leninists, with anarchists and with international terrorists."

Supporting Gorman's view is the case of Frederico Vaughan, an aide to Nicaragua's powerful interior minister, Thomas Borge. According to an arrest warrant filed in Miami last July 18, Vaughan

provided a military airstrip near Managua for refueling and transshipment of 1,452 pounds of cocaine bound from Colombia for the United States.

The smuggling plane's pilot, a camera-equipped Drug Enforcement Administration informant, said Vaughan and reputed Colombian trafficker Pablo Escobar Gaviria ultimately intended to set up a new cocaine processing laboratory in Nicaragua.

In congressional testimony last month, Customs commissioner

William von Raab alleged that fugitive financier Robert Vesco, now believed to be living in Havana, had financed the plot, for which Vaughan was to be paid \$1.5 million.

Because of Vaughan's position, his unhindered use of a military airfield and his alleged use of a diplomatic pouch for currency smuggling, many administration officials, including von Raab and Gorman, concluded that the enterprise had Nicaraguan government backing. Others, including Peter Gruden, head of the DEA's Miami office, thought the case implied the participation of Sandinista higher-ups, without proving that supporting smugglers was Sandinista government policy.

Vaughan, indicted in Miami on cocaine smuggling charges in January, is considered a fugitive.

A drug-smuggling case with contrasting anti-communist overtones involves prominent supporters of Gen. Gustavo Alvarez, Honduras' pro-American military strongman, exiled in March 1984 and now believed to be living in Miami.

Defendants include Gerard Lachinian, a Miami arms merchant who had won major arms contracts under Alvarez; Gen. Jose A. Bueso-Rosa, Alvarez' exiled former chief of staff, and Faiz J. Sikaffy, a Honduran importer-exporter and prominent Alvarez-backer.

Continued

They sought drug money to pay off the triggerman in a scheme to assassinate President Suazo Cordoba "and replace him with a former general in the Honduran military services," according to affidavits filed with their indictments in Miami last November.

Alvarez was not indicted, or identified as involved in the scheme, in any public documents. The indictments charge Latchinian, Sikaffy, Bueso-Rosa, and five other defendants with conspiracy to commit murder for hire and smuggle into the United States \$10.3 million in cocaine to finance the plot.

According to pre-trial testimony by retired Army Col. Charles Beckwith, the alleged coup-plotters — in search of a killer — contacted Beckwith, leader of the failed U.S. rescue raid on the Tehran embassy in 1980.

They subsequently chose retired Army Maj. Charles Odorizzi, according to testimony by both Beckwith and Odorizzi. Odorizzi was an officer in the Delta Force hostage-rescue unit led by Beckwith, and a partner in Beckwith's Austin, Texas security firm, SAS Security of Texas Inc.

Beckwith and Odorizzi informed federal officials of the plot, and Odorizzi rejoined it as a

wired undercover agent of the FBI. Odorizzi was told, according to an FBI affidavit in the case, that the Hondurans were in the process of distributing, on behalf of a representative of the Honduran chief of police, 1,080 kilos of cocaine seized near the Guatemalan border in April 1984 and valued at \$10.3 million.

Ultimately, the alleged scheme fell apart, according to an FBI agent's affidavit, when the plotters failed to line up enough support within the Honduran military for their proposed coup d'etat.

Latchinian and Sikaffy were arrested Oct. 28 in Vero Beach, Fla., where, it is charged, they were preparing to accept 15 duffel bags of cocaine. Bueso-Rosa has been charged in the case but remains in Chile, where he is Honduras' military representative.

Gen. Alvarez' nephew, Lt. Oscar Alvarez, is mentioned in connection with the Green Beret munitions case. Sgts. Byron Carlisle and Keith Anderson, both stationed at Fort Bragg, N.C., were indicted in October 1984 and accused of selling stolen explosives, Claymore mines



Roberto Suazo Cordova
Target of alleged assassination plot

and grenades to undercover agents of the U.S. Bureau of Alcohol, Tobacco and Firearms. Lt. Alvarez was never criminally implicated or indicted in the case.

An affidavit filed in the case states that an undercover ATF agent and his informant persuaded Carlisle to introduce them to Lt. Alvarez, then assigned to Fort Bragg for training. Carlisle, a weapons and intelligence specialist, had met Lt. Alvarez in Honduras in 1982 or 1983 when both were assigned to an elite counterterrorist unit created under Gen. Alvarez and trained, according to reports published by the Washington Post, by U.S. Army and CIA personnel.

Carlisle and Lt. Alvarez were friends and partners in a Honduran mahogany importing business, according to both men. The importing was done in the name of C-MAG, incorporated by Carlisle and Anderson in 1981.

Anderson's attorney, Stephen H. Broudy of Fort Lauderdale, Fla., contends that his client was entrapped by the undercover ATF agents and believed that they were aiding contra rebels. Broudy seeks to question 44 Army personnel, four CIA personnel and an FBI agent in his client's defense, according to court records. He also seeks from the CIA "certain documents which deal with a classified government operation which allegedly took place in Honduras and Nicaragua concerning the training of contra rebels."

In defenses like this, potentially involving secret documents and

testimony, procedures call for a Classified Information Protection Act hearing. After such a hearing, if a judge agrees that the classified material is relevant to a defense, the government must choose whether to reveal the secrets or drop the prosecution.

Francisco Guirola, a Salvadoran businessman detained last February at an airfield near Corpus Christi, Texas, flashed a diplomatic passport and warned Customs agents that searching suitcases aboard his chartered jet would "cause trouble."

In the eight suitcases, Customs agents found 550 pounds of unmarked \$100 and \$20 bills totaling \$5.9 million.

Guirola's name, the names of three companions, and the tail numbers of their aircraft all turned up on the Customs computer index of suspected narcotics traffickers, according to a federal affidavit. "Guirola in March 1984 was reportedly involved in cocaine and arms smuggling in El Salvador and Guatemala," said the Customs search warrant application.

Guirola also served as a fundraiser for Roberto d'Aubuisson, the leader of El Salvador's far-right Arena party and a reputed organizer of that country's death-squad activities, according to report in the New Republic last month.

Writers Craig Pyes and Laurie Becklund reported that Guirola carried, at the time of his arrest, Salvadoran official credentials. They were signed by d'Aubuisson and identified Guirola as, in the translated words of the credentials, a "special adviser to the Constituent Assembly."

While uncertain how the \$5.9 million might have been intended to be used, Pyes and Becklund say U.S. officials believe it would have gone, at least in part, to support Arena, d'Aubuisson and other right-wing candidates in the Salvadoran election in March.

Guirola and his aircraft carried no narcotics, and he faces no smuggling charges. Indictments against Guirola and a co-defendant allege only that they conspired to carry more than \$10,000 in currency out of the country without notice.

In a plea bargain agreement late last month, Guirola pleaded no contest to conspiring to violate a federal law barring the transport of more than \$10,000 out of the country without notifying federal officials and relinquished all claims to the money. In return, he expects to be placed on probation if the agreement is accepted by a federal judge next month.