

FORM 30068



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# Intelligence Information Cable

ROUTINE  
IN 1261297  
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FURTHER DISSEMINATION AND USE OF THIS INFORMATION SUBJECT TO CONTROLS STATED AT BEGINNING AND END OF REPORT.

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THIS IS AN INFORMATION REPORT, NOT FINALLY EVALUATED INTELLIGENCE

REPORT CLASS ~~S E C R E T~~ -WNINTEL-NOFORN-NOCONTRACT-ORCON  
.....  
EXCLUSIVE DISSEMINATION TO ADDRESSEES LISTED IN FINAL PARAGRAPH  
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## "EXCLUSIVE FOR" DOCUMENT

CITE [redacted]  
DIST 13 SEP 78

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COUNTRY: VENEZUELA

SUBJECT: STATUS OF THE INVESTIGATION OF THE KIDNAPPING OF  
WILLIAM F. NIEHOUS. [redacted]

SOURCE : SEE BELOW.

SUMMARY: NEWLY APPOINTED MINISTER OF INTERIOR MANUEL JOSE MANTILLA CACERES IS SUPPORTING THE SPECIAL TEAM INVESTIGATING THE KIDNAPPING OF UNITED STATES BUSINESSMAN WILLIAM F. NIEHOUS. MANTILLA HAS RELEASED THE GROUP'S OPERATING FUNDS, HAS AGREED TO ASSIGN MORE PEOPLE TO THE TEAM AND HAS ORDERED THE DIRECTORATE FOR THE SERVICES OF INTELLIGENCE AND PREVENTION (DISIP) TO COOPERATE WITH THE SPECIAL TEAM. AS FOR NIEHOUS, A SUSPECT IN THE CASE SAID IN LATE JULY 1978 THAT NIEHOUS IS STILL ALIVE BUT THAT THE OPERATION IS NOW IN THE HANDS OF AN INTERNATIONAL GROUP. MEANWHILE, THE VENEZUELAN ARMY IN BOLIVAR STATE IS INDEPENDENTLY INVESTIGATING THE REPORTS THAT NIEHOUS IS BEING HELD IN A REMOTE AREA OF THAT STATE. END SUMMARY.

THIS DOCUMENT WILL BE SHOWN ONLY TO CIA REQUISITIONING OFFICES MAY NOT BE GIVEN TO ANYONE EXCEPT THROUGH DES/CLD.

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1. [redacted]

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[REDACTED] (b)(3)

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[REDACTED]

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2. SHORTLY AFTER TAKING OFFICE AS MINISTER OF INTERIOR  
MANUEL JOSE M A N T I L L A CACERES MOVED TO STRENGTHEN THE  
SPECIAL OFFICE CHARGED WITH PURSUING THE INVESTIGATION OF  
THE FEBRUARY 1976 KIDNAPPING OF UNITED STATES BUSINESSMAN  
WILLIAM F. NIEHOUS. HIS FIRST ORDER INVOLVING THE SPECIAL  
TEAM WAS TO RELEASE FUNDS NEEDED BY THE GROUP TO CARRY FORTH  
AND EXPAND ITS INVESTIGATION. [REDACTED] COMMENT: EARLIER  
DIFFICULTIES EXPERIENCED BY THE GROUP IN RECEIVING OPERATING  
FUNDS FROM THE MINISTER OF INTERIOR WERE PROBABLY DUE TO THE  
LACK OF ORGANIZATION UNDER OCTAVIO L E P A G E, WHO WAS THE  
MINISTER UNTIL LATE AUGUST 1978 WHEN HE RESIGNED TO PARTI-  
CIPATE IN THE UPCOMING ELECTIONS, AND NOT TO ANY ULTERIOR  
MOTIVE ON LEPAGE'S PART.) [REDACTED] FOR AN EARLIER  
REPORT ON THE SPECIAL TEAM'S PROBLEMS SEE [REDACTED]

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[REDACTED]

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3. IN ADDITION TO RELEASING THE GROUP'S OPERATING  
FUNDS, MANTILLA HAS AGREED TO THE ASSIGNMENT OF ADDITIONAL  
OFFICERS FROM THE DIRECTORATE FOR THE SERVICES OF INTELLI-  
GENCE AND PREVENTION (DISIP). HE HAS ALSO ORDERED THE  
INTERIOR MINISTRY'S SPECIAL ELECTRONIC MONITORING SECTION  
TO ALLOCATE SOME OF ITS FACILITIES TO THE NIEHOUS INVESTI-  
GATION. FURTHERMORE, HAVING LEARNED THAT DISIP DIRECTOR

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RETIRED GENERAL RAUL G I M E N E Z FAINZA WAS RUNNING HIS  
OWN INDEPENDENT INVESTIGATION INTO THE NIEHOUS KIDNAPPING,  
MANTILLA ORDERED GIMINEZ TO DISBAND HIS OPERATION AND TO  
TURN ALL INFORMATION ON THE CASE OVER TO RAFAEL R I V A S  
VASQUEZ, THE DISIP DEPUTY WHO HEADS THE SPECIAL  
NEIHOUS INVESTIGATIVE GROUP. [REDACTED] COMMENT: FOR AN

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EARLIER REPORT ON THE RIVALRY BETWEEN GIMINEZ AND RIVAS,

SEE [REDACTED]

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4. UPON RECEIVING ITS OPERATING FUNDS, THE NIEHOUS  
INVESTIGATIVE UNIT ACTIVELY REOPENED THE CASE. [REDACTED]

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[REDACTED] IN LATE JULY 1978 [REDACTED] NIEHOUS  
IS STILL ALIVE. [REDACTED] THE NIEHOUS OPERATION  
IS STILL IN PROGRESS; HOWEVER, THE ORIGINAL VENEZUELAN  
KIDNAP GROUP HAS LOST CONTROL OF THE OPERATION AND IT IS  
NOW IN THE HANDS OF AN INTERNATIONAL GROUP. [REDACTED]

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[REDACTED] IN TIME  
NIEHOUS MIGHT WELL BE RELEASED IN AN UNSPECIFIED FOREIGN  
COUNTRY AND THAT UPON HIS RELEASE NIEHOUS WOULD POSSIBLY

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FURTHER DISSEMINATION AND USE OF THIS INFORMATION SUBJECT TO  
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MAKE STRONG STATEMENTS AGAINST THE VENEZUELAN GOVERNMENT AND  
HIS UNITED STATES EMPLOYER.

5.

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[Redacted]

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6.

[Redacted]

[Redacted]

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7. IN ADDITION TO DISIP AND THE SPECIAL INVESTIGATIVE  
TEAM, THE VENEZUELAN MILITARY IS ALSO ACTIVELY PURSUING LEADS  
IN THE NIEHOUS CASE. FURTHERMORE, THE MILITARY IS NOT INFORM-  
ING THE MINISTRY OF INTERIOR OF ITS ACTIVITIES OR IS IT

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PASSING ON INFORMATION DEVELOPED TO THE MINISTRY OR THE SPECIAL  
INVESTIGATIVE TEAM.

8. SPECIFICALLY, VENEZUELAN ARMY OFFICIALS IN BOLIVAR  
STATE HAVE RECENTLY RECEIVED INFORMATION THAT NIEMOUS IS  
ALIVE AND IS BEING HELD ON A RANCH OWNED BY OLONZO L A N Z  
CASTELLANO, A LAWYER WHO AT ONE TIME WAS INVOLVED IN GUERRILLA  
ACTIVITIES.

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THE LANZ RANCH IS LOCATED IN A VERY REMOTE AREA  
BETWEEN THE TOWNS OF UPATA AND GUASIPATI IN BOLIVAR STATE.  
AN ARMY COUNTERINTELLIGENCE UNIT HAS RECONNOITERED THE AREA  
AND HAS FOUND DEFINITE EVIDENCE OF GUERRILLA OCCUPATION.  
ON THE BASIS OF THE RECONNAISSANCE REPORT ARMY OFFICIALS IN  
BOLIVAR STATE ARE ATTEMPTING TO DECIDE WHETHER THEY WILL  
RAID THE AREA IN FORCE.

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11. WASHINGTON DISSEM:

TO STATE EXCLUSIVE FOR THE DIRECTOR, INR  
TO FBI EXCLUSIVE FOR THE ASSISTANT DIRECTOR,  
INTELLIGENCE DIVISION

REPORT CLASS S E C R E T--WARNING NOTICE-SENSITIVE INTELLIGENCE  
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**NOT RELEASABLE TO CONTRACTORS OR CONTRACTOR/CONSULTANTS-  
DISSEMINATION AND EXTRACTION OF INFORMATION CONTROLLED BY  
ORIGINATOR--**

[Redacted]

**XGDS-1,2.**

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