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Subcommittee on Terrorism, Narcotics and International Operation

of the

COMMITTEE ON FOREIGN RELATIONS

UNITED STATES SENATE

HEARING TO RECEIVE TESTIMONY ON

DRUGS, LAW ENFORCEMENT AND FOREIGN POLICY: PANAMA

Washington, D.C.

February 10, 1988

ALDERSON REPORTING COMPANY

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1 HEARING TO RECEIVE TESTIMONY ON
2 DRUGS, LAW ENFORCEMENT AND FOREIGN POLICY: PANAMA
3

4 Wednesday, February 10, 1988
5

6 U.S. Senate
7 Subcommittee on Terrorism,
8 Narcotics and International
9 Operations
10 Committee on Foreign Relations
11 Washington, D.C.

12 The Subcommittee met, pursuant to notice, at 9:09 a.m. in
13 Room SH-216, Hart Senate Office Building, the Hon. John F.
14 Kerry [Chairman of the Subcommittee] presiding.

15 Present: Senators Kerry [presiding] and D'Amato.

16 Also Present: Translators Karin Ruckhaus and Joelle
17 Delaplace.

18 Senator Kerry: This Subcommittee on Narcotics,
19 Terrorism, and International Operations will come to order.

20 We will continue this morning for a brief period of time
21 with Mr. Jose Blandon. Mr. Blandon, I remind you that you
22 remain under oath. The oath that you swore at the outset of
23 these hearings continues through your testimony. And the
24 interpreters, the same interpreters as yesterday, and the
25 interpreters remain sworn as yesterday.

1 Let me for the record -- I neglected to do this at the
2 outset of these hearings, but I do want the record to reflect
3 and with unanimous consent I will order that the record will
4 show that at the appropriate place in the beginning it appear
5 that Jose Bandon is appearing before this Subcommittee of
6 the Foreign Relations Committee under subpoena from the
7 Committee. And I believe it is appropriate that the record
8 so reflect that.

9 Let me make one other comment at the outset of today's
10 hearings. Yesterday we heard maybe seven hours of
11 extraordinary testimony from Mr. Bandon, and the day before
12 we heard significant testimony, both from the district
13 attorney of New York, Robert Morgenthau, as well as from
14 General Gorman, the former commander in chief of the Southern
15 Command.

16 All that testimony, all but five minutes of the testimony
17 here, has focused on the depth of the narcotics cartel's
18 stranglehold and increasing subversion of institutions within
19 Central America. The focus of stories yesterday, I think,
20 while important because clearly we are also concerned about
21 CIA involvement in this throughout the period of time and
22 American government involvement in it throughout the period
23 of Noriega's control of Panama, I think it's important to
24 bring the focus back.

25 This is not a hearing on the CIA. This is not the

1 appropriate forum for that hearing. And while we remain
2 deeply disturbed by the information that was revealed, I want
3 people not to miss the point that Jose Bandon is making
4 again and again, which is the depth of that conspiracy.

5 Now, having said that, I also want to release today a
6 request which we have had outstanding to the White House, and
7 I think it's important that the White House understand the
8 importance of responding rapidly to this request. I wrote a
9 letter several weeks ago -- this is my second letter -- to
10 Mr. Culvahouse, counsel to the President of the United
11 States, in which we have asked them for the declassification
12 of specific documents in the Oliver North diaries, which are
13 a matter of public record, many pages of which have been
14 declassified already as a result of the Iran-contra hearings.

15 But we are asking for declassification because of the
16 ability of those pages to document some of the things that
17 have been said here, and we will continue to press the White
18 House for declassification.

19 We have called attention to the White House that this is
20 an ongoing current investigation. They have suggested to us
21 that thousands of pages have been requested by various people
22 for declassification and that we are at the end of the line.

23 And I have pointed out that an ongoing investigation I
24 think ought to take precedence over the mere release of past
25 information from now defunct investigations.

1 I might also point out that the White House, however, has
2 claimed that a number of other ongoing investigations, such
3 as Wedtech and so forth, may have precedence. So we will be
4 continuing to press them for it.

5 But it is important, because I want people to understand
6 that there are American documents currently in existence and
7 other information within our own channels that could shed
8 considerable light on this. And it's my hope that in the
9 ensuing days we're going to get a hold of that.

10 Let me ask my colleague if he at this point has any
11 opening comment that he wants to make before we proceed.

12 Senator D'Amato: Mr. Chairman, again let me congratulate
13 you for the hearings, for the work and for the dedication to
14 undertake something that's not easy and is not going to end
15 just with these hearings, regardless of what comes forth, as
16 it relates to the nations who have succumbed already and are
17 in the process of surrendering their sovereignty and that of
18 their people to the drug conspiracy which Mr. Bandon has so
19 artfully and so painfully of his own time and effort and risk
20 to his own personal safety and that of his family gone to
21 great depths to attempt to give us an understanding in these
22 charts, to show us the depth of this international conspiracy
23 and narco-terrorism.

24 And we can see how it has affected these countries, and
25 certainly we're naive not to understand that our own quality

1 of life and domestic tranquility has been so savaged as a
2 result of the drug epidemic.

3 I think also, Mr. Chairman, while I applaud your efforts
4 for attempting to keep our eye on the central theme of how
5 vast this system is, where it has already breached, what we
6 have to be doing, who is partly responsible, what officials,
7 what branches of government have done less than they should
8 have, I think the fact that there are those who are in high
9 places, those within this Administration, those within the
10 Noriega payroll, his publicity people, et cetera, who will
11 attempt and do anything they can to discredit Mr. Blandon.

12 So while I support your contention, indeed I believe it's
13 important, I think we would be naive and remiss if we were to
14 allow what will be a concerted effort to discredit the
15 testimony of Mr. Blandon to go unchallenged.

16 The fact of the matter is, Mr. Chairman, as you and I
17 know from sources, not that I have ever been told by the CIA
18 themselves, but the fact of the matter is that it is well
19 known -- and I daresay the CIA will say we never make comment
20 one way or the other -- that Noriega, this thug and
21 racketeer, has been on the payroll and the employ of the CIA
22 for many, many, many years and, I have been given to
23 understand, up until rather recently.

24 So it is not inconceivable, but it is most probable that
25 what Mr. Blandon has would fit in part and parcel with this,

1 hand in glove, this activity that the CIA had with this thug
2 who was in their employ, and after all how proud they must
3 have been that one of their own, that they nurtured for so
4 many years, had risen to this power position.

5 And so I don't find it difficult to believe that they
6 would have transmitted information to him, but otherwise they
7 would have been precluded by way of law. It makes sense, and
8 I do not doubt the veracity of Jose Blandon. I think to the
9 best of his ability he has attempted to give his recall. He
10 has given us notes, he has given us documents, and I believe
11 him.

12 And I would conclude by saying this, Mr. Chairman. I
13 watched this thug and racketeer as he traveled around Panama
14 attempting to rally the people to a false cause, because as
15 you and I know, although we may have agreements or
16 disagreements as it relates to the canal treaty, that is a
17 bona fide treaty.

18 I know of no one who seeks to break that treaty. Noriega
19 is attempting to rally his people to a nationalistic cause.
20 He has failed miserably. The people know that this is
21 nothing more than a shoddy attempt to rally them against the
22 oppressor, that he attempts to cast the United States in.

23 And I think we have got to let him know very clearly that
24 there is no way that we will allow him to threaten our
25 legitimate interests in the full force and binding effect of

1 that treaty, and that he had better go very carefully,
2 because we do have the wherewithal and I think we have the
3 commitment and purpose to see to it that our national
4 security and the terms of that treaty are fully enforced, and
5 we will use the appropriate measure of response to meet any
6 challenges by Noriega.

7 So I think that's important, that we send that clear
8 message to this tyrant.

9 Thank you, Mr. Chairman.

10 Senator Kerry: Thank you very much, Senator.

11 Let me add one word about credibility of witnesses in
12 this process, if I may. First of all, I think it's important
13 to state that this is not a criminal proceeding, it's not a
14 court of law. And therefore, the rules of evidence don't
15 apply as they normally would.

16 Have we taken in some things that are hearsay and do we?
17 Yes, we do. This is a hearing process. It's a process for
18 the gathering of the maximum amount of information. And from
19 that we try to make some judgments, or from that we try to go
20 further in terms of our investigation, which may or may not
21 ultimately result in some matters being in a court of law,
22 where different rules would apply.

23 But I do want to make the point about credibility of
24 different witnesses. It's been said before that some of the
25 witnesses are felons, that they're in prison; therefore, how

1 can you believe them?

2 Well, that's a problem that everyone has in prosecution.
3 We have sent countless people to jail in this country for
4 various crimes on the testimony of co-conspirators, on the
5 testimony of people who are serving time, some of whom may
6 want to get a reduced sentence, some of whom do cut a deal
7 with the prosecution.

8 And our fellow Americans, juries, peers, make judgments
9 about those people as to whether or not they are testifying
10 truthfully.

11 We will hear in this hearing, as we have previously
12 privately, from people who are in jail. And you have to make
13 a judgment about them: What's their interest? Why are they
14 doing it? Are they declaring things that are against their
15 best interests? Have they made a deal? Are they in fact
16 getting something for it or not?

17 And there's a saying in trial law which is sometimes
18 argued in front of juries. People say, you know, when you're
19 trying the devil you don't go to heaven for your witnesses.
20 And the fact is that you're not going to find people who are
21 drug traffickers, people who can talk about these things,
22 about murder, about gun running and so forth, you're not
23 going to find them in Sunday school.

24 You're going to find the participants, and we're going to
25 have to make some judgments about whether they are credible.

1 And you base that on whether they corroborate each other's
2 testimony, and you measure the details and you measure the
3 depth of them and so forth.

4 In the case of Jose Blandon, he is a diplomat. He is a
5 distinguished public servant. No one has ever alleged that
6 he made money in this process. No one has ever alleged, in
7 Panama or elsewhere, that he has been part of this
8 conspiracy.

9 He has tried hard to lay out facts as he knows them. I
10 think we can measure the detail.

11 But one of the things you also measure is motive. His
12 interest is in his country and in Noriega, not the CIA. His
13 interest is not in becoming embroiled in a domestic American
14 squabble of some kind.

15 He has been reluctant, I can tell you, to talk about some
16 of the things he does know involving the United States
17 government decision process, because he is here, frankly,
18 under our protection, surrounded by federal marshals, here
19 with his wife, his life disrupted in a way that I think says
20 a great deal about his veracity, about his willingness to
21 testify.

22 And it is in that light that he has made some comments
23 about what the CIA did or didn't do and, I might add, not
24 hearsay. He himself saw the documents. He read the
25 documents. He was in a position to do so, and he has said

1 openly what happened.

2 Now, I suppose, Mr. Blandon, that this hearing is still
3 ongoing and we haven't closed it off, and you can always
4 change if you felt a change was necessary. I don't even know
5 if you've had a chance to hear "The Phantom of the Opera,"
6 which is the current rage on Broadway, but there's a great
7 song in it called "The Point of No Return."

8 And we might say that this is the point of no return.
9 You're under oath, the hearing isn't over, and you can change
10 your testimony if there's anything to change, and I'm going
11 to give you that opportunity.

12 If you feel that somehow you haven't been accurate or you
13 haven't laid it out the way you want to; this is the moment.
14 Is there anything you want to change about what you said with
15 respect to yesterday's testimony on having seen the CIA
16 documents?

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1 TESTIMONY OF JOSE BLANDON, FORMER CONSUL GENERAL OF
2 PANAMA

3 Mr. Blandon [through translator]: Mr. Chairman, first of
4 all I should tell you that in my opening statement yesterday
5 I clearly said that I was here to say the truth and nothing
6 but the truth. I have been very careful every time I have
7 spoken, trying to clearly state what was my own personal
8 opinion and what was a fact.

9 I am very surprised to see that the U.S. press has been
10 so surprised by something which for us in Panama and in
11 Central America is simply common knowledge. I have tried to
12 understand the reaction and the psychology behind it, because
13 it seems that the U.S. finds it unbelievable that its own
14 agencies prepare documents that speak against their own
15 political leaders.

16 But Mr. Chairman, I have had access to those documents
17 and I can say even more than I have said. In personal
18 conversations with Central American leaders involved with the
19 intelligence agencies of other countries, they have told me
20 that they have had access to similar types of documents.

21 You the members of the Senate have also had access to
22 information which has come before the Senate, but that
23 information has at times been untrue. I listened to the
24 Iran-contra hearings and I saw how a maneuver was set out to
25 lead people to believe that the Senate was leaking

1 information.

2 So Mr. Chairman, as regards the documents and information
3 that we have about the activities of Senators, I would
4 reiterate what I said yesterday. But I do share your view.
5 More important than that one detail, which is clearly
6 important for the United States, but more important than that
7 is the fact that a criminal empire of a multinational scope
8 has taken over the sovereignty of our countries, is
9 contravening the interests of the United States and of its
10 young people.

11 And to conclude this statement, Mr. Chairman, I could say
12 that my own family, my children, are paying a very high price
13 for what I am doing today here before you. My children have
14 had to leave school and they are living differently.

15 And there is no reason in my heart or in my mind that
16 would lead me to invalidate or withdraw what I have said
17 here. Unfortunately, what I have said is true.

18 Senator Kerry: Thank you very much, Mr. Bandon, for
19 that restatement.

20 Let me now pick up where we left off yesterday, if I
21 may. At some time, did Oliver North meet with General
22 Noriega?

23 Mr. Bandon: Yes, he did.

24 Senator Kerry: When was that?

25 Mr. Bandon: As far as I could say with accuracy, it was

1 in 1985, twice, once in June of '85 and once in October of
2 the same year. And also, at the end of 1985 Admiral
3 Poindexter also met with General Noriega.

4 Senator Kerry: Now, coming to the first meeting, can you
5 describe how that came about, where it took place?

6 Mr. Bandon: The meeting was held on board a yacht, to
7 discuss the situation in Nicaragua in particular.

8 Senator Kerry: Where was the yacht?

9 Mr. Bandon: The yacht was at the Balboa port, on the
10 Pacific side of the Panama Bay.

11 Senator Kerry: Do you remember what kind of yacht it
12 was?

13 Mr. Bandon: It was a luxury yacht.

14 Senator Kerry: Motor or sail?

15 Mr. Bandon: Motor.

16 Senator Kerry: Do you know who it belonged to?

17 Mr. Bandon: I have no idea.

18 Senator Kerry: Was it American or Panamanian or other
19 country?

20 Mr. Bandon: I believe it was North American, but I
21 can't say for sure.

22 Senator Kerry: Who arranged for the yacht to be there,
23 do you know?

24 Mr. Bandon: No. I was summoned by General Noriega to
25 the meeting. I don't know the details as to how the meeting

1 was organized. I was simply present there with Noriega.

2 Senator Kerry: Did you arrive with General Noriega?

3 Mr. Bandon: Yes, I did.

4 Senator Kerry: And who was on board the yacht when you
5 arrived there?

6 Mr. Bandon: Two men were aboard. One introduced
7 himself as Colonel North. The other one was an interpreter.
8 And there was also a young woman at the other end of the
9 yacht.

10 Senator Kerry: Had you ever met Colonel North before?

11 Mr. Bandon: Never. I had heard about him a lot.

12 Senator Kerry: General Noriega walked on board with
13 you?

14 Mr. Bandon: Yes, he did.

15 Senator Kerry: Were you introduced to the woman?

16 Mr. Bandon: She approached us and introduced herself
17 and then she left the yacht.

18 Senator Kerry: Would you then describe what took place
19 with respect to the meeting?

20 Mr. Bandon: During that meeting, the military situation
21 in Nicaragua was discussed, as well as the regional
22 situation. Colonel North was interested in gaining Panama's
23 support for the contras, and he particularly requested
24 training assistance in bases located in Panama, something
25 which General Noriega said yes to.

1 He also requested that the leaders of the contras be
2 allowed to visit Panama, and Noriega also agreed to that.

3 Senator Kerry: Do you know how the meeting came to be
4 arranged?

5 Mr. Bandon: I have no idea. I know of one Panamanian
6 man who was a friend of Colonel Noth and worked with him.
7 His last name is Cordobes.

8 Senator Kerry: Is that Major?

9 Mr. Bandon: He's a civilian.

10 Senator Kerry: Now, how long did this meeting go on
11 for?

12 Mr. Bandon: The meeting lasted approximately an hour
13 and 15 minutes, perhaps a bit more.

14 Senator Kerry: And the only participants at the meeting
15 were General Noriega, yourself, Colonel North, and the
16 interpreter, is that accurate?

17 Mr. Bandon: Yes.

18 Senator Kerry: And during this time the woman you
19 described did what? She remained on the boat?

20 Mr. Bandon: Well, she was never present at the
21 meeting.

22 Senator Kerry: Now, what was agreed to in totality at
23 the meeting? What was the bottom line agreement that was
24 reached at that meeting?

25 Mr. Bandon: That General Noriega promised to provide

1 training in specific locations to members of the contras,
2 training to be provided at bases located in Panama. Colonel
3 North explained to Noriega that there was a law saying that
4 U.S. funds could not be used to train contras, therefore U.S.
5 bases could not be used. That is, the U.S. bases in Panama
6 could not be used.

7 So that was why he asked that it be done in Panamanian
8 bases, and that was done.

9 We have a base in Panama called Boca del Torros, another
10 called Banahungla, located in a province close to Costa Rica,
11 specialized in jungle training. Part of their training was
12 done there and the remainder was done at the Sonomingos Ginan
13 base, formerly known as School of the Americas, which since
14 '84 has been under Panamanian control.

15 Senator Kerry: Did General Noriega ask for anything in
16 return for his support of the contras?

17 Mr. Bandon: At the time he asked for nothing at all..

18 Senator Kerry: How did the meeting end? It just came to
19 a close?

20 Mr. Bandon: Yes. We said goodbye.

21 Senator Kerry: And then you had another meeting some
22 time later?

23 Mr. Bandon: Yes, we did.

24 Senator Kerry: What were the circumstances of the second
25 meeting? Were you present at the second meeting?

1 Mr. Bandon: Yes. I should clarify that I do not know
2 how many meetings Colonel North and General Noriega held. I
3 am speaking of the two that I personally know of. My
4 impression is that they must have met more often, given the
5 manner in which the meetings at which I was present were
6 conducted.

7 During the second meeting, which was a very short meeting
8 in General Noriega's office --

9 Senator Kerry: If I could just interrupt you for one
10 second, before we get to that meeting. Was there any
11 discussion about the economic situation in Panama and the
12 need for additional funds or loans at the first meeting?

13 Mr. Bandon: No, that happened during the second
14 meeting.

15 Senator Kerry: Let the record show also that one of the
16 things requested from the White House is the name of the
17 interpreter, the identification of the interpreter who was
18 present at this meeting.

19 Please continue with the second meeting.

20 Mr. Bandon: During the second meeting, General Noriega
21 proposed to Colonel North that he could help the war in
22 Nicaragua by sending elite units from Panama. These are
23 special expert units in counterterrorism, and that they would
24 conduct terrorist sabotage acts in Nicaragua.

25 Senator Kerry: Where did the second meeting take place?

1 Mr. Blandon: In General Noriega's office, which is
2 located in what was formerly U.S. facilities in Panama.

3 Senator Kerry: Who was present at that meeting?

4 Mr. Blandon: General Noriega, Captain Corteso, Noriega's
5 translator, Colonel North, and myself -- no one else.

6 Senator Kerry: What was the date of that meeting
7 approximately?

8 Mr. Blandon: In October, towards the end of the month.

9 Senator Kerry: What was the time of day?

10 Mr. Blandon: During the morning. I can't recall the
11 exact time.

12 As I said, General Noriega --

13 Senator Kerry: What was the quid pro quo for what
14 General Noriega offered?

15 Mr. Blandon: General Noriega offered Colonel North, or
16 suggested that Panamanian units could carry out activities on
17 Nicaraguan territory. Colonel North's reply to that proposal
18 was that he would have to consider that proposal was that he
19 would have to consider that and examine it, because he was
20 not authorized to make a decision on it.

21 And he reminded General Noriega how the public opinion in
22 the U.S. had reacted to the problem regarding the mining of
23 Nicaraguan ports.

24 So Colonel North did not -- he neither accepted nor
25 rejected the suggestion. He said he would speak to his

1 superiors about it.

2 You should recall, Mr. Chairman, that we are speaking of
3 1985. And as I said yesterday, it was a month later, that is
4 after, President Barletta had left the presidency in Panama.
5 So there was intense pressure on the part of the Department
6 of State towards Panama.

7 And we explained to Colonel North the problems that we
8 were encountering, and his very short answer was that he
9 would see what he could do about it. But again, he didn't
10 specify what he would do.

11 That is why when the meeting with Poindexter took place
12 in December of 1985, that is two months later, the Nicaraguan
13 problem was not included on the agenda.

14 Senator Kerry: Was there some discussion at that
15 particular meeting about the need for assistance, additional
16 economic assistance?

17 Mr. Blandon: What we told Colonel North was that our
18 country was encountering political and financial problems.
19 That is what he was referring to when he said that he would
20 see what he could do about it.

21 Senator Kerry: Did you subsequently receive additional
22 financial assistance of significantly increased proportions?

23 Mr. Blandon: During 1986, the Republic of Panama
24 submitted a program to international financial agencies. It
25 was a program for economic restructuring of the country. And

1 we received full support for that program. That was in the
2 World Bank and the International Monetary Fund and U.S. AID.

3 Senator Kerry: Now, did in fact the Panamanian base that
4 had been originally discussed get used for the training of
5 contra troops?

6 Mr. Bandon: Yes, it was.

7 Senator Kerry: Were there other meetings between
8 Lieutenant Colonel North and General Noriega which took place
9 that you were aware of, but that you yourself did not
10 attend?

11 Mr. Bandon: No.

12 Senator Kerry: No, there weren't, or no, you're not
13 aware of any?

14 Mr. Bandon: No, I don't know if they took place. The
15 only meeting which I do recall with the National Security
16 Council was the meeting held on 17 December, during which
17 Admiral Poindexter met with Noriega. And with your
18 permission, I would like to explain that meeting.

19 Senator Kerry: Please do.

20 Mr. Bandon: I would like to describe what happened in
21 some detail, so that you can appreciate how at that time
22 there was within the same agency two different positions. On
23 the 17th of December of 1985, Admiral Poindexter met in
24 Panama with General Noriega. During that meeting, Noriega
25 was present with Corteso, who was a captain and acted as

1 interpreter.

2 On the U.S. side, Admiral Poindexter came with Ambassador
3 Everett Briggs, who is now U.S. Ambassador to Honduras.
4 While that meeting was taking place in Panama, here in
5 Washington there was another meeting at the Executive Office
6 Building in one of Mr. Casey's offices, Mr. Casey being CIA
7 Director.

8 There was a meeting between Constantine Menges, who was
9 then a member of the National Security Council staff working
10 under Admiral Poindexter, who at that time I think had only
11 been in charge of that organization for about 15 days. So
12 Constantine Menges was meeting here in Washington, and at
13 that meeting Bill Hecht was present, having been hired by the
14 Republic of Panama. Well, you can see that he had been
15 hired, and duly so, as a lobbyist for Panama.

16 I think this is important because that meeting was
17 important. Mr. Helsing, who works with Mr. Hecht, and Joel
18 McCleary, who was also present at the meeting because he had
19 been hired by Panama to examine its domestic problems, and it
20 was believed that his knowledge of Panama would help to
21 understand the situation there.

22 Also in Washington was Major Daniel Delgado, who was
23 working in our political intelligence office. But
24 Constantine Menges did not allow him to be present at the
25 meeting.

1 And during the meeting, Menges told this U.S. delegation
2 of U.S. citizens working for Panama the following points. He
3 said that Noriega had to change or make changes in the
4 defense forces. Especially, he had to replace the officers
5 who had been involved in Spadafora's assassination; that
6 Noriega had to stop his dealings with the Cubans; that he had
7 to call elections immediately or put Arnolfo Arias in power.

8 And that if all this was not done, the United States
9 would use political, military, and economic pressure on
10 Panama. And this was happening in Washington at the same
11 time that that other meeting was being held in Panama, and it
12 was an entirely different meeting.

13 Admiral Poindexter went to explain to General Noriega
14 that it was absolutely necessary for him to consider or
15 examine the possibility of having Barletta be brought back to
16 power, or to the presidency, rather. He said that that at
17 the time was the official U.S. State Department policy.

18 And he also spoke of the need to have a group of officers
19 be sent abroad, outside of Panama, while the situation
20 changed and the attitudes changed regarding Spadafora's
21 assassination.

22 No mention was made of invading Nicaragua, something
23 which Noriega has said in the past few days, because the
24 problem of the U.S. invading Nicaragua was not on the '85
25 agenda.

1 Furthermore, the agreements with Nicaragua, regarding
2 assistance to the contras, had already been discussed by
3 Noriega with Colonel North.

4 So now as I explain this, you will also be able to verify
5 this information with a group of U.S. citizens who were hired
6 by Panama. You would be able to discuss with Mr. Bill Hecht
7 and Mr. Spencer.

8 Senator Kerry: Who hired them?

9 Mr. Bandon: The government of Panama.

10 Senator Kerry: Who made the decision to hire them? Was
11 this a Noriega decision?

12 Mr. Bandon: Yes, it was. The contract was signed by
13 the president.

14 Senator Kerry: Excuse me, Mr. Bandon.

15 Mr. Bandon: What I'm tryingt to explain is that when
16 Poindexter's meeting ended, that is in Panama, I received a
17 telephone call from Delgado, who was conveying the
18 information as to what happened in Washington. And then
19 General Noriega met with me to analyze these two different
20 positions.

21 These were two entirely different positions. And Noriega
22 explained to us what was discussed at the meeting with
23 Poindexter, and I recall that he was very pleased because
24 during the meeting there was no type of criticism of
25 Noriega. Rather, a proposal was put to him for his

1 consideration.

2 At no time did the meeting seem to be trying to impose or
3 intended to impose anything on Noriega. This is entirely
4 different from what Menges had said. So we came to the
5 conclusion that the problem was that at the time -- that is,
6 in 1985 -- there were two different U.S. governments, someone
7 who was waging a war and the other which was actually running
8 the government.

9 And we decided to deal with the real government.

10 Senator Kerry: Which was the real one?

11 Mr. Bandon: The Reagan Administration.

12 Senator Kerry: Represented by whom?

13 Mr. Bandon: By the U.S. Department of State.

14 I have often said that one of the problems we have had to
15 face is that the various U.S. agencies approach our country
16 with different concepts. I have said, describing it in
17 detail, the problems we have had with the National Security
18 Council.

19 So you can have an accurate idea of the situation, I have
20 given you names of people you can call to confirm or verify
21 this information. So if within the same agency you have a
22 director who is expressing one position in Panama and
23 explaining a different position in Washington, you can
24 imagine what happens when you're dealing with different
25 agencies.

1 The same man, Constatine Menges, several months later was
2 fired from the National Security Council, among other reasons
3 because he was in conflict with Philip Habib. You may recall
4 that in 1986 he, Constantine Menges, accused President
5 Reagan's special envoy. He had already been taken out of the
6 CIA by Director Casey, and he was one of the individuals who
7 subsequently provided information to the New York Times
8 against Noriega.

9 So Mr. Chairman, at that time and now, General Noriega is
10 saying, is telling a half truth. At the meeting with
11 Poindexter, Nicaragua was not discussed. But at the meeting
12 with Menges, there was a military threat.

13 So if we're going to be objective about this, that is
14 when Noriega speaks now of a threat, he is in fact referring
15 to what did occur at the Poindexter meeting.

16 Senator Kerry: Excuse me. Not the Poindexter meeting,
17 at the meeting with Casey?

18 Mr. Blandon: Yes, correction, yes. At the Menges
19 meeting.

20 But in the political practice in the ensuing three
21 months, the Republic of Panama received from the United
22 States support. Barletta was not put in power. No officers
23 or officials were changed, and we received U.S. support. So
24 that was the situation.

25 So all of this aside, the criminal empire was still

1 operating. And towards the end of 1986, after the New York
2 Times published the accusations, which can be summarized in
3 five points, the empire continued to pressure President
4 Delvalle because he had obtained U.S. assistance and made
5 economic changes. He led the economy of Panama to grow by
6 four percent.

7 But Noriega saw that it was dangerous for a president to
8 truly have power over the government, and in November of
9 1986, as I said in my opening statement, he forced the
10 president to change the government and to nullify the
11 president's power.

12 And that is when what you know as the severest crisis
13 ever to affect the government of Panama began.

14 Senator Kerry: Let me just say that some of the
15 testimony of General Gorman regarding the dual track, triple
16 track, lack of cohesion, lack of exchange of information,
17 underscores some of what you've just said here.

18 I'd like to come back for a minute, if I may, to continue
19 the sequence. Was there a time -- the second meeting with
20 Lieutenant Colonel North lasted for about how long?

21 Mr. Blandon: Around 35 to 40 minutes.
22
23
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1 Senator Kerry: Did you ever have a meeting personally
2 with Colonel North after that?

3 Mr. Bandon: Never.

4 Senator Kerry: Did there come a time, however, when you
5 learned that Lt. Colonel North asked General Noriega to help
6 him with a plan to blame the Nicaraguans for shipping weapons
7 to the guerrillas in El Salvador?

8 Mr. Bandon: No. In June 1986 when the articles
9 appeared in the New York Times, the long article appeared
10 where five basic charges were made -- drug trafficking,
11 double agent, murder of Spadafora, corruption, and electoral
12 fraud -- I personally prepared a study, and you may remember
13 and I would also like to clarify that even during these
14 hearings I've never said that I was a member of the
15 opposition. I've always said that I am a member of a
16 government party, and even before these hearings.

17 I prepared a political draft for Noriega, because I said
18 to him that Noriega's main political advisor during that
19 period was myself.

20 The person carrying out the public and political analysis
21 of Noriega was myself, so if any lawyer wants now to say
22 that, the only thing that that shows is the political
23 relationship extent of -- the political relationship between
24 Noriega and myself.

25 And I drafted analysis of the New York Times article

1 specifically from the stand that sources for that article. I
2 remember that in that article there were between 17 and 18
3 statements saying credible sources or reliable sources that
4 will not really reveal their name, et cetera, and since we
5 knew that information or we knew about information regarding
6 the NSC and the CIA, we sort of found -- we reconstructed
7 what these New York Times sources were.

8 Senator Kerry: Let us put this in a time period. What
9 is the period of time, now?

10 Mr. Bandon: That was June 1986. I don't remember
11 exactly what day.

12 Senator Kerry: Is this the article by Cy Hersch you are
13 referring to?

14 Mr. Bandon: Yes.

15 So out of that analysis, we reached the conclusion that
16 the source of information for the New York Times came from
17 the National Security Council, but, in addition, I did some
18 work here in the United States when there were the Iran
19 Contra hearings, and I took the trouble of listening to all
20 the hearings and placing the key dates of those hearings.

21 I'm speaking now of years, months, days when key events
22 occurred, to correlate them with key events in Panamanian
23 history. That was part of the political analysis that we
24 carried out.

25 And I remember that on a Tuesday I gave Noriega the

1 analysis that I had carried out, saying to him that it was
2 clear to us that there was a cover-up operation against us
3 because in May 1986 in Lebanon, McFarland's trip -- that is,
4 McFarland's trip to Lebanon -- had become public.

5 You may remember that that was occurring about the same
6 time --

7 Senator Kerry: Mr. Bandon, I am going to interrupt you
8 here. Let me just say you are losing me a little bit, and I
9 know the story. So I think we are going to have a harder
10 time getting others to understand exactly what is happening
11 here.

12 So if you could try to nail it down a little more
13 precisely.

14 Are we now leading into the Pia Vista incident?

15 Mr. Bandon: Yes. What I wanted to show, though, is
16 that three days before the Pia Vista stopped in Panama,
17 Noriega had that report already that we had prepared, and the
18 day before the Pia Vista was stopped in Panama, was captured
19 in Panama -- was seized in Panama, excuse me.

20 Senator Kerry: Excuse me. Where did the Pia Vista come
21 from?

22 Mr. Bandon: The Pia Vista is a vessel or ship, the
23 owner of which is an arms dealer who usually deals with arms
24 and sends them towards Southern Africa; that is, to
25 Mozambique.

1 Senator Kerry: What is that arms dealer's name?

2 Mr. Bandon: I don't remember, but he's the owner of the
3 Pia Vista. I don't remember his name, but it's in the
4 newspapers. It's a Danish name, somewhat difficult to
5 remember.

6 But in any case, the Pia Vista had been hired for a
7 purchase of arms in East Germany, in Communist Germany.

8 Senator Kerry: Who hired the Pia Vista?

9 Mr. Bandon: At first it was a dealer in Miami, an arms
10 dealer in Miami, Duncan I think.

11 Senator Kerry: David Duncan?

12 Mr. Bandon: Yes.

13 Senator Kerry: Who instructed Mr. Duncan to hire the Pia
14 Vista?

15 Mr. Bandon: From what we know, the Peruvian Armed
16 Forces, and that seems pretty logical, because you may know
17 that in the Peruvian Army, all weapons are Soviet-made
18 weapons. Since Alvarado's government, their whole logistics
19 in Peru has been based exclusively on Soviet weapons.

20 So these weapons were originally going to Peru, but there
21 was a problem with President Alan Garcia, the military
22 people, and these arms were to be resold.

23 There were two manifests or shipping invoices on the
24 ship. One was to go towards Peru and the other one to El
25 Salvador.

1 Senator Kerry: The ship was hired by David Duncan, and
2 it was hired to bring weapons from Eastern Europe; is that
3 correct?

4 Mr. Bandon: Yes.

5 Senator Kerry: What specific weapons was it hired to
6 bring?

7 Mr. Bandon: The weapons that arrived in Panama, there
8 was 1,000 AK-47s, over 1,200 RPG-II missiles, and a
9 considerable amount of munitions for both types of weapons in
10 40 transportation trucks; that is, trucks for transporting
11 troops.

12 Senator Kerry: These are the weapons and the supplies
13 that arrived on the Pia Vista to Panama; is that correct?

14 Mr. Bandon: Yes, and which were seized in Panama.

15 Senator Kerry: These are Eastern Block; these are
16 Communist-used weapons generally, correct, the AKs and RPGs?

17 Mr. Bandon: Made in 1986.

18 Senator Kerry: Now, it is required in arms shipments
19 that there be end user certificates; is that correct?

20 Mr. Bandon: Yes.

21 Senator Kerry: Two sets of end user certificates were
22 found on the Pia Vista?

23 Mr. Bandon: Yes.

24 Senator Kerry: One destined for Peru?

25 Mr. Bandon: And the other to El Salvador.

1 Senator Kerry: Then what happened?

2 Mr. Bandon: One day before this ship was seized,
3 Noriega told us -- and by the way, I should clearly state
4 that we have no information that Colonel North said this.
5 This is what Noriega told us that he said. I want to make
6 that very clear, that that was a shipment which North had
7 made with weapons coming from East Germany, from Communist
8 Germany, so that they show up in El Salvador as if this had
9 been a shipment sent by Nicaragua to El Salvador, and then
10 accuse Nicaragua of transporting weapons.

11 And then they were going to be sent to the Contras.

12 Senator Kerry: Let me just be clear here. General
13 Noriega personally told you that? Is that accurate?

14 Mr. Bandon: Yes.

15 Senator Kerry: What were the circumstances of his
16 telling you that? Why did he feel that he wanted to let you
17 have that information?

18 Mr. Bandon: You may remember that I said that I had
19 prepared some information analyzing the New York Times
20 article where we had mentioned that the origin of those
21 charges came from NSC, according to our information anyway.
22 I'm not saying that I'm accusing the National Security
23 Council, but I'm saying that that was the analysis we made of
24 that information.

25 And Noriega said that since this had to do with North, we

1 had to know what was going on. In other words, according to
2 what he said, this was revenge.

3 Senator Kerry: So Noriega was angry at the appearance of
4 the charges in the newspaper and, as a result, he did
5 something or he said he did something with the Pia Vista?

6 Mr. Blandon: Yes. And you may remember that CNN,
7 thorough Lucia Newman, reported from Panama this event,
8 explaining what I have been telling you about, this double
9 use, dual use that was going to be made. That was the
10 information that we gave her.

11 So I'm not saying that North told us that. We have no
12 evidence that he said that. This was information that
13 Noriega gave us.

14 So we took those weapons and then publicly exhibited
15 them; that is, we decided to say that anyone who was the
16 owner of these weapons to come and claim them. Obviously
17 nobody showed up, and the weapons are now under the control
18 of the Panamanian Armed Forces.

19 Senator D'Amato: Mr. Chairman, if I might, I would like
20 to ask Mr. Blandon. I understand that General Noriega told
21 you this story, had made a decision as a result of your
22 report, your analysis that he was going to intercept this
23 ship.

24 Other than Noriega, was there anyone else who would have
25 substantiated or confirmed or lent credence to what Noriega

1 told you? Was there anyone else?

2 Mr. Blandon: No, no one.

3 What is still confusing to us is that the ship went
4 through the Panama Canal and then returned to Panama. This
5 is something which is still unclear. We do not understand
6 why the ship went through the Canal towards Peru but it never
7 reached Peru. At some point it turned back and returned to
8 Panama. That is still very unclear to us.

9 Senator D'Amato: Let me ask you. At this point in time,
10 reflecting back, do you believe that Noriega was conveying to
11 you the truth?

12 I understand this is a judgment you make, and you have
13 qualified your statement by saying that you only heard this
14 from Noriega.

15 Are you in a position to offer an opinion?

16 Mr. Blandon: I think that Noriega was not telling the
17 truth. I think that the weapons were really going to Peru.
18 That is my own opinion.

19 Because it was strange that the ship would be going to
20 Peru, and then when this was made public, General Adolfo
21 Landon of El Salvador denied that the weapons were going
22 there.

23 It was clear that doesn't prove anything, because you
24 know that in all secret operations there is always standard
25 procedure. If you are captured or the operation is

1 uncovered, you're not supposed to know everything. When
2 something is revealed, nobody ever knows anything. That is
3 standard.

4 Senator D'Amato: Well, I think that you are to be
5 congratulated for clarifying what you know to be the truth,
6 what your sources were, and also I would say obviously I
7 think you are in a position to make some assessments and
8 others of us are just not.

9 I thank you for your clarity and for stating for the
10 record your opinions or what you know to be facts and what
11 you have heard as hearsay.

12 Senator Kerry: Let me ask you a couple of questions on
13 that. I am puzzled.

14 There is a bill of lading for Peru, but there is also an
15 end user certificate for El Salvador.

16 Mr. Bandon: Yes, that is what is still confusing.

17 Senator Kerry: If the ship were legitimately going to
18 Peru with an end user certificate for Peru, why would
19 somebody not claim a legitimate shipment? I mean, this is,
20 how much, \$40 million worth?

21 How much was this weapons shipment worth?

22 Mr. Bandon: No, about \$10 million.

23 Senator Kerry: \$10 million.

24 Mr. Bandon: I have --

25 Senator Kerry: You are saying that \$10 million of

1 weapons with a legitimate end user certificate is just
2 sitting in Panama today?

3 Mr. Blandon: No, they are in the hands of the
4 Panamanians. By law, if you capture goods that are smuggled,
5 after a certain time the goods come into the possession of
6 the government having captured them. That is the law in
7 Panama.

8 But I'd like to explain one thing that could help you to
9 understand. The problem, the drug problem does not exist
10 exclusively in Colombia. You must know that in Peru, Ecuador
11 and Colombia they also have the same problems.

12 My view, and I supposed that you know that a general from
13 the Peruvian police was a friend of Noriega's, was captured,
14 and he was fired from the police because he was involved in
15 drug trafficking.

16 What I think is that the weapons were illegally purchased
17 by the army; the government was planning to sell them in
18 Peru's internal market, because the terrorist movement in
19 Peru is tied to drug traffic.

20 When I spoke of the problem, I left aside part of the
21 area that is Peru and Ecuador because it was not the subject
22 of our discussion. But I take this opportunity to say that
23 in the case of Ecuador, just to give you an idea of Noriega's
24 dealings in those areas, in 1986 one of Ecuador's leaders was
25 in Panama in exile.

1 His name is Adlai Buccaram, and Noriega told us something
2 was going to happen to him. Two days later Buccaram was
3 captured, supposedly holding a kilo of cocaine in his car,
4 and he was incarcerated for six months in Panama.

5 And what had happened, the Ecuadorian Security Services
6 were interested in damaging Buccaram politically. Buccaram
7 is one of the major political leaders in Ecuador, and you
8 must know that in last week's election Buccaram was in second
9 place after Origa Orja in the presidential election, so now
10 the two are going to run for president, and Buccaram may be
11 Ecuador's next president.

12 And Buccaram fell into a trap that was set for him by
13 Noriega, Noriega trying to help the Ecuadorian Security
14 Service. So why is Noriega, you may ask, interested in
15 Ecuador? Well, the fact is that part of the raw material
16 used to process drugs comes from that country.

17 That is why I yesterday said, Mr. Chairman, that it is
18 very important for you to pay great attention to the setting
19 up of laboratories. These laboratories are the new system
20 used to bring in raw material and process it in areas that
21 are not traditionally linked to drug trafficking.

22 Furthermore, Noriega met with the leader of the Alfaro
23 Vive movement. This is a terrorist movement in Ecuador, and
24 he met with him in Panama. Two days later he told the
25 Security Service of Ecuador that he had met with him and that

1 he was then detained illegally in Panama, sent to Ecuador,
2 and two weeks later he was found dead, supposedly in combat.

3 So that is the Noriega story.

4 So in my view, in the case of the Pia Vista, that weapons
5 may have been illegally procured by the Peruvian Army with
6 the intention of providing them also illegally to the drug
7 trafficking apparatus.

8 You know that in those countries they also produce the
9 raw materials. So, in my view, I think that is the most
10 plausible possibility. I'm saying this on the basis of my
11 political experience.

12 In addition, you may also recall that in 1985 when
13 Noriega met with Alan Garcia, he worked very closely with one
14 sector of the Peruvian Army and, having seen how drug
15 traffickers operate, you can see that they are mainly
16 penetrating the armed forces because they're the ones who, in
17 practice, have control over the distribution machinery, and
18 they have specific power.

19 So my political opinion, as I said before, is that that
20 is how it happened.

21 It isn't difficult, Mr. Chairman, to falsify end user
22 certificates. That is one of Noriega's businesses. I told
23 you that with Harari he has that business. So people who
24 work in these dealings, they make passports, they make visas,
25 and it's very easy for them to issue an end user certificate.

1 We saw both certificates, and that confused us. But if
2 you tie all the pieces of this story, you will see that there
3 is evidence, there is proof. I am not saying that it is the
4 same type of evidence we have in the case of Colombia.

5 But that is why, in my view, it is clear that this
6 problem does not affect Panamanians exclusively. If you
7 trace all the connections I have laid before you, you will
8 see that this goes beyond our country.

9 Senator Kerry: Which I think, Mr. Blandon, is the real
10 point to be made here, and I appreciate your candor on it.

11 Who knows, then, what the Pia Vista really meant, except
12 that it is obvious it is linked clearly to this trafficking,
13 whether in arms or drugs, and the destabilization is real, no
14 matter what.

15 No matter where it was going, whether it is El Salvador
16 or Peru, it is RPG-IIs and AK-47s and ammunition, and it is
17 illicit. That is part of the problem that we are really
18 aiming at here.

19 So I am happy to leave it as a question mark, and I am
20 glad you have been very candid with us about that.

21 Let me come back, if I can, for a second to a couple of
22 other details.

23 Joel McCleary that you talked about works with Stuart
24 Spencer; is that correct?

25 Mr. Blandon: No. Joe McCleary was hired specifically to

1 deal with Panama's internal situation. You may recall that
2 during the elections they worked with us.

3 Senator Kerry: I just did not know whether or not you
4 knew that, and I wanted to see whether we could clarify it.

5 I understand why you hired him. I am just trying to find
6 out what the linkages were of various American interests to
7 General Noriega.

8 Coming back to yet another issue, you told me that
9 General Noriega traveled frequently to Washington; is that
10 correct?

11 Mr. Bandon: Yes.

12 Senator Kerry: This was during what period of time?
13 From when to when would he travel frequently to Washington?

14 Mr. Bandon: Well, Noriega has always traveled to
15 Washington frequently after 1982 or '83.

16 Senator Kerry: You told me also that when General
17 Noriega traveled to Washington, he would meet with Mr. Bill
18 Casey of the CIA at his home privately; is that correct?

19 Mr. Bandon: Yes, it is.

20 Senator Kerry: Do you have any idea what sort of
21 frequency there was to that?

22 Mr. Bandon: I could not say, but every time there were
23 significant problems, Noriega traveled, and he traveled
24 alone. He traveled with his physician or with perhaps some
25 support staff. But at his meetings with Mr. Casey, he was

1 alone.

2 Senator Kerry: But you know of that specifically from
3 General Noriega? Is that accurate?

4 Mr. Blandon: Yes, and I could even say that in May of --
5 no, correction. In September of 1985 when I was summoned by
6 Noriega to New York and I told you he was at the Helmsley
7 Palace Hotel, he, after speaking with me, made a telephone
8 call to the CIA, and from what he said, they arranged it for
9 us to leave because we had no problems in leaving.

10 But he discussed or spoke with somebody at the CIA. What
11 he said to me was that he had spoken with the CIA's big man,
12 and the only big man I know at the CIA at this time was
13 Casey. Whether he spoke to him or not, I cannot say.

14 What he was trying to do at the time, and he explained
15 this, was trying to find out what was happening in Panama.
16 So the CIA in September of '85 knew of Noriega's plans.

17 Senator Kerry: Knew of what plans?

18 Mr. Blandon: Well, two days later Barletta was replaced.

19 Senator D'Amato: In pursuing that, in addition to
20 visiting Mr. Casey were there any other people in the
21 administration, the intelligence area, et cetera, that he had
22 developed a relationship with, that he had visited here in
23 the United States or who visited with him that he considered
24 or talked about as being close with?

25 Mr. Blandon: He, according to what he said, had working

1 relationships with the person in charge of the Task Force for
2 Central America. I can almost never pronounce his name.
3 Sorry, Delaney or something like that.

4 It was the person in charge of the Task Force on the
5 Contra problem; that is, within the CIA. I can't really
6 pronounce names.

7 Senator D'Amato: Are you talking about Dewey Clarridge?

8 Mr. Bandon: Yes, that is the name.

9 He was in charge of the Task Force, and he was in charge
10 of overseeing the entire operation, the entire Contra
11 operation in Central America.

12 There was also a man named Joe Fernandez, who was a key
13 man at the time, and Tomas Castillo, who worked from Costa
14 Rica.. His code name was Tomas Castillo.

15 Senator Kerry: With respect to this question of
16 overseeing what was happening there, did you participate in
17 meetings with Elliot Abrams?

18 Mr. Bandon: The only meeting I have had with Mr. Abrams
19 was the meeting -- well, I think it was two times but I'm not
20 quite sure. It was here in Washington. We met to discuss
21 the political project and at finding a way out for General
22 Noriega.

23 I think that General Noriega stated in Panama that I had
24 given Mr. Abrams confidential documents belong to the Defense
25 Forces, documents containing five-year plans. That is

1 entirely untrue.

2 Noriega's only reason for saying all of this is to try to
3 compare my situation to Mr. Melendez' situation, who brought
4 documents to the States on the Sandinista forces.

5 The only document which I brought to Washington was one
6 which Noriega authorized em* to bring when I was going to
7 discuss the political plan, and I would like to introduce it
8 as part of the record.

9 I think that one of the key parts of this document
10 clearly states that there was a request made by Noriega, a
11 request for immunity to be granted in the case of the
12 indictments in both Miami and Tampa. He was asking for
13 immunity in Panama so that he would not be tried.

14 That was the core of the negotiation, and I would like to
15 introduce this, Mr. Chairman, because I think it's
16 important. The document itself admits guilt on the part of
17 Noriega because he is requesting immunity.

18 Senator Kerry: Mr. Bandon, could I just ask you to hold
19 on for one second?

20 [Pause.]

21 I am sorry, Mr. Bandon. Thank you. Go ahead.

22 Mr. Bandon: Yes. I wanted to introduce this document
23 as part of the record. It is the only document which I gave
24 to Mr. Abrams during that single meeting which I had with
25 him, and this is a memorandum sent to me by Noriega.

1 Senator Kerry: Could you identify the document? What is
2 the date of the document?

3 Mr. Blandon: 27th of October, 1987, and the second one
4 is December 9th, 1987, just a month and a half ago.

5 So I would like to introduce these documents so that you
6 may see, though I don't recall exactly what Noriega said in
7 Panama, but I do know that the only information I have given
8 to Mr. Abrams that I have discussed with him is this
9 project. It's a political plan.

10 [The documents referred to follow:]
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1 Senator Kerry: Were there discussions that you were
2 aware of between Elliot Abrams and others regarding the
3 Southern Front in 1984-'85?

4 Mr. Bandon: I believe so, but I have no direct proof of
5 that. I have certain information about it.

6 Senator Kerry: We are going to take a five-minute recess
7 here. If we can get the witness up here, I want to go over a
8 couple other things.

9 We stand in recess.

10 [Recess.]

11 Senator Kerry: The hearing will come to order.

12 I think we should be able to wrap up with Mr. Bandon
13 hopefully by 11:30, I would say, or somewhere in that
14 vicinity, and then we will take a 15-minute break before
15 Floyd Carlton begins his testimony.

16 The documents which you have submitted were the documents
17 which came about as a result of your discussions recently
18 with the State Department about some solution to the Noriega
19 problem; correct?

20 Mr. Bandon: No, that is not the case.

21 Senator Kerry: All right, would you describe exactly how
22 they came to be? Where are those documents?

23 Mr. Bandon: I gave them to someone on your staff.

24 The documents which I have submitted and which I gave Mr.
25 Abrams contain a Panamanian proposal. It is not a State

1 Department proposal, nor did I go there to meet with him to
2 discuss the proposal. I went to explain the proposal to them.

3 I must explain, Mr. Chairman, that that proposal was
4 discussed with Latin American leaders, with Panamanian
5 leaders, with General Noriega, with President Delvalle and
6 with leaders within my own party.

7 And what the proposal contains is a general consensus to
8 solve the problem. I can summarize it very quickly.

9 It stated that the entire group which appears there would
10 disappear because, without eliminating that machine, it would
11 be impossible to have a democratic process in Panama.

12 But it is a very generous proposal, because what it
13 proposes is that those individuals are not to be judged in
14 Panama, something which creates a problem for the members of
15 the opposition because in Panama many people want to see
16 those individuals judged. We did not know about that.

17 But in trying to come to a solution we tried to find the
18 least costly alternative for the people in Panama, and what
19 practice is showing us now is that this criminal empire is
20 not interested in endangering the lives of any Panamanians or
21 any U.S. citizens.

22 So the proposal was to give them a way out, and when we
23 spoke with Abrams and later on with the Undersecretary for
24 Political Affairs, Mr. Mike Armacost, we explained this
25 proposal to him, putting it forth as a Panamanian proposal.

1 They seemed pleased with it, but when I spoke of the
2 immunity problem here in the States -- I wish this to be
3 clear -- the U.S. administration never promised to do so.
4 The only thing we were told was that they hoped that the
5 proposal could be applied and that they would in due time
6 give us their answer to that effect.

7 In addition, the proposal set up mechanisms for a free
8 electoral process in 1989; also political reforms,
9 participation by the opposition for having electoral tribunal
10 which would guarantee that both the government party and the
11 opposition parties would be able to engage in honest
12 elections, fair elections.

13 It also contained an economic plan starting in 1989 and
14 leading on to a transition period to solve the country's
15 economic problems, especially unemployment.

16 And it also would ask the U.S. Senate to reconsider on
17 the basis of this proposal and these measures reopening U.S.
18 financial assistance to the Republic of Panama.

19 Senator Kerry: If I can just try to interject here,
20 because I want to try to keep moving, the plan essentially
21 then was yours and other leaders' proposals to try to resolve
22 the crisis in Panama, and this plan was put before them.

23 What was the response, in very quick form? What was the
24 response to the plan?

25 Mr. Bandon: The administration's reaction? Very

1 positive. The problem was that towards the end of the month
2 of December when this group heard of the project, I don't
3 know how this information leaked to them, but they started to
4 pressure Noriega and, once again, the empire closed down that
5 political solution, making it impossible.

6 Senator D'Amato: You are just saying, Mr. Bandon, in
7 your opinion, that Noriega may have, left to his own, gone
8 along with this, but the other factions, as you have termed
9 the empire, stepped in and said no, and then you got that
10 reversal, Noriega stepping away from this and calling you the
11 names and traitor et cetera? Would that be a fair summation?

12 Mr. Bandon: Yes, it would.

13 Senator Kerry: Thank you, Senator.

14 Now, just tying up some of the facts before we come to
15 the conclusion here, General Noriega hired Tongsen Park at
16 some point to help him in the United States, did he not?

17 Mr. Bandon: Yes, he did.

18 Senator Kerry: Tongsen Park arranged for Admiral Murphy,
19 who was the former head of the South Florida Drug Task Force,
20 to meet with General Noriega. Is that accurate?

21 Mr. Bandon: Yes.

22 Senator Kerry: Would you describe the circumstances of
23 that visit and when?

24 Mr. Bandon: Admiral Murphy --

25 Senator Kerry: When did this take place?

1 Mr. Blandon: During the first week of November of 1987,
2 during that meeting which took place in Panama and during
3 which Admiral Murphy was with Tongsen Park -- I think you
4 know who Tongsen Park is. He is known worldwide.

5 So that meeting took place in Panama, and Tongsen Park --
6 let me go back.

7 Murphy proposed to Noriega a four-point project.

8 Senator Kerry: On whose behalf was Murphy acting at this
9 point, do you know?

10 Mr. Blandon: General Noriega told me that Murphy had
11 said that he was speaking on behalf of Secretary of State
12 Shultz and on behalf of General Powell of the National
13 Security Council.

14 This happened in November, during the first week of
15 November, and he proposed a four-point plan to Noriega: free
16 elections; reopening the media; general amnesty; and
17 reinstituting civil rights to our citizens.

18 They said that if Noriega carried out this plan, he would
19 remain in power until February of 1989, but Noriega knew --
20 and this is what Murphy said, and this is what Noriega told
21 me that Murphy said -- that in 1988 there would be elections
22 here in the U.S. and that anything could happen.

23 I am saying this because at the time we are discussing
24 this political plan and it led to certain confusion in
25 Noriega's mind, because until then it had been clear that the

1 U.S. Senate and the U.S. Congress shared a position regarding
2 Panama.

3 So the political basis of my arguments which I put forth
4 to Noriega saying it was time to find a solution to the
5 country's problems was that in recent history here in the
6 United States there had been no single case in which there
7 had been such a unanimous position within the Senate as in
8 Panama's case.

9 So having this position in the Senate for us meant that
10 the political leaders in the U.S. were aware of the
11 seriousness of Panama's problem.

12 But when Noriega met with Murphy, he saw a different view
13 of the problem, and Murphy said to Noriega that in exchange,
14 if Noriega did this, Murphy could obtain several things:

15 One, that military maneuvers, which, as you know, are
16 conducted in January of '88, would be re-established;

17 Two, that he could make it possible that during the visit
18 of Minister Takeshita of Japan to the United States that the
19 President of the United States would obtain assistance from
20 Japan for Panama, because in the case of Panama the Senate
21 had put an end to all assistance. That is where Park comes
22 in. He says that he is very close to the Prime Minister of
23 Japan.

24 So when I returned -- while I was there in Panama, I got
25 that information from Noriega, and I must say that the

1 General was very honest, and he said that there was sort of
2 two different positions in this connection.

3 And I came back to the States and I spoke to Elliot
4 Abrams about the problem, and I asked him, Mr. Abrams, my
5 impression is that we are playing two different games, and
6 Mr. Abrams explained to me that Murphy was not speaking on
7 the administration's behalf, but that the administration had
8 briefed Mr. Murphy just as General Powell had, but that he
9 was not speaking on the administration's behalf.

10 In addition, Mr. Armacost, in my meeting with him in
11 December, told me that it was not true that Murphy was
12 speaking on behalf of Secretary Shultz. And I told him that
13 what was most alarming was that Noriega's impression was that
14 there were groups in the United States that still supported
15 him.

16 Afterwards, we discovered that there was a group of
17 attorneys also trying to help Noriega; among them, Ambassador
18 Fox, who is a lobbyist in the States. You may have read
19 articles in the Washington Post.

20 Because Admiral Murphy, when he returned, gave a
21 different version of what he had said. First, he denied
22 having gone there; and then he told one newspaper -- I think
23 it was the Post -- that yes, he had been in Panama.

24 So for us, Mr. Chairman, this led to confusion in our own
25 political process and led us to waste valuable time.

1 Why were we interested in that political plan? Well,
2 because we knew how serious Panama's problem was, the problem
3 we are facing today. While I am here discussing this matter,
4 the Republic of Panama in the next few weeks is going to face
5 its severest financial crisis, and this is going to deeply
6 affect our people.

7 So although this plan seemed to be quite generous, it
8 showed the capacity of the leaders of the opposition who have
9 reason enough to hate Noriega. It showed that they could put
10 the nation's interests above anything else in trying to find
11 a solution.

12 This is so because for them and for the people who for
13 six months have been out on the streets trying to mobilize
14 strength were in the end unable to do so. This is a criminal
15 problem.

16 If it were a political problem, it would have already
17 been solved. But when we spoke to Noriega, as you said, Mr.
18 Senator, the Noriega command could come to an agreement, but
19 the Noriega who is involved in this criminal empire cannot.
20 And he cannot, because once you have gone into this empire,
21 you are dealing with drug dealers and can't get out.

22 I must add that in November in Panama, we had information
23 to the effect that the Medellin Cartel was already very
24 concerned with Noriega because Noriega was being too
25 visible. He was preventing them from what they call doing

1 business, and they were trying to find a way to eliminate him.

2 So the Noriega who you see now who is saying that the
3 Southern Command has to be withdrawn and who is making all
4 these threats, what he did in our country, he found a new way
5 to create terror and confusion even within his own armed
6 forces.

7 So I am saying all of this so that you can appreciate how
8 these dealings with U.S. citizens who have full right to come
9 to Panama and visit Panama are interfering with our political
10 process.

11 Later on we read in the press about the result of the
12 discussions which Murphy then did say took place in Panama,
13 but he never said what had happened. He said he had
14 discussed political matters.

15 But what caught my attention, Mr. Chairman, and has
16 always caught my attention is that Murphy's proposal
17 contained elements of our own proposal.

18 And on the 23rd of December, a source which Noriega says
19 -- and, again, I don't really believe what he says, but he
20 said that it came from a source within the Defense
21 Department, then received an English version of this same
22 document.

23 Senator Kerry: So, in essence, this process that went on
24 through Admiral Murphy would have left General Noriega in
25 place for a period of time. Is that accurate?

1 Mr. Bandon: Yes, and even after the elections.

2 Senator Kerry: It was not until after that failed that
3 there was any movement or discussion of indictment. Is that
4 accurate?

5 Mr. Bandon: Could you repeat the question, please?

6 Senator Kerry: The question of indicting General Noriega
7 for his drug activities did not come about until the failure
8 of these plans which would have even left him in place. Is
9 that accurate?

10 Mr. Bandon: Considered by whom? Considered by whom?

11 Senator Kerry: When you had discussions, you, yourself,
12 made a decision about trying to move on the indictment
13 process. Is that accurate?

14 Mr. Bandon: Yes. It was a personal decision.

15 Senator Kerry: But it was a personal decision that came
16 about after the failure of these plans, after the plan did
17 not get accepted and could not be put into effect. Correct?

18 Mr. Bandon: Yes.

19 Senator D'Amato: I think, Mr. Bandon, the Chairman is
20 making the point that you came to a person decision when you
21 saw the withdrawal of Noriega from any consideration, when he
22 denounced the plan, said that this was a traitor's act, that
23 he had no knowledge of it, et cetera.

24 It was at that point that you made a decision to break,
25 to go public and to be cooperative in the proceedings that

1 have take place in Miami?

2 Mr. Blandon: Yes, because after the political avenues
3 were closed --

4 Senator D'Amato: So would you say you saw a hopeless
5 situation for political settlement?

6 Mr. Blandon: Yes, of course, because all alternatives
7 had been eliminated, and my political duty, my ethical duty,
8 my moral duty and patriotic duty was to not leave our
9 children and their children with the responsibility of having
10 to face a problem that they could not even imagine as far as
11 its magnitude is concerned.

12 Senator Kerry: Let me ask you. Would not a political
13 solution which would have generally let General Noriega stay
14 in and that did not involve major reform have left the
15 organization of the criminal empire and the international
16 network in place? It would have done that, would it not?

17 Mr. Blandon: If Murphy's proposal had been so, yes. But
18 our proposal was not so because we were eliminating all of
19 that, everything which had been negotiated.

20 Senator Kerry: How did Admiral Murphy get down there to
21 Panama? Do you know? Did he fly? Was that an official
22 government trip?

23 Mr. Blandon: I was told that he came in a large airplane
24 of the Electra type.

25 Tongsen Park knows Noriega's psychology, how he works.

1 If two people come on a 120-passenger plane, the reason must
2 be an important one, and that is the information I was
3 given. They came alone on that airplane, but it is
4 unconfirmed information.

5 Senator Kerry: Do you have any information as to whether
6 Tongsen Park was acting on anyone's behalf other than
7 Noriega?

8 Mr. Bandon: No.

9 Senator Kerry: Now, at some point in time did you
10 receive a phone call somewhere around the Grenada invasion?
11 Did you receive a phone call in the middle of the night?

12 Mr. Bandon: Yes, I did.

13 Senator Kerry: Could you describe the circumstances when
14 that took place?

15 Mr. Bandon: In October of 1983, about two and a half to
16 three hours before the U.S. invaded Grenada, General Noriega
17 called me to sday* that he had received a call from the Vice
18 President of the United States telling him that this invasion
19 was going to take place and that he wanted Fidel Castro to
20 have this information to the effect that the United States
21 had taken that decision and that if the Cubans --

22 Senator Kerry: Let me clarify, because I think the
23 language you have used is a little confused.

24 It is not that he wanted him to have it. It was part of
25 an effort to communicate something specifically, was it not?

1 It was part of an American effort to communicate, is that
2 correct? I will discuss the relevance of this afterwards.

3 What was the purpose of the call? What was the purpose
4 of the communication to Castro?

5 Mr. Bandon: The purpose of the communication to Castro
6 was to warn him, warn him that this was going to take place
7 and that if the United States were to have problems in
8 Grenada, Cuba was going to suffer from reprisals.

9 Senator Kerry: Now did you do something in response to
10 General Noriega's call?

11 Mr. Bandon: Yes.

12 Senator Kerry: What time of day was this?

13 Mr. Bandon: About 4:30 in the morning.

14 Senator Kerry: What did you do in response to that call?

15 Mr. Bandon: We called Castro.

16 Senator Kerry: Did you personally undertake to do that?

17 Mr. Bandon: Yes.

18 Senator Kerry: What did you do?

19 Mr. Bandon: First we called Cuban Intelligence in
20 Panama and then contacted Havana and told Commander Fidel
21 Castro that General Noriega wanted to speak to him and that
22 he should call him at a given number which we provided.

23 And Noriega spoke with Fidel Castro, and in Panama we
24 have an interview with Castro, and one of the things which
25 Castro admitted to Noriega was that the phone call took place

1 -- rather, he thanked Noriega for the call and said that he
2 had avoided or prevented many problems.

3 Senator Kerry: So, according to you, Castro was aware
4 this was taking place. Is that accurate?

5 Mr. Bandon: Yes. The Grenada invasion -- well, the
6 only thing we didn't know was the time, but it was a known
7 fact that it was going to happen.

8 Senator Kerry: What happened at the conclusion of that
9 conversation? Anything?

10 Mr. Bandon: General Noriega told us that he had
11 conveyed the message, and the result is the result which you
12 know. You know what the outcome was in Grenada.

13 Senator Kerry: So the essence of the communication was
14 to give a warning to Castro of the dire consequences that
15 would follow as a result of what was happening, not to react
16 adversely, to understand that the United States had specific
17 interests it was going to protect. Is that accurate?

18 Mr. Bandon: Yes.

19 Senator Kerry: Let me assert that the committee fought
20 long and hard about this particular information, and I think
21 that because communications take place all the time in
22 various circumstances, the relevance of it is not necessary
23 the who or to whom but the fact that one of the underlying
24 reasons that this relationship with Noriega has existed and
25 went on and has been important to the United States is the

1 obvious back channel ability to communicate with people with
2 whom we do not have relations and where there are these kinds
3 of things.

4 Given the nature of the drug cartel and the drug
5 involvement and the criminal enterprise, there is an obvious
6 serious policy question raised by the juxtaposition of the
7 existence of this on the one hand, the criminal enterprise,
8 and the need for that relationship on the other.

9 It is that relationship that we are trying to get at and
10 the decisionmaking process that led us to be locked into the
11 need for General Noriega in order to communicate to Fidel
12 Castro.

13 Do you have any comment that you want to make?

14 Senator D'Amato: Well, I think, Mr. Bandon, having
15 indicated this, one of the reasons that I could get in my own
16 mind was the fact that the United States was desirous of
17 avoiding unnecessary confrontation with the Cuban troops that
18 were in that area.

19 Was that kind of your understanding?

20 Mr. Bandon: Yes. And I thought that this gesture on
21 the part of the United States was a very positive one because
22 they didn't want to have a mass killing.

23 Anyway, we thought it was a very significant gesture on
24 the part of the United States. We never took it to be
25 something negative. We saw it as a positive gesture and a

1 very human gesture.

2 Senator Kerry: I think it is fair to take it in that
3 light, incidentally. I do not think anybody here is trying
4 to characterize it otherwise. I just want to emphasize the
5 relationship that is at the heart of this, though I suppose
6 one sidebar is that Fidel Castro probably knew about it long
7 before any of us.

8 Senator D'Amato: I think the Chairman has made a very
9 good point as it relates to that relationship that has
10 existed and explains why so many people in the intelligence
11 community and defense establishment, et cetera, have
12 willingly or unwillingly with knowledge looked the other way
13 as this criminal empire has continued to build.

14 It is because of the various contacts and the duplicitous
15 actions of Noriega in his dealings with many of these people,
16 including Castro, the Cuban connection.

17 Again, it just reinforces what you have brought to us,
18 Mr. Bandon, how strong and powerful that network has become.

19 Senator Kerry: Mr. Bandon, in terms of the private aid
20 network association and that relationship, you said you knew
21 Duane Clarridge. Is that accurate?

22 Mr. Bandon: No, I did not say that.

23 Senator Kerry: I am sorry, then. Could you repeat what
24 you said?

25 Mr. Bandon: What I said was that he was one of those

1 who spoke to Noriega.

2 Senator Kerry: He was involved in what? Do you know
3 what his role was?

4 Mr. Bandon: Whose role?

5 Senator Kerry: Duane Clarridge.

6 Mr. Bandon: He was in charge of the Task Force of the
7 CIA for Central America.

8 Senator Kerry: During what period? Do you recall?

9 Mr. Bandon: Since 1985 and '86, I believe.

10 Senator Kerry: What about Mr. Ray Burkhardt?

11 Mr. Bandon: I do not know him.

12 Senator Kerry: Mr. Robert Earl, E-a-r-l?

13 Mr. Bandon: I don't know him.

14 Senator Kerry: Carl Jenkins? Do you know him?

15 Mr. Bandon: No.

16 Senator Kerry: Yesterday you mentioned something that I
17 think is very important to the whole focus of these hearings,
18 and we glossed over it, and I would like you to perhaps deal
19 with it for a minute.

20 You said that drug money was being used to corrupt
21 democratic elections. Do you have any specific examples of
22 that?

23 Mr. Bandon: Could you please repeat the question?

24 Senator Kerry: If I heard you correctly, yesterday you
25 talked about the corruption of the democratic process and

1 specifically said that drug money is being used even in
2 elections; it is getting involved in the election process.

3 I wonder if you are able to share any specific examples
4 of that with us.

5 Mr. Blandon: Well, Panama is one of them.

6 Senator Kerry: Do you have any knowledge of any other
7 countries?

8 Mr. Blandon: Colombia is another one.

9 Senator Kerry: Do you know, for instance, whether drug
10 money was involved in the Guatemalan election last time?

11 Mr. Blandon: I couldn't say.

12 Senator Kerry: More specifically to the question of
13 countries and their subversion, what can you say?

14 You discussed some of the drug corruption in Honduras.
15 Has the drug cartel in fact moved into Honduras in a major
16 way that you know of?

17 Mr. Blandon: Yes, I believe so.

18 Senator Kerry: When you say "believe so", is this
19 opinion, or do you have some knowledge that leads you to
20 believe so?

21 Mr. Blandon: The colonel who was detained in Honduras --
22 he was not detained, rather. The colonel in whose car Ochoa
23 was arrested, a friend of Noriega.

24 Senator Kerry: That was an \$80,000 Porsche; correct?
25 This is the colonel in the Honduran force, military attache?

1 Mr. Bandon: Yes. The same position that Colonel Medo
2 Gorbura occupied when he was precluded by the cartel.

3 Mr. Chairman, the procedure used by the cartel is very
4 similar to the procedure used by intelligence agencies when
5 recruiting individuals who they think are important in a
6 given political or military structure. That is a danger
7 which I bring to your attention.

8 In the military case, they don't attack the lower ranking
9 officers. They go to the high ranking officers. That is how
10 it happens in the military, and such is the case in Honduras.

11 Senator Kerry: Were you aware of the Martin and McCoy
12 arms sort of supermarket that existed in Honduras?

13 Mr. Bandon: No.

14 Senator Kerry: You have no awareness of it? You do not
15 know whether or not General Noriega had any interest in that
16 arms operation in Honduras?

17 Mr. Bandon: I have no information about that.

18 Senator Kerry: Did you have occasion to meet with
19 General Secord?

20 Mr. Bandon: No.

21 Senator Kerry: Are you familiar with the operations of
22 INNAIR?

23 Mr. Bandon: INNAIR is an airline company which for a
24 time was owned by Mr. Richard Bolonick, who appears on the
25 chart.

1 In 1984 the company was purchased by the Medellin Cartel,
2 by Pablo Escobar to be more precise.

3 On the 15th of June of 1984, INNAIR aircraft, one plane
4 was captured in Miami. It was seized when it was carrying
5 one of the largest cocaine shipments. I think it was 500
6 kilos which were hidden inside refrigerators carried by the
7 plane. .

8 And this operation was directly directed by the Medellin
9 Cartel. So they purchased INNAIR.

10 Senator Kerry: Was it used very extensively for shipment
11 of drugs and money laundering?

12 Mr. Bandon: Yes.

13 Senator Kerry: Do you know when that stopped, if it did?

14 Mr. Bandon: When the plane was captured and the United
15 States interrupted or forbade airline from traveling to the
16 country. It happened about the 15th of June of '84.

17 [Pause.]

18 Senator Kerry: Mr. Bandon, one of the issues that arose
19 in the whole question of decertification a year ago was the
20 question of the mutual legal assistance treaty.

21 You know what that is, correct?

22 Mr. Bandon: The treaty whereby the Republic of Panama
23 and the United States pledge to combat drug trafficking?

24 Senator Kerry: Correct. That involves major money
25 laundering and other restraints, does it not?

1 Mr. Blandon: Yes.

2 Senator Kerry: Panama has not signed that treaty with
3 the United States, has it?

4 Mr. Blandon: That is right.

5 Senator Kerry: Can you explain to us what the problem
6 has been with respect to that?

7 Mr. Blandon: Well, right there. You see them on the
8 chart.

9 Senator Kerry: I just want to have it as part of the
10 record, because we received, as you know, certification.
11 Maybe you do not know, but it was a point of considerable
12 debate here in the Senate as to whether or not there was full
13 cooperation.

14 Many of us argued that it was impossible to be fully
15 cooperating if the treaty had not been signed when it was
16 there and important.

17 You are saying that a principal reason that it has not
18 been signed is simply that it is essential to the process of
19 keeping the drug operation going. Is that accurate?

20 Mr. Blandon: Yes. Contrary to the legal assistance
21 treaty, Panama proposed in the law of 1986 which deals with
22 banking secrecy and which began with the Pisces Operation
23 which I described, saying that I thought it was a joke.

24 Because the system which handles millions of dollars
25 which circulates illegally and in the system only \$18 million

1 were captured in an operation that was supposed to put an end
2 to money laundering.

3 So there are very large interests. But we said, and you
4 can see this from the very beginning in our political plan
5 designed with Trujillo. It would only be a process whereby
6 power would alternate, could guarantee stable relations and
7 democratic relations.

8 Senator Kerry: Are there any problems that you could let
9 us know about or make us aware of with respect to the DEA
10 enforcement ability in Panama or elsewhere?

11 Mr. Blandon: It's a very difficult question. I believe
12 that the DEA, which is in charge of combatting drug
13 trafficking, faces a problem which is much larger than they
14 believe it to be, and the risk they run in operations of this
15 type with empires such as this one is very high.

16 But in the specific case of Panama there are political
17 interests which have interfered with the DEA's routine at
18 work there.

19 If you speak with the DEA, they usually tell you that,
20 yes, there is cooperation. When you need to get a North
21 American, they get him. But if you ask them have you been
22 able to really hit your target as far as drug traffickers are
23 concerned, that they will answer no.

24 Because, Mr. Chairman, this is a problem which is outside
25 of the DEA's hands, and that is what I have tried to make

1 clear during these past two days.

2 If you truly wish to tackle this problem, it is no longer
3 a DEA problem. It is a problem which the presidents of Latin
4 American countries themselves are going to have to address,
5 and the United States will, in our opinion, have to
6 re-examine its approach to combatting drug trafficking.

7 So, in my view, it is unfair to overload a U.S. agency
8 with a problem such as this one, which is not only affecting
9 the United States but also the Senate, Congress and people of
10 that country and all our peoples.

11 Many of these agents risk their lives, sometimes without
12 even knowing the monster they're going to encounter.

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1 We, Mr. Chairman, adopted the very same decision. If you
2 look at the statements I have made here, and if you make a
3 list of your or my potential enemies, you will realize that
4 your only allies in that list are our own people.

5 We have spoken of drug trafficking, we have spoken of
6 terrorism, we have spoken of Cuba, of Nicaragua, of the
7 involvement of the military and those problems, of the clout
8 that the drug dollar has. So how many enemies have we made
9 for ourselves?

10 But what are we trying to tell the people of Panama and
11 the people of the United States? That this is not your
12 everyday dictatorship. This is a new type of political,
13 economic and financial power. One which can even have an
14 influence here in the United States.

15 So I think that that is the key point, Mr. Chairman. And
16 if these hearings are to be worthwhile, I think that we would
17 at least need to create an awareness of this problem.
18 Panama's situation after the indictments were made against
19 Noriega has changed.

20 Our country has a new attitude, but now the U.S. has a
21 moral duty with Panama. We are not strong enough to change
22 the structure. And we will see as we proceed that there will
23 be forces within the United States that are going to be more
24 interested in analyzing my credibility as a witness rather
25 than trying to grasp that what is really in jeopardy, what we

1 are talking about, is the lives and the future of millions of
2 young U.S. citizens who are destroyed by drugs. Those who
3 will later on perpetrate criminal acts and will be corrupt.

4 So what is really in jeopardy here is the national
5 interest of the United States. Never before in Panama have
6 we been in such peril as we are today. Sometimes it is even
7 hard to believe that this empire can exist.

8 But unfortunately, it is a fact which is clearly seen in
9 our country. Panama is a country where this has become one
10 of the bases for one of the most criminal businesses ever
11 seen in the life of mankind.

12 So we all have taken a risk, all Panamanians have taken
13 this risk, and I would like to urge the U.S. authorities that
14 if our witness or testimony here has been offensive, that has
15 not been our intention.

16 We have told the Senate what in our view is the truth and
17 nothing but the truth. We have tried to avoid to bring in
18 political or ideological issues into play to solve a problem
19 such as this one.

20 You will see that when you hear other witnesses. You
21 would not believe how far this problem has gone. We now that
22 in the ensuing weeks much criticism is going to come forth,
23 because we are not fighting against a political enemy, we are
24 fighting a financial interest worth millions and millions of
25 dollars. And that is reality.

1 So we should not blame the DEA for what they can or
2 cannot do. The problem goes much beyond that.

3 Senator D'Amato: Mr. Chairman, I will tell you, in my
4 opinion's conclusionary remarks and analysis, we it relates
5 to the effectiveness of the DEA or any other group and the
6 totality of the problem, the scope and the profound impact on
7 all of these countries in the region and our own, is one of
8 the most profound.

9 And I dare say, I had some questions that I was going to
10 put to Mr. Blandon dealing with Mexico, for example, where I
11 think you have a situation that is analogous, if maybe not
12 even worse with some of those provinces.

13 And here is a country that shares a 1,900-mile border
14 with the United States. Vast regions where one cannot tell
15 the difference or distinguish between whether you are in the
16 United States or Mexico. That country is seething with
17 revolution and has been really totally captured, whether we
18 want to admit it or not, totally by the drug forces.

19 So I am not going to ask him to go into it because I do
20 not want to denigrate from that. But I would hope that
21 rather than look at just the more sensational aspects, the
22 more attention-getting, that we would focus in everyone on
23 what I believe Mr. Blandon has put brilliantly. What is the
24 real threat and the danger and an analysis that it is just so
25 easy to put it on a particular agency.

1 And it comes back to where is our motivation, what have
2 we done in the Congress, what have we done to challenge the
3 Administration constructively, not in a negative sense, to
4 marshall our resources, educational, prevention, law
5 enforcement, army, intelligence, all of the resources of this
6 Nation. Particularly to get the facts out.

7 Let people see what the facts are, and then move on
8 this. And not just before an election, and then put it on
9 the back burner. So Mr. Blandon, I simply want to again
10 express my appreciation and commend you and say that there is
11 no doubt in my mind that there are busy analysts looking now
12 to see if they cannot show something at variance, and indeed
13 they may very well.

14 After hours and hours and hours of testimony that you
15 have given from the best of your recollection, looking at
16 Noriega and his forces, to do that, some within our own
17 institution who are so blinded by the pettiness by their own
18 failure to recognize the bigger picture that they will just
19 seek to pull apart and discredit, as opposed to look to the
20 overall, which you have spelled out so cogently. And I thank
21 you.

22 Senator Kerry: Mr. Blandon, I join Senator D'Amato in
23 expressing our gratitude for you and for your testimony.
24 There will be some subsequent questions that we do want to
25 ask you, and in particular I want to talk to you about a

1 couple of areas like bombing and so forth.

2 We will do that in executive session. We have talked
3 about it somewhat up until now. I thought that it was not
4 appropriate to do it in open session. And we will continue
5 that in executive session at a later time.

6 You know, it is too early for summary statements, and to
7 really draw together where we are here. But this is the
8 Committee on Narcotics and Terrorism. They are supposed to
9 be different subjects. But I think what you have helped us
10 to understand is they are really not different at all.

11 Narcotics trafficking is a very real form of terrorism.
12 And increasingly terrorists are using it as the principal
13 means of funding their operations.

14 I met with Judge Webster of the CIA about a month ago or
15 so to talk about this a little bit, and he has expressed his
16 understanding that that is an increasingly factor in life,
17 and something that has got to be paid more attention to.

18 You have described one country's network. If people
19 doubt the terrorist linkage, and I am reminded that the Mayor
20 of Nablus on the West Bank in Israel stood up once and tried
21 to stand for peaceful resolution of the process there. He
22 was assassinated the next day.

23 Hugo Spadafora decided to stand up and say what was going
24 on in Panama, and he was assassinated. And countless others
25 have been assassinated. I think you said that half the

1 pilots for General Noriega are dead today in violent deaths
2 of one sort or another.

3 I commented yesterday that 44 people have been killed in
4 the streets of Washington, the most recent just yesterday in
5 a hail of bullets on a Southeast street corner. In New York
6 City Senator D'Amato has lived with it there for a long
7 time. And in all our cities we have lived with it.

8 So I want to thank you for helping us to understand the
9 network, understand what is happening in a region where we
10 have talked about being concerned with the stability of the
11 country, and yet we have obviously taken actions ourselves
12 which have permitted a greater, more rapid destabilization
13 that might have been affected by the very policies we were
14 trying to prevent from being implemented.

15 But that has got to make us stop and think about how we
16 are approaching these issues. And I hope, I do not know, but
17 I hope these hearings are going to help to get us to do that
18 and to talk about how we get the DEA the support systems it
19 needs, how we support a number of very brave, courageous law
20 enforcement officials who risk their lives in these efforts,
21 who are really swimming upstream and climbing uphill. And I
22 hope we are going to do that.

23 We are going to continue with the testimony of pilot
24 Floyd Carlton. It is 11:30 now. I think what we will do,
25 given the problem with the marshalls, exiting one witness and

1 bringing another witness in, and given the hour and then the
2 need to break for lunch, I think what we will do is break for
3 lunch now and reconvene at 1:00. So we stand in recess until
4 1:00.

5 [Whereupon, at 11:34 a.m., the hearing was recessed until
6 1:00 p.m.]

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AFTERNOON SESSION

[1:12 p.m.]

Senator Kerry: The hearing will come to order. Let met explain, obviously I think it would be the preference of everybody, with the exception of the witness, to be appearing without a hood. I know the witness is uncomfortable with the hood on. But under the regulations of the Federal Protection Program, it is mandatory that he appear in this fashion.

The witness, Floyd Carlton, is currently within the protective custody of the United States Federal Protection Program, and he appears as a consequence of that, under writ from the Committee, from the full Foreign Relations Committee.

Our interpreters are the same interpreters, and they continue under oath. Mr. Carlton, I would ask you to stand, and please, would you raise your right hand please?

Do you promise to tell the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Carlton: I do.

Senator Kerry: Are you picking up the Spanish translation? You are? Can you move close to the microphone and move the microphone close to you? Thank you.

1 TESTIMONY OF FLOYD CARLTON

2 Senator Kerry: Would you state your full name, please,
3 for the record?

4 Mr. Carlton: My full name is Floyd Carlton Casides. I
5 am 38 years old. I was born in the city of Panama.

6 Senator Kerry: Mr. Carlton, I want to state very clearly
7 for the record here, and for you to understand before we
8 proceed, that your testimony here is important testimony.
9 You are sworn under oath now, which carries the pains and
10 penalties of perjury if you do not tell us the truth.

11 And I want you to understand very clearly that the
12 Committee will be very serious about prosecuting that, should
13 we find that at any time you have not been fully candid with
14 us. Do you understand that?

15 Mr. Carlton: Yes, I do.

16 Senator Kerry: What is your educational background?

17 Mr. Carlton: I graduated from pilot school in the city
18 of Panama. I finished the first cycle, I do not know what
19 that is equivalent to.

20 Senator Kerry: What type of aircraft did you become
21 qualified to fly?

22 Mr. Carlton: Bi-motor, with instruments.

23 Senator Kerry: How long have you been in the Federal
24 Protection Program at this time?

25 Mr. Carlton: Approximately seven months.

1 Senator Kerry: When you were living in Panama, did you
2 come to know General Manuel Noriega?

3 Mr. Carlton: Yes, sir.

4 Senator Kerry: When did you first come to know him?

5 Mr. Carlton: In 1966.

6 Senator Kerry: And did you know him continually through
7 the 1970s until 1982?

8 Mr. Carlton: Yes, sir.

9 Senator Kerry: During the period 1980-1981, how much
10 contact did you have with General Noriega?

11 Mr. Carlton: Could you please repeat the question?

12 Senator Kerry: During the period 1980-1981-1982, did you
13 have a lot of contact with General Noriega?

14 Mr. Carlton: Yes, sir.

15 Senator Kerry: In what context?

16 Mr. Carlton: At that time, I was flying with him, I flew
17 about four times in 1982 with him. And one of those
18 occasions I proposed a business deal to him, to the effect a
19 business that had been proposed to me by some people in the
20 city of Medellin in Columbia. This deal involved
21 transporting drugs, that is cocaine, from the city of
22 Medellin in Columbia to Panama.

23 I at that time told General Noriega, who at the time was
24 a colonel, second grade, in the Panama forces, and I
25 explained the deal to him.

1 Senator Kerry: Before we go to that, I want to go into
2 some more detail about how you went to Columbia and how that
3 came about.

4 But let me come back for a minute. You knew General
5 Noriega well enough that you knew his lifestyle. Is that
6 accurate?

7 Mr. Carlton: Yes, sir.

8 Senator Kerry: Before we go too much further, I would
9 just like to establish some of the things you knew about
10 him. Can you describe the lifestyle of General Noriega to
11 the Committee?

12 Mr. Carlton: Well, I have known General Noriega since
13 1966, as I said before. He was always known to be a
14 somewhat, well, I cannot really explain exactly, I do not
15 know what words to use to express it.

16 But during the entire time, I did develop friendship with
17 him. During 1977, that friendship became quite close. As a
18 result of our trips together, taking weapons to Nicaragua. I
19 could say that his lifestyle is typical of people in Panama.
20 He likes fancy cars and other such things. He has a fairly
21 flamboyant lifestyle.

22 Senator Kerry: Do you know what his monthly salary is?
23 His official salary?

24 Mr. Carlton: It would be about \$2,200 or \$2,500 a
25 month.

1 Senator D'Amato: Mr. Chairman, I am wondering if we
2 might ask the witness during what period of time and what
3 frequency was he taking those trips to Nicaragua carrying
4 arms with the General? How often was that, and what period
5 of time did that take place?

6 Mr. Carlton: I would like to be clear, I never flew with
7 the General to Nicaragua. When I say we, I mean there was a
8 group of pilots in Panama who flew carrying weapons to
9 Nicaragua to help the Sandinistas at the time. That was from
10 1978 to 1979, even starting in 1977.

11 But at the time, Lt. Col. Noriega did not fly with us to
12 Nicaragua.

13 Senator D'Amato: But was he involved in this operation?
14 To what extent?

15 Mr. Carlton: Well, he okayed, he approved the trips. He
16 was the chief of security of Panama.

17 Senator Kerry: If you could continue on the question I
18 asked about his salary. His official salary you said was
19 what?

20 Mr. Carlton: Approximately \$2,200, \$2,500 a month, not
21 more.

22 Senator Kerry: But he lived very well, beyond that
23 salary, did he not?

24 Mr. Carlton: Yes, sir.

25 Senator Kerry: And the money that he lived on beyond

1 that salary came from the criminal enterprises. Is that
2 accurate?

3 Mr. Carlton: Yes, sir.

4 Senator Kerry: How many homes did he have?
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1 Mr. Carlton: Well, that I knew five and several
2 apartment buildings.

3 Senator Kerry: And did you hear of homes beyond the five
4 that you personally went to and knew of?

5 Mr. Carlton: Yes, sir.

6 Senator Kerry: Do you know how many cars he has?

7 Mr. Carlton: I saw about seven cars.

8 Senator Kerry: Can you describe them? What kinds of
9 cars?

10 Mr. Carlton: Yes. He had two BMW's, model 735, one
11 Corvette, a collector's item valued at \$50,000. I think he
12 told me that, in 1982. And a Wagoneer, Grand Wagoneer
13 station wagon; and a van equipped with all the luxury items.

14 Senator Kerry: What about airplanes?

15 Mr. Carlton: Well, he never has owned airplanes
16 personally. The airplanes always appear as being registered
17 to a different person, while he in fact is the owner. He had
18 a Piper 502, a Learjet 35, and a Learjet 25 back in that
19 year.

20 Senator Kerry: Now, you say that in 1982 or thereabouts
21 you became involved in a business deal. Is that when you
22 traveled to Colombia, to Medellin?

23 Mr. Carlton: Yes, sir, in drug dealing. Is that what
24 you're referring to?

25 Senator Kerry: Yes.

1 Mr. Carlton: Yes, it was in 1982.

2 Senator Kerry: Will you describe what took place?

3 Mr. Carlton: Yes. Around the month of June or July of
4 1982, an individual came often to our offices in Panama at
5 the Paitilla International Airport, had on several occasions
6 told me he wanted to introduce me to some very powerful
7 individuals from Colombia.

8 The deal which he proposed was that I would take money
9 from the United States to Panama. They had seen that we
10 enjoyed a certain type of "immunity."

11 Senator Kerry: Where did that immunity come from?

12 Mr. Carlton: From Colonel Manuel Antonio Noriega.

13 Senator Kerry: So what did they propose to you?

14 Mr. Carlton: Well, I went to the city of Medellin,
15 Colombia, and I was there introduced to the gentlemen,
16 members of the Medellin cartel. And I met with them.

17 Senator Kerry: Who were the members you met with?

18 Mr. Carlton: Mr. Pablo Escobar and Mr. Gustavo Gavera.

19 When I asked them what the business, what the deal was,
20 they said -- or they asked me what the individual who had
21 approached me in Panama had offered, and I said, rather, that
22 it was to take money from the U.S. to Panama. And they said,
23 no, that the deal involved carrying cocaine from Colombia to
24 Panama.

25 I then told them that I was not interested in that line

1 of business, that I could not do that, and they would have to
2 consult -- I would have to consult, rather, with Noriega.
3 And they said, go ahead, ask Noriega.

4 Senator Kerry: Now, at that time did Pablo Escobar say
5 to you that he had had a problem with Noriega?

6 Mr. Carlton: Yes, he did. He mentioned that a ship
7 carrying 800 kilos of cocaine going to the free zone in Colon
8 had been seized, and that he had been forced to pay to redeem
9 the ship and the crew. This cost him about one million
10 dollars, but that he had not been able to recover the drug.

11 Senator Kerry: And this was paid to General Noriega?

12 Mr. Carlton: Yes, sir.

13 Senator Kerry: Now, what happened in the discussion
14 then? You said you had talked to Noriega. What then took
15 place?

16 Mr. Carlton: No, I did not say I had to speak to
17 Noriega. I said that I had to consult the business deal, and
18 then they said, well then, ask Noriega. And then I said no.
19 I said that I was not going to speak with Noriega.

20 Senator D'Amato: Mr. Chairman, I am wondering if we
21 couldn't step back just for the purposes of continuity.

22 It seems that at first you were introduced to the
23 Colombia drug cartel by someone by the name of Francisco
24 Chavez Hill, is that true?

25 Mr. Carlton: [Nods affirmatively.]

1 Senator D'Amato: When did you first travel with this
2 Chavez Hill to Colombia?

3 Mr. Carlton: Well, his name is Francisco Chavez Hill,
4 and I went to Colombia with him about the month of June of
5 1982.

6 Senator D'Amato: Where did you meet him the first time?
7 How did you meet Mr. Hill?

8 Mr. Carlton: As I said previously, he used to visit our
9 offices at the Paitilla International Airport fairly
10 frequently. He would lease our planes on a charter basis to
11 travel to Medellin and that is how I met him.

12 Senator D'Amato: Then he is the person who brought you
13 in to meet this Gustavo Gavera?

14 Mr. Carlton: Yes, sir.

15 Senator D'Amato: Please continue with your story. I
16 just wanted to get that.

17 Senator Kerry: After you had the discussion in Colombia,
18 you didn't accept the deal at the first discussion? You came
19 back to Panama, is that correct?

20 Mr. Carlton: Well, I told them that I had to consult, to
21 see if I could do that. And I returned to Panama, and on one
22 trip which I made with Colonel Noriega, who was Colonel at
23 that time, I mentioned their proposal to him.

24 Senator Kerry: You were flying General Noriega somewhere
25 in Panama?

1 Mr. Carlton: Yes, that is correct.

2 Senator Kerry: And during that flight you told him about
3 the proposition in Colombia?

4 Mr. Carlton: Yes.

5 Senator Kerry: And at first, General Noriega got mad
6 with you because you had talked to them on your own, is that
7 correct?

8 Mr. Carlton: Yes, sir.

9 Senator Kerry: And then you thought nothing of it for
10 what, about two weeks?

11 Mr. Carlton: Yes. I didn't even bring up the subject
12 until about two to three weeks later. I can't recall
13 exactly. He called me and I went to a sort of party which he
14 was having at one of his homes.

15 Senator Kerry: What is "a sort of party"?

16 Mr. Carlton: Well, it is a meeting at which some friends
17 were present and they were having drinks.

18 And he asked me what had happened with the deal which I
19 had proposed to him.

20 Senator Kerry: Which home was this at?

21 Mr. Carlton: It is a house in the San Francisco
22 neighborhood of Panama City.

23 Senator Kerry: Does it have a name? Is that La
24 Playita?

25 Mr. Carlton: Yes, it is.

1 Senator Kerry: What did General Noriega say to you
2 there?

3 Mr. Carlton: As I said previously, he asked me what had
4 happened with the deal which I had described to him. And I
5 said that I had forgotten about it, as he had suggested I
6 do. I didn't want to discuss the matter further.

7 He then said: Well, find out what the deal really
8 consists of, and then you can talk to me about it and see if
9 we can go ahead with it, but as usual, I don't know anything
10 about it. Don't use Panamanian aircraft. We don't want to
11 have a case like the case that happened in El Salvador.

12 Senator Kerry: This is General Noriega talking, saying
13 as usual I don't know anything about it, we don't want to
14 have another case like what happened in El Salvador, is that
15 right?

16 Mr. Carlton: Yes. He was then a colonel.

17 Senator Kerry: We'll come back to the case in El
18 Salvador, but I want to continue here. What did you do
19 then? You went back to Panama -- excuse me, back to
20 Colombia?

21 Mr. Carlton: I made an appointment with these gentlemen
22 in Medellin again, and my mission was to find out what the
23 deal really consisted of. I had to find out what Mr.
24 Noriega, Colonel Noriega, would have to do, what his role
25 would be, and then see how the operation was to proceed.

1 Senator D'Amato: Was part of that finding out how much
2 money the Colonel could earn? Wasn't that part of your
3 mission?

4 Mr. Carlton: Yes, of course.

5 Senator Kerry: What did you learn?

6 Mr. Carlton: They explained that I would have to travel
7 with a group of individuals that they would select and visit
8 different airstrips in Panama, airstrips that were safe,
9 considered safe, to land drugs, and that I had to show these
10 individuals who were going to receive the shipments where the
11 landing strips were where they had to go to receive the
12 shipment.

13 In other words, the details needed to make the trips and
14 to make the deal. After we wrapped up all the details, they
15 said that I could tell the person who had approved the deal
16 that they would offer him about \$20,000 or \$30,000. I can't
17 recall the amount exactly.

18 And to be honest with you, I had no idea of the amount of
19 the dollars that could be earned in that type of business.
20 They said they would pay me \$400 for each kilo and that the
21 person who had given the permission -- of course they were
22 referring to Noriega, but we always denied that he was
23 involved.

24 Senator Kerry: Who did you meet with the second time?

25 Mr. Carlton: With Mr. Pablo Escobar.

1 Senator Kerry: Anybody else?

2 Mr. Carlton: There were other men present, but he told
3 them to leave the office. I believe Mr. Gustavo Gavera was
4 also present.

5 Senator Kerry: And this took place where in Colombia?

6 Mr. Carlton: In the city of Medellin.

7 Senator Kerry: Did you subsequently travel back to
8 Panama with the Colombians to check out those airstrips?

9 Mr. Carlton: Yes, I did.

10 Senator Kerry: Who owned those airstrips?

11 Mr. Carlton: The government.

12 Senator Kerry: How much did General Noriega tell you
13 specifically he wanted in amount of money for the use of
14 those strips?

15 Mr. Carlton: When I told him that I had spoken to these
16 men and that we had reached an agreement, I told him that
17 they were going to give me about \$30,000 for him, and he
18 laughed and he told me that if these people thought that he
19 was begging that they were wrong.

20 And so I asked, how much do you want? And he said: I
21 won't take less than \$100,000 for the first trip, and I want
22 that in advance.

23 I then relayed the message to the men in Colombia.

24 Senator Kerry: How did you relay the message?

25 Mr. Carlton: By telephone.

1 Senator Kerry: And who did you call?

2 Mr. Carlton: Mr. Escobar.

3 Senator Kerry: What was his reaction?

4 Mr. Carlton: Well, at first he smiled and he was
5 apparently expecting that reaction.

6 Senator Kerry: When you say "smiled," you were talking
7 to him on the telephone. Did he laugh? Do you have special
8 telephones down there that we don't have?

9 Mr. Carlton: No, sir.

10 Well, laughing is more than smiling, so I think you can
11 tell when somebody is laughing. You can hear it over the
12 telephone. We don't yet have screens in Panama so you can
13 see the person is actually smiling.

14 Senator Kerry: What did he say to you with respect to
15 Colonel Noriega's request?

16 Mr. Carlton: He said it was fine, that we could discuss
17 it when he returned to Colombia.

18 Senator Kerry: Did you confirm to him that General
19 Noriega had control over those airstrips and that this had to
20 be done in order to run the drugs through Panama?

21 Mr. Carlton: At no time, and I repeat this, did I admit
22 to them that it was indeed Colonel Noriega. When I spoke to
23 them I said there was someone who was authorizing me to go
24 ahead with these operations. They knew it was Colonel
25 Noriega, but I never admitted it. It was a sort of game.

1 Senator Kerry: Was there any operation like this that
2 could be carried out in Panama at that time without the
3 support of General Noriega, Colonel Noriega at the time?

4 Mr. Carlton: No, sir.

5 Senator Kerry: He was essential to any kind of money
6 laundering, any kind of drug running whatsoever? His
7 approval, without it you couldn't do it, is that accurate?

8 Mr. Carlton: That is correct, if you wanted to have any
9 type of security, yes.

10 Senator Kerry: Now, what is the type of security that
11 one would receive in exchange for paying General Noriega?

12 Mr. Carlton: It depends on the deal specifically.

13 Senator Kerry: Each deal is different?

14 Mr. Carlton: Yes, sir.

15 Senator Kerry: Did you personally fly drug planes
16 between Panama and Colombia?

17 Mr. Carlton: Yes, sir.

18 Senator Kerry: At what period did you do this? After
19 this deal was made?

20 Mr. Carlton: If you mean drugs, from the first to the
21 third trips were in my hands. I flew the planes, with a
22 Colombian pilot.

23 Senator Kerry: And was that the only other person who
24 accompanied you on those flights?

25 Mr. Carlton: Yes, sir.

1 Senator Kerry: Where did the flights leave from?

2 Mr. Carlton: The first flight left from an airstrip that
3 is to the northwest of the city of Medellin. The second one
4 left from the ranch owned by Mr. Pablo Escobar. It's called
5 Hacienda Napolis. And the third one left again from El
6 Capital.

7 Senator Kerry: How much drugs did you bring into Panama
8 on these flights?

9 Mr. Carlton: Well, they said there was 400 kilos. But
10 when you have flown for a long time, you know when the plane
11 is overloaded, when you have exceeded the limit. So I would
12 say that it was more than 400 kilos on each flight.

13 Senator Kerry: How much did you collect, your money, on
14 those flights?

15 Mr. Carlton: As I said, I received \$400 per kilo.

16 Senator Kerry: What was General Noriega's cut?

17 Mr. Carlton: On the first flight, \$100,000. The second,
18 \$150,000; and the third, \$200,000.

19 Senator Kerry: Did you personally pay that money to
20 him?

21 Mr. Carlton: Well, I would call him to tell him that I
22 had his money and he would send his assistants to pick it
23 up.

24 Senator Kerry: How many flights between Colombia and
25 Panama were there that you were involved in?

1 Mr. Carlton: Four flights.

2 Senator Kerry: How much would the cocaine of 400 kilos
3 have been worth in the United States at the time you flew it,
4 do you know?

5 Mr. Carlton: I have no idea, sir.

6 Senator Kerry: The cocaine that came into Panama was
7 destined to go on to the United States, correct?

8 Mr. Carlton: At the beginning I did not know that, but
9 then I found out that indeed it was coming to the United
10 States.

11 Senator Kerry: Do you know where it went into in the
12 United States?

13 Mr. Carlton: Miami.

14 Senator Kerry: Who owned the drug planes that you flew?

15 Mr. Carlton: Mr. Pablo Escobar.

16 Senator Kerry: Did the G-2, the intelligence of Panama
17 over which Lieutenant Colonel Noriega presided, ever capture
18 drug planes and then use them?

19 Mr. Carlton: Yes, sir, but not in my case.

20 Senator Kerry: Now, who is Cesar Rodriguez?

21 Mr. Carlton: Cesar Rodriguez was a colleague and partner
22 in the airline business.

23 Senator Kerry: And colleague and partner of yours?

24 Mr. Carlton: Yes, that is right.

25 Senator Kerry: When did you go into the airline business

1 with Cesar Rodriguez?

2 Mr. Carlton: In 1978.

3 Senator Kerry: Did you know him before that?

4 Mr. Carlton: Yes, sir.

5 Senator Kerry: How long had you known Mr. Rodriguez?

6 Mr. Carlton: I could not say with accuracy, but since we
7 were teenagers.

8 Senator Kerry: And you knew in the 1970's when you went
9 into business with him that he was involved with General
10 Noriega, not then a General, but you knew he was involved
11 with Noriega?

12 Mr. Carlton: Yes, I did.

13 Senator Kerry: The business that you established did
14 what?

15 Mr. Carlton: We made special charter flights. We sold
16 parts for aircraft.

17 Senator Kerry: And originally you and Cesar came to have
18 dealings in the aircraft business during the Sandinista
19 effort against Somoza, is that accurate?

20 Mr. Carlton: Yes, sir.

21 Senator Kerry: After the fall of Somoza, you and Cesar
22 Rodriguez continued in business together?

23 Mr. Carlton: Yes, sir.

24 Senator Kerry: Did you continue to sell arms?
25

1 Mr. Carlton: Do you mean me personally?

2 Senator Kerry: Yes.

3 Did you ship arms? Did you continue to fly arms?

4 Mr. Carlton: Yes.

5 Senator Kerry: Were the officials in the government and
6 the defense forces of Panama aware of your activities of
7 flying arms?

8 Mr. Carlton: Only the intelligence group did.

9 Senator Kerry: And who specifically in the intelligence
10 group?

11 Mr. Carlton: Colonel Noriega and his aides.

12 Senator Kerry: What kind of a person was Cesar
13 Rodriguez? How would you describe his lifestyle?

14 Mr. Carlton: Well, Cesar was a very well-mannered young
15 man. He was single. He spent a lot of money, but he also
16 made a lot of money, perhaps too much. He liked to live
17 well, and let's say he had the spirit of adventure.

18 Senator Kerry: Do you know how he made his money?

19 Mr. Carlton: Well, at first we were both pilots, as I
20 said, and we worked as such. Then we began gun running to El
21 Salvador -- correction, to Nicaragua, and some flights to El
22 Salvador. I distanced, or rather, I separated myself from
23 Cesar and Colonel Noriega. I was somewhat distanced from the
24 two of them because I did not like to appear in public with
25 them because of what they stood for to the public.

1 Senator Kerry: Would you describe the relationship of
2 Cesar Rodriguez to General Noriega?

3 Mr. Carlton: Yes. They were very, very close friends.
4 They owned companies together, and they set up a club which
5 was called the Officers Club, and it was located in the
6 penthouse of the Bank of Boston. It cost \$1,000 to become a
7 member, and they only had 100 members. In order to purchase
8 that penthouse, Noriega authorized the general manager of the
9 bank to give Mr. Rodriguez the loan, to grant him the loan.

10 Senator Kerry: Did the arms that you were shipping, or
11 some of the arms that you were flying come from from Mr.
12 Harari?

13 Mr. Carlton: I could not say if they came from Mr.
14 Harari. Colonel Noriega would send us to meet with
15 individuals and instructed us to make the deals with them,
16 but he never told me or mentioned Mr. Harari to me.

17 Senator Kerry: What about Mr. Krupnick? Are you
18 familiar with his name?

19 Mr. Carlton: That is one of the individuals I have
20 referred to.

21 Senator Kerry: Now, you said that your company was
22 involved in operations to supply the Salvadoran guerrillas
23 with weapons.

24 Mr. Carlton: Yes, sir.

25 Senator Kerry: What year did you start doing that?

1 Mr. Carlton: In 1980.

2 Senator Kerry: What kinds of weapons were involved?

3 Mr. Carlton: Automatic weapons, grenades, bombs, they
4 called them Vietnamese bombs.

5 Senator Kerry: What are Vietnamese bombs?

6 Mr. Carlton: What I have just said. I never saw them.
7 In fact, they said they were very powerful.

8 Senator Kerry: How were the Vietnamese bombs delivered,
9 do you know?

10 Mr. Carlton: We would go to the suppliers. They would
11 give us a manual or a pamphlet where they had lists and
12 prices of the weapons. We would take the prices and the
13 pamphlets and meet with the guerrilla representatives and
14 then make the deal.

15 Senator Kerry: Where was this deal made, in Panama City?

16 Mr. Carlton: Always in Panama.

17 Senator Kerry: Where were the weapons on display, or
18 were they not?

19 Mr. Carlton: No. We only had them in the brochures
20 where they appeared.

21 Senator Kerry: Do you know who paid for these weapons?

22 Mr. Carlton: No, I don't.

23 The men we made the deal with, I don't know where the
24 money came from. They said they had earned it through
25 kidnappings and other types of dealings which they had in

1 Central America.

2 Senator Kerry: Who authorized the sale of these weapons?

3 Mr. Carlton: Colonel Noriega.

4 Senator Kerry: Did Colonel Noriega specifically know of
5 the supply flights that you would make to Salvador?

6 Mr. Carlton: We did nothing without his approval.

7 Senator Kerry: Now, how many flights did your company
8 undertake to transport weapons to Salvador?

9 Mr. Carlton: Approximately 17.

10 Senator Kerry: What sort of aircraft did you use to
11 transport these weapons?

12 Mr. Carlton: By motor planes, Piper -- Navajo Air
13 Commander like the plane that crashed in El Salvador.

14 Senator Kerry: Were those aircraft owned by your company
15 or by the government of Panama?

16 Mr. Carlton: They were owned by us.

17 Senator Kerry: Did you have occasion to fly to Salvador
18 with Cesar Rodriguez on a mission to deliver arms in a
19 Panamanian marked aircraft?

20 Mr. Carlton: Yes, sir.

21 Senator Kerry: When did that take place?

22 Mr. Carlton: It was in the month of June.

23 Senator Kerry: What year?

24 Mr. Carlton: In 1980 or 1981. I can't recall
25 precisely. I think it was 1980.

1 Senator Kerry: Do you remember the size of the shipments?

2 Mr. Carlton: It would depend on the type of aircraft,
3 but about 3,000 pounds per flight.

4 Senator Kerry: On this particular flight, when you flew
5 in Panamanian marked aircraft, what were you trying to
6 deliver?

7 Mr. Carlton: Cesar -- rather, the aircraft that crashed,
8 Cesar's plane was carrying AK-47 weapons, ammunition, and a
9 55-gallon fuel tank which was to be used for refueling to
10 return directly to Panama, because that weekend we wanted to
11 be in Panama on Sunday because it was Father's Day, and we
12 took fuel so we could return to Panama without having to stay
13 in Costa Rica.

14 Senator Kerry: That weapons flight originated from Costa
15 Rica, is that accurate?

16 Mr. Carlton: Yes, it is.

17 Senator Kerry: From where in Costa Rica?

18 Mr. Carlton: From a strip called El Tamarindo.

19 Senator Kerry: Where is that in Costa Rica?

20 Mr. Carlton: On the Pacific Coast.

21 Senator Kerry: Where else did weapons supply flights
22 originate?

23 Mr. Carlton: Only from that landing strip.

24 Senator Kerry: Would you describe the accident and what
25 happened and what you did after that?

1 Mr. Carlton: Well, at that time the guerrillas, or those
2 who were going to supply us with the weapons came late to
3 pick us up at the hotel where we were staying, and when we
4 went to the airport they had already loaded the aircraft. We
5 had two planes.

6 Senator Kerry: What kind of airplanes were you flying
7 that day?

8 Mr. Carlton: I was flying a Piper Seneca on that
9 flight. Cesar was flying the Aerocommander.

10 Senator Kerry: Did you know why the Salvadoran rebels
11 were loading the plane at a clandestine strip in Costa Rica?

12 Mr. Carlton: I never knew the reason, and I can tell you
13 why. When we arrived at the airstrip, they told us they had
14 had problems, supposedly with members of the Rural Guard, and
15 they said that they had had to unload the vehicles bringing
16 the weapons before picking us up at the hotel.

17 When we arrived at the airport they had already loaded
18 the aircraft, and of course they had done that wrong. They
19 had overloaded them, and that is why Cesar, when he was
20 taking off, hit a fence and broke the hydraulic fuel lines.
21 That is why when he landed in El Salvador he had no brakes,
22 and he aimed for a tree, and that's where he stopped. He
23 crashed.

24 I had already landed in El Salvador and had unloaded my
25 aircraft, so I had to return and pick him up.

1 Senator Kerry: How did you get him out of the airplane?
2 His legs were broken, were they not?

3 Mr. Carlton: Yes, that is right. He hit the tree with
4 great force, and the entire left side of the plane, the door,
5 both doors on the left side and the wing were crushed, and
6 the only way to get him out was using the butt of a rifle,
7 and that was the only way we were able to get into it.

8 Senator Kerry: You broke the windshield, is that correct?

9 Mr. Carlton: That is correct.

10 Senator Kerry: With the butt of a rifle, and pulled him
11 out of the window?

12 Mr. Carlton: Yes, that is right.

13 Senator Kerry: Now, because the plane had Panamanian
14 markings, you were supposed to destroy the plane, were you
15 not?

16 Mr. Carlton: Yes, that is so.

17 Senator Kerry: But you did not destroy the plane.

18 Mr. Carlton: The problem was the plane still carried a
19 55-gallon fuel tank, as I said before, and plenty of
20 ammunition. So trying to burn the plane at the time was
21 simply to kill us all. So I gave the peasants who were
22 receiving the weapons to please burn the plane so that there
23 could be no proof left.

24 I tried to find all the papers, anything which could be
25 incriminating for our country, but I could not, given the

1 plane's condition, and we already heard two helicopters from
2 the Salvadoran Air Force coming our way. As soon as I could
3 get my colleague out, I put him on my plane and took off.
4 That is why I was unable to burn the aircraft. But those
5 were my instructions.

6 Senator Kerry: Where did you fly to?

7 Did the helicopters chase you?

8 Mr. Carlton: The helicopters were slower than the
9 airplanes were flying, and it was still quite dark, and I was
10 able to get away because I started to fly very low right over
11 some fields. I believe it was rice or perhaps some other
12 crop, but I was flying very low, and I was able to get away
13 from the helicopters.

14 Senator Kerry: Where did you go to?

15 Mr. Carlton: I was trying to get to Panama, but I could
16 not, so I went back to the same strip we had left from.

17 Senator Kerry: In Costa Rica?

18 Mr. Carlton: Yes, sir.

19 Senator Kerry: What happened when you got back there?
20 You took Cesar Rodriguez to a hospital?

21 Mr. Carlton: Yes, I did. Cesar had relatives in the
22 Province of Chiriqui, which is where I landed. We took him
23 to a clinic and then called Colonel Noriega to tell him what
24 had happened. The first thing he asked me was if I had
25 destroyed the airplane, and I said yes. I lied to him at the

1 time, and then he asked me how Cesar was. So I said that he
2 was fairly badly off but that he was alive.

3 And then he ordered me to hide in the Province of
4 Chiriqui until he contacted me again through the G-2.

5 Senator Kerry: Did the Panamanian government launch an
6 investigation into the accident?

7 Mr. Carlton: Yes. I would like to explain something. A
8 few minutes after I called him, I went to my mother's house
9 and two cars from the Public Forces came to get me, and they
10 said that I should call the Colonel immediately. I called
11 him, and when he answered, he was furious, and he said that I
12 had not destroyed the airplane, that no one had burned the
13 airplane, and that they already had news on international
14 telexes announcing that a Panamanian aircraft had been
15 captured in El Salvador, and he was very, very angry.

16 Senator Kerry: I know you are uncomfortable in the hood,
17 and I want to take a break. I just want to complete the
18 cycle of this story, and then we will take a ten minute break
19 for you. Let me just finish it if we can.

20 Were you appointed a lawyer?

21 Mr. Carlton: Yes, sir.

22 Senator Kerry: And General Noriega made this lawyer
23 available to help cover up this story, is that correct?

24 Mr. Carlton: Yes, it is.

25 Senator Kerry: The lawyer was subsequently made

1 ambassador?

2 Mr. Carlton: No. After that he was General Director of
3 Immigration in Panama.

4 Senator Kerry: And then an ambassador.

5 Mr. Carlton: He is currently ambassador to Colombia.

6 Senator Kerry: He had to wait a while.

7 Now, what happened to the investigation, as it was called?

8 Mr. Carlton: Well, yes, that is how it was called.

9 I went to the G-2, I made a statement and said what I had
10 been told to say. Cesar did the same thing. He was taken
11 out of the private clinic and put into a military clinic to
12 avoid any type of contact with the opposition press. The
13 Attorney General at the time also told us how we had to
14 answer the questions.

15 So it came to nothing, as usual.

16 Senator Kerry: At that, let's take a ten minute break.
17 We will recess until about ten after.

18 [A brief recess was taken.]

19 Senator Kerry: The hearing will come back to order.

20 Mr. Carlton, you are still under oath.

21 Could you pull the microphone a little bit closer to you,
22 please?

23 Thank you.

24 Now, just to clarify the story we have been in, 1980,
25 1981 you have described a shipment of weapons to El Salvador

1 in Panama force planes with the involvement of and approval
2 of General Noriega in order to supply the FMLN, is that
3 accurate?

4 Mr. Carlton: Yes, it is.

5 Senator Kerry: This is at a time that the policy of the
6 United States of America was to support the government of
7 President Duarte in opposition to the FMLN, correct?

8 Mr. Carlton: Yes, it is.

9 Senator Kerry: And did you know yourself that at that
10 time General Noriega, Colonel Noriega had important links to
11 the United States, that he was receiving payments from the
12 United States for his work on our behalf?

13 Mr. Carlton: I knew that he had important ties with the
14 U.S. government, but I didn't know that he was being paid for
15 that.

16 Senator Kerry: Who owned the airstrip at Tamarindo?

17 Mr. Carlton: At the time, we were told that
18 authorization had been given to use the strip and that it had
19 been given by Mr. Guerra.

20 Senator Kerry: Mr. Guerra. Can you give his full name?
21 Jaime Guerra, is that correct?

22 Mr. Carlton: Yes, it is.

23 Senator Kerry: Is he also known as Pichique Guerra?

24 Mr. Carlton: Pichique, that is his nickname.

25 Senator Kerry: Can you spell that?

1 Mr. Carlton: P-i-c-h-i-q-u-e.

2 Senator Kerry: Now, were you ever in a meeting with
3 Pablo Escobar in which the assassination of the Justice
4 Minister Bonilla was discussed?

5 Mr. Carlton: Yes. But there were many people there. It
6 was a subject that was discussed every day.

7 Senator Kerry: Where was this meeting?

8 Mr. Carlton: Mr. Escobar's office.

9 Senator Kerry: In Colombia?

10 Mr. Carlton: Yes.

11 Senator Kerry: Can you describe his office to us, please?

12 Mr. Carlton: Well, the offices which I came to know were
13 always residences that had been converted to be used as
14 offices. They were very, very luxurious, and there were many
15 armed guards present to protect them and their businesses.

16 Senator Kerry: And who was present at this meeting with
17 Pablo Escobar?

18 Mr. Carlton: I cannot recall their names at this time,
19 and I apologize for that, but there were many people.

20 Senator Kerry: Many members of the cartel?

21 Mr. Carlton: I believe so.

22 Senator Kerry: Can you tell us the substance of that
23 discussion about the assassination?

24 Mr. Carlton: Well, they were apparently obtaining.
25 information from a person or staff member close to this man,

1 and this man had escaped for a few seconds. They were in a
2 hurry to kill him because apparently he was going to be named
3 ambassador to a Communist country. But I didn't like to be
4 privy to those conversations, and whatever I heard, I heard
5 accidentally. So I always avoided being present in
6 circumstances that could prove to be compromising such as
7 this one.

8 Senator Kerry: Subsequent to that discussion, was the
9 Justice Minister assassinated?

10 Mr. Carlton: Yes. I believe it was a month and a half
11 to two months later. I can't recall the exact date.

12 Senator Kerry: And as a result of that assassination,
13 did things suddenly get hot enough in Colombia that the
14 Medellin cartel sought protection from General Noriega in
15 Panama?

16 Mr. Carlton: Yes.

17 Senator Kerry: Why did the Colombians come to Panama?
18 And when? Could you be precise? When did this take place?

19 Mr. Carlton: I recall having seen them during the first
20 two weeks of May of '84.

21 Mr. Ricardo Bilonick called me at my ranch in Panama and
22 told me that my father wanted to speak to me. He was
23 referring to Mr. Pablo Escobar. I left my ranch and went to
24 Panama City, and I met with the gentlemen in Panama.

25 Senator Kerry: Who did you meet with in Panama?

1 Mr. Carlton: With Mr. Pablo Escobar, Mr. Ravidia, Mr.
2 Ochoa, the two Ochoa brothers. There were other people,
3 members of that world, present. When I say of that world, I
4 mean the world of drugs.

5 Senator Kerry: This is the meeting that took place in
6 where?

7 Mr. Carlton: In Panama.

8 Senator Kerry: And these are the gentlemen who came to
9 Panama for protection, is that accurate?

10 Mr. Carlton: Yes, correct.

11 Senator Kerry: The major kingpins of the drug cartel?

12 Mr. Carlton: Yes, sir.

13 Senator Kerry: Seeking protection because of an
14 assassination of the Attorney General of their country?

15 Mr. Carlton: Yes, sir. Things had become quite
16 difficult for them because the Colombian government had
17 seized all their airplanes and was trying to capture all of
18 them to try them. So they went to Panama trying to allow
19 time for things to quiet down in Colombia.

20 Senator Kerry: How much did they pay General Noriega for
21 protection in Panama?

22 Mr. Carlton: At the time, when I began to work with Mr.
23 Escobar, I told him that I thought that he had made a mistake
24 in selecting the city because, based on my experience and on
25 his experience, we knew that Barria was no a man of his

1 word. You could be with him today, with the Americans
2 tomorrow. So he told me not to worry about that, that they
3 had paid him between \$4 million to \$5 million for their
4 protection. I'm not sure if it was \$4 million or \$5 million,
5 but I think it must have been \$4 million, and I was included
6 in that protection.

7 Senator Kerry: When you say I was included, is that I,
8 Escobar, talking or I, Floyd Carlton?

9 Mr. Carlton: Well, he was referring to me.

10 Senator Kerry: How long did they stay in Panama?

11 Mr. Carlton: They were there for about three months, I
12 believe. My rapport was mainly with Mr. Escobar and Mr.
13 Ravidia, although the others were also present at the
14 meetings. But Pablo Escobar did not remain very long in
15 Panama. He went on to Nicaragua about 20 to 25 days later.

16 Senator Kerry: How many body guards and associates
17 accompanied the cartel, sir?

18 Mr. Carlton: Too many, sir. I could not say.

19 Senator Kerry: Give us an estimate, if you can.

20 Mr. Carlton: If you take the entire group, I would say
21 between 75 to 100 men.

22 Senator Kerry: Now, let me ask you a question aside from
23 facts here for a minute.

24 The Attorney General's assassination drove them to
25 Panama, but now they are back in Colombia doing business,

1 correct?

2 Mr. Carlton: You say the Attorney General? That was the
3 Minister of Justice.

4 Senator Kerry: Excuse me. I am thinking of the most
5 recent assassination.

6 The Minister of Justice's assassination drove them out,
7 and then they went back, you are correct. And you are doing
8 business now, right?

9 Mr. Carlton: Yes, sir.

10 Senator Kerry: What happened? At one moment they felt
11 they had to leave, but then they were able to go back and
12 continue? What changed? What is the difference?

13 Mr. Carlton: As I said, they were trying to make time so
14 they could make arrangements in their own country, time to
15 allow them to do so, and they were able to make those
16 arrangements. With whom, I don't know.

17 Senator Kerry: Do you know where the information came
18 from that the Justice Minister was going to be made
19 ambassador?

20 Mr. Carlton: No, I don't know the source, but it was a
21 comment they made.

22 Senator Kerry: Were you ware of the setting up of a
23 cocaine processing lab in Darien, in Panama?

24 Mr. Carlton: Yes, I did.

25 Senator Kerry: Can you tell us how that came about?

1 Mr. Carlton: My knowledge about the laboratory came from
2 one of the pilots, one of the associates of the cartel. They
3 needed to transport necessary materials, foodstuffs, for
4 those who were going to be working in that area, and he asked
5 me to provide the aircraft, but I could not help them, and he
6 told me that they had that processing plant in that area.

7 Senator Kerry: How were they able to get a plant, a
8 processing plant for cocaine right at a place in Darien?

9 Mr. Carlton: Of course, sir, as I said before, nothing
10 can be done in Panama without this man's approval. He is the
11 master of the country, unfortunately.

12 Senator Kerry: Were you aware of the raid that took
13 place on the lab?

14 Mr. Carlton: I learned after it occurred, yes.

15 Senator Kerry: And do you know who carried out the raid?

16 Mr. Carlton: The Defense Forces of Panama. They first
17 sent a commando unit to find out what was happening, but most
18 of those involved were able to escape because somebody warned
19 them, and those who were caught were not important people.

20 Here, sir, I would like to clarify something. My former
21 partner, Cesar Rodriguez, was in charge of this investigation
22 subsequently, and when I told you previously that in 1986 or
23 1985, when I tried to speak with the U.S. authorities about
24 this, I had documents to this effect. I had cassettes,
25 recordings on this, but I had to get rid of them for the sake

1 of my own security and that of my family.

2 If you have time later, we could perhaps discuss this in
3 detail.

4 Senator Kerry: We are. We are going to come back to
5 that a little bit later, Mr. Carlton, after we finish with
6 the Darien and a couple of other things.

7 General Noriega ordered the raid on Darien, did he not?

8 Mr. Carlton: Yes.

9 Senator Kerry: Do you know why he did that?

10 Mr. Carlton: According to what Cesar told me, the
11 justice system, or those who combat drug trafficking in the
12 country, had detected the presence of this laboratory, and
13 they had told the U.S. authorities about it, and he felt
14 pressured, and therefore he had to act.

15 Senator Kerry: How did the Colombians react to the raid
16 at Darien?

17 Mr. Carlton: I was not able to discuss this with the
18 people or to the chiefs, the heads of this group, but I did
19 discuss it with one of the pilots who had flown with me to
20 Panama, had flown drugs with me. They were upset, they had
21 not been expecting that. They had helicopters as well as
22 many of their assets seized, and large sums of money had been
23 paid, according to what this young man told me, and they were
24 ready to go to the end to get Noriega to answer for this.

25 Senator Kerry: You are talking about the people who were

1 involved with the drug trafficking.

2 What about the Colombian population generally? How did
3 they view the raid?

4 Mr. Carlton: I couldn't say what the Colombia opinion
5 was. I know nothing about that.

6 Senator Kerry: Now, were there not helicopters in the
7 Panamanian Defense Force that were, I believe, American
8 helicopters, but they were helicopters which could have been
9 serviced in Panama, but General Noriega had them served in
10 Colombia, is that accurate?

11 Mr. Carlton: Yes, it is correct.

12 Senator Kerry: Do you know why he had Panamanian
13 helicopters serviced in Colombia?

14 Mr. Carlton: At that time, I had already left the
15 circle, the group where I could get information about this
16 because I had had problems with the General.

17 Senator Kerry: Can you tell us, lease, what is INAIR? I
18 am not sure how to pronounce it?

19 Mr. Carlton: INAIR, it was a Panamanian company.

20 Senator Kerry: Before I do that, let me ask you one
21 quick question I should have asked earlier.

22 Did you hear about Cuban involvement in the resolution of
23 the Darien problem?

24 Mr. Carlton: No, sir.

25 Senator Kerry: You did not hear about Fidel Castro or

1 anybody at a meeting with General Noriega in Cuba?

2 Mr. Carlton: No, sir.

3 Senator Kerry: Now, coming back to this Colombian
4 company, INAIR, where was that airline purchased, do you know?

5 Mr. Carlton: Well, INAIR was not a Colombian company.
6 It was a Panamanian company, and in a conversation I had with
7 Mr. Escobar, he said that the company belonged to them. When
8 I say them, Jorge Luis Ochoa was also present. They had a
9 Panamanian acting as a figurehead, and he was supposedly the
10 owner of the company. That was Ricardo Bilonick, but it
11 really did belong to these Colombians.

12 Senator Kerry: And they used it -- it was a cargo
13 airline, is that correct?

14 Mr. Carlton: Yes, it was.

15 Senator Kerry: Where would the INAIR cargo planes fly?

16 Mr. Carlton: They flew to South America and to Miami.

17 Senator Kerry: What particular airstrips in each country
18 would be used? Can you be specific?

19 Mr. Carlton: No, I don't because they were charter
20 flights.

21 Senator Kerry: What kind of cargo was flown on them?

22 Mr. Carlton: They flew animals, live animals, also home
23 appliances.

24 Senator Kerry: Where did that cargo originate?

25 Mr. Carlton: When we flew from Panama to South America,

1 the cargo came from the free zone of Colon. When we flew
2 from Panama to Miami, it was supposedly frozen meat in many
3 cases, or vegetables coming from the City of Panama.

4 Senator Kerry: Did these cargoes also carry drugs and
5 money?

6 Mr. Carlton: Money to the United States, no. Drugs.

7 Senator Kerry: Money back from the United States, drugs
8 up to the United States.

9 Mr. Carlton: I don't understand your question, sir.

10 Senator Kerry: Did these cargo flights bring drugs to
11 the United States and fly money back to Panama?

12 Mr. Carlton: Yes. That is correct.

13 Senator Kerry: Who directed the INAIR flights?

14 Mr. Carlton: Mr. Ricardo Eilonick.

15 Senator Kerry: His name appears on this chart over here,
16 I believe, in the private group.

17 Can you see that over there?

18 Mr. Carlton: Yes, I do.

19 Senator Kerry: His name has obviously already been
20 identified by Mr. Blandon.

21 Were INAIR flights ever used to support the Nicaraguan
22 opposition?

23 Mr. Carlton: I could not say that for sure.

24 Senator Kerry: Did you ever discuss INAIR with Pablo
25 Escobar?

1 Mr. Carlton: Yes, I did.

2 Senator Kerry: What was the substance of that discussion?

3 Mr. Carlton: At that time, I was trying to get Mr.
4 Escobar to buy that cargo company, and I wanted him to buy
5 the company so that I could manage it. But I talked to him
6 so much about it that he told me no, we already own the
7 company. We are the owners. And he said that Mr. Ochoa, who
8 was also with him at the meeting, was co-owner.

9 Senator Kerry: This was your desire, to try to move into
10 a "legitimate business," is that accurate?

11 Mr. Carlton: Yes, it is.

12 Senator Kerry: Now, were you aware that drugs were being
13 smuggled from Panama on commercial airliners as part of the
14 cargo?

15 Mr. Carlton: I could not say that with certainty.

16 Senator Kerry: I believe while you did not see it, you
17 have some knowledge of that, do you not?

18 Mr. Carlton: Yes, I do.

19 Senator Kerry: Would you share that knowledge with us?

20 Mr. Carlton: I am not certain that specific deals were
21 carried out, but I have heard comments to the effect that
22 drugs were being transported from Panama to the United States
23 and from Colombia to the United States using commercial
24 airlines.

25 Senator Kerry: You became familiar with the Noriega

1 money laundering operation, did you not?

2 Mr. Carlton: Not Noriega's operation exactly.

3 Senator Kerry: Excuse me. You became familiar with the
4 money laundering operation that took place in Panama. You
5 knew how it worked.

6 Mr. Carlton: Yes, that is correct.

7 Senator Kerry: And you knew that General Noriega made it
8 possible for that to work, is that not accurate?

9 Mr. Carlton: If he was getting a profit, yes.

10 Senator Kerry: And he was getting a profit specifically,
11 you know that, do you not?

12 Mr. Carlton: Yes, of course, sir.

13 Senator Kerry: Now, you know also that some money that
14 came in to be laundered came in on commercial airliners, is
15 that accurate?

16 Mr. Carlton: Yes, sir.

17 Senator Kerry: Do you know which airlines were involved?

18 Mr. Carlton: Air Panama, Eastern Airlines and several
19 times when there were Air Force planes coming to the United
20 States for whatever reason, they would return with money.

21 Senator Kerry: Let me come to one subject I want to try
22 to deal with delicately here, as we discussed, but the name
23 of Dr. Hugo Spadafora has come up here frequently and
24 elsewhere.

25 You knew Dr. Spadafora very well, did you not?

1 Mr. Carlton: Yes, I did.

2 Senator Kerry: When did you first get to know Dr.
3 Spadafora?

4 Mr. Carlton: Shortly after the war in Nicaragua against
5 Somoza ended, I met Dr. Hugo Spadafora for the first time.

6 Senator Kerry: What kind of man would you describe Dr.
7 Spadafora as?

8 Mr. Carlton: Dr. Spadafora was a very honest man. He
9 was an idealist, and he tried to get the best for anyone
10 needing justice. In the case of Panama, he was trying to
11 unmask Noriega, and he was successful in obtaining truth that
12 could imperil Noriega, and the result is -- well, please,
13 sir, I would like to explain something.

14 Mr. Spadafora, I can't say he was a friend because he had
15 no friends. Like me, he was a very rightful man. I am not
16 trying to denigrate myself in saying this, but he always gave
17 me advice and asked me to please move away from Noriega
18 because he was an evil man, and he would ultimately be a
19 problem for us, and he did the same for Cesar.

20 Senator Kerry: Is it fair to say that Dr. Spadafora was
21 idealistic and committed to trying to free Panama from the
22 scourge of drugs and other corruption? Is that not fair?

23 Mr. Carlton: Yes, your words are very right.

24 Senator Kerry: He used to keep a notebook, did he not,
25 writing down flights, drug running, arms smuggling?

1 Mr. Carlton: Yes, he tried to document as much as
2 possible so that he could provide information to the people
3 of Panama. So he would take notes on all this information
4 and try to verify them, discussing them with those involved.

5 Senator Kerry: Did he have those discussions with you
6 where he would have his notebook and he would ask you about
7 specific dates or times for flights?

8 Mr. Carlton: I couldn't say that he had the notebook
9 when he spoke with me because the last time we spoke, it was
10 over the telephone, but he was trying to verify these flights.

11 Senator Kerry: And Dr. Spadafora made it known that he
12 was going to go back to Panama and create a revolution with
13 this information. He was going to try to make it known what
14 was happening in greater terms, is that not accurate?

15 Mr. Carlton: Well, his words were verbatim, I am going
16 to have a bomb explode in Panama. I am going to set it off
17 with all this information which I have, but don't worry, I'm
18 not going to involve you or Cesar, though Cesar at the time
19 had not wanted to confirm anything to him.

20 Senator Kerry: Now, at some time on his trip -- this was
21 in what year?

22 Mr. Carlton: This was in 1985.

23 Senator Kerry: And at some time on his trip in 1985,
24 traveling from Costa Rica back to Panama, he was apprehended,
25 was he not, by Panamanian Defense Forces?

1 Mr. Carlton: Yes, he was.

2 Senator Kerry: And subsequent evidence showed that Dr.
3 Spadafora was tortured?

4 Mr. Carlton: Yes, sir.

5 Senator Kerry: And he was beheaded while he was still
6 alive, is that accurate, after the torture?

7 Mr. Carlton: Yes, sir.

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1 Senator Kerry: Did anybody ever find the notebook?

2 Mr. Carlton: Yes, sir.

3 Senator Kerry: Do you know where the notebook was
4 found?

5 Mr. Carlton: Excuse me?

6 Senator Kerry: Do you know where the notebook was found,
7 the notebook of Dr. Hugo Spadafora? Was that found?

8 Mr. Carlton: Yes, it was.

9 Senator Kerry: Do you know where it was found?

10 Mr. Carlton: He had it with him.

11 Senator Kerry: The National Guard?

12 Mr. Carlton: Yes, sir.

13 Senator Kerry: It was the Panamanian defense force,
14 okay.

15 Now, we're not going to go further down this road right
16 now. Let me ask you this question. Generally, in the
17 history that you have known, General Noriega over the course
18 of 1966 until you left Panama, do you know personally whether
19 or not General Noriega has ever ordered or directed the
20 killing of anybody? Do you personally know?

21 Mr. Carlton: Personally, no. But I have heard from his
22 subordinates that. I've heard that from his subordinates.

23 Senator Kerry: Now, who is Pichique Guerra that you
24 described earlier?

25 Mr. Carlton: In the past this gentleman was I think a

1 minister of the government. I'm not quite sure, of the
2 Republic of Costa Rica. He was a very important man in the
3 supply of weapons to the Sandinistas when they were fighting
4 against Somoza.

5 He gave them facilities, airplanes, and he even sold
6 weapons.

7 Senator Kerry: And who is Jose Angel Guerra?

8 Mr. Carlton: I think it's his son.

9 Senator Kerry: Do you know what he has been involved
10 in?

11 Mr. Carlton: Well, in the negotiations we had with the
12 Salvadoran guerrillas, he also sold weapons, because the
13 father had really gotten away from that business, because the
14 Costa Rican government did not want to participate any more
15 in that kind of business.

16 Senator Kerry: Did Jose Guerra assist you in Costa
17 Rica?

18 Mr. Carlton: No, sir.

19 Senator Kerry: Wasn't he your lawyer? Wasn't he the
20 attorney who was appointed for you? Do you have a
21 recollection of that?

22 Mr. Carlton: For the case of the weapons to El
23 Salvador?

24 Senator Kerry: No. Let me try this. You did some
25 business, did you not, with Jose Guerra?

1 Mr. Carlton: No, sir.

2 Senator Kerry: Did you do business with Pichique
3 Guerra?

4 Mr. Carlton: Not really. It was Cesar Rodriguez, my
5 partner.

6 Senator Kerry: Did they provide airstrips for you in
7 Costa Rica?

8 Mr. Carlton: Yes, that's right, sir.

9 Senator Kerry: Those are the clandestine airstrips?

10 Mr. Carlton: Yes, sir.

11 Senator Kerry: Did you land weapons at their airstrip at
12 Philadelphia?

13 Mr. Carlton: No, sir. My partner Rodriguez did.

14 Senator Kerry: I meant you as a company, you as a
15 group. But Cesar landed them there, correct?

16 Mr. Carlton: Yes, that's right.

17 Senator Kerry: And were there weapons landed at
18 airstrips in Quesado?

19 Mr. Carlton: In Quesado, yes, sir.

20 Senator Kerry: That's at the farm of John Hull, is that
21 correct, at a nearby airstrip?

22 Mr. Carlton: Yes, sir. But I did not participate in
23 that.

24 Senator Kerry: I understand that. But you know of those
25 landings. That's all I'm trying to ascertain.

1 You told us before that G-2 arrested Spadafora on
2 information that was provided by the Costa Rican
3 intelligence. Do you know why that intelligence was provided
4 at that time in 1985?

5 Mr. Carlton: Well, I don't really know, but what I could
6 say is that there are some officers who are connected to the
7 intelligence services of Costa Rica which to a certain extent
8 are the creation of General Noriega. They have been trained
9 in Panama.

10 What's more, very often they go to Panama and then they
11 return with an enormous amount of household appliances and
12 things that have been given to them as presents by General
13 Noriega. And these people keep a certain or have a certain
14 loyalty to General Noriega.

15 Senator Kerry: Did Dr. Spadafora tell you about
16 individuals within the government at that time who were
17 involved in drug and weapons transactions, smuggling?

18 Mr. Carlton: Well, he spoke in general, but I would not
19 be responsible if I gave you numbers because I don't really
20 remember -- I mean names, because I don't really remember.

21 Senator Kerry: Did you know Minister Echevarria?

22 Mr. Carlton: Yes, I did meet him once, but only once. I
23 know that he was involved in these arms deals and he had
24 relationships also with the drug traffickers, but that's
25 all.

1 Senator Kerry: And did you know through your
2 relationship with General Noriega that he had a relationship
3 there?

4 Mr. Carlton: Yes, sir.

5 Senator Kerry: Have you ever met or seen Robert Vesco?

6 Mr. Carlton: I saw him once, but just fleetingly, in
7 Costa Rica.

8 Senator Kerry: When was that?

9 Mr. Carlton: Well, I don't remember what year, but I
10 think it was 1976. Well, I don't really remember exactly,
11 I'm sorry.

12 Senator Kerry: Who is Alfredo Caballero?

13 Mr. Carlton: Alfredo Caballero is a Cuban who was exiled
14 in Nicaragua, and because of the problems in Nicaragua is now
15 exiled here in the U.S., in Miami. He has certain links with
16 Eden Pastora and he is involved in drug trafficking and to a
17 certain extent he helped the contras.

18 But to be more specific, he was helpful to Mr. Pastora's
19 organization.

20 Senator Kerry: Let me just be clear here. Mr. Caballero
21 is in Miami, he was involved in drug smuggling?

22 Mr. Carlton: Yes, that's so.

23 Senator Kerry: And arms shipments?

24 Mr. Carlton: Yes, sir.

25 Senator Kerry: He was also assisting the contras for

1 that period, over that period of time?

2 Mr. Carlton: I'll try to be clear. He was helping the
3 contras, but actually he was helping the organization of Mr.
4 Eden Pastora.

5 Senator Kerry: I understand, the southern front. And do
6 you know what period of time that was, Mr. Carlton?

7 Mr. Carlton: In 1981 -- no, I'm sorry. 1983-'84.

8 Senator Kerry: Did you have any drug dealings with him
9 or Cesar Rodriguez have any drug dealings with him?

10 Mr. Carlton: Neither Cesar nor I had anything to do as
11 far as drugs are concerned with him. But with some friends
12 of ours, yes.

13 Senator Kerry: Now, at some time did you make an
14 arrangement with the Cali drug dealers?

15 Mr. Carlton: Yes, I did.

16 Senator Kerry: Who are the Cali drug dealers?

17 Mr. Carlton: I only met two of them, Luis Jose Aspina
18 and Carlos Alvero Echevarren.

19 Senator Kerry: And how did you come to have an
20 arrangement with the Cali drug dealers? You were already
21 working with the Medellin, correct, the Medellin?

22 Mr. Carlton: Yes, sir. The year after the minister was
23 assassinated, when these men came to Panama, I recall having
24 told you that when they arrived they called me at my ranch.
25 So I had already been away from the Medellin cartel for a few

1 days.

2 And they proposed -- Mr. Aspina proposed that I take some
3 money from the city of Los Angeles to Panama City, and that I
4 deposit it in the banks on the list. But since I was very
5 busy during those days -- the Medellin cartel had arrived in
6 Panama -- I was unable to make that flight and I sent someone
7 else in my place.

8 That person did collect the money -- I think it was \$1.8
9 million -- and by mistake took a commercial flight. He
10 arrived in Miami, but the money did not. And I had to pay
11 that money.

12 Senator Kerry: You had to pay back the Cali people?

13 Mr. Carlton: Yes, sir. That is why I became involved
14 with them.

15 Senator Kerry: You became involved with them in order to
16 pay back the money. So you took some drug shipments, and on
17 occasion did one of those drug shipments get lost?

18 Mr. Carlton: No, sir, it was not with the Cali cartel.
19 It was with some people from the city of Pereira. I don't
20 know anyone in Cali. I'm afraid that I made a mistake when I
21 answered your question.

22 Senator Kerry: Was there an occasion when some drugs got
23 diverted from where they were supposed to go?

24 Mr. Carlton: Yes. I was accused of losing that drug
25 shipment, but I had nothing to do with that shipment. In

1 particular, the pilot who was transporting that drug -- I
2 think it was about 530 kilos; I can't recall exactly -- was a
3 partner of mine in the legal business. And the drug shipment
4 never appeared.

5 Senator Kerry: Never appeared where it was supposed to
6 appear?

7 Mr. Carlton: That is correct.

8 Senator Kerry: It was supposed to appear at a field in
9 Costa Rica, is that accurate?

10 Mr. Carlton: Yes, sir.

11 Senator Kerry: Who was the pilot?

12 Mr. Carlton: Teofilo Watson.

13 Senator Kerry: And instead of appearing at that -- what
14 field was it supposed to appear at?

15 Mr. Carlton: I can't recall the name, but I could locate
16 it on a map.

17 Senator Kerry: Did you learn that that drug shipment
18 appeared instead on another farm, another strip?

19 Mr. Carlton: That is what we were told by a member of
20 the civil guard in Costa Rica.

21 Senator Kerry: Did he inform you that it landed on the
22 strip and ranch of John Hull?

23 Mr. Carlton: Yes, that is correct.

24 Senator Kerry: And was Teofilo Watson, the pilot of the
25 aircraft, at some time assassinated?

1 Mr. Carlton: Yes.

2 Senator Kerry: When was he assassinated?

3 Mr. Carlton: I can't recall the date, the exact date.
4 But one of the people who was to meet Watson told him not to
5 land at the appointed place, but to change and land
6 elsewhere. It was supposedly waiting for him there. They
7 killed him and then took the airplane and the drugs to Mr.
8 Hull's ranch.

9 Senator Kerry: So this is the very occasion that he
10 landed at the wrong field that he was killed. He was
11 assassinated when he was met landing where he thought he was
12 going, correct?

13 Mr. Carlton: Yes, that is correct.

14 Senator Kerry: Now, at some time was a man by the name
15 of Aldamar contracted to assassinate you?

16 Mr. Carlton: Not exactly to assassinate, but to find the
17 drug shipment that I had supposedly stolen.

18 Senator Kerry: Who contracted for him to do that, do you
19 know?

20 Mr. Carlton: Mr. Luis Carlos Alcedo Spina, I believe.

21 Senator Kerry: Tell us what happened at that point in
22 time? The Cali cartel believed you had cheated them, is that
23 correct?

24 Mr. Carlton: No, the Pereira cartel in that case. Yes,
25 they thought that I had agreed or made a plan with Mr. Watson

1 to steal the drug.

2 Senator Kerry: What did you do at this point in time?
3 Did you return to Panama?

4 Mr. Carlton: Well, I was in Panama when that happened.
5 These individuals came to Panama and they kidnapped one of my
6 relatives and he was brutally beaten, and he, trying to find
7 a solution to his situation, said that the only place I could
8 have that was in my ranch if I had it.

9 And they went to my farm and they tried to find it, but
10 they did not.

11 Senator Kerry: How did they try to find it? Did they
12 use mechanized shovels?

13 Mr. Carlton: Yes, mechanical shovels and metal
14 detectors. They spent weeks there looking for some type of
15 metal, and found nothing.

16 Senator Kerry: Were you frightened at this point?

17 Mr. Carlton: No, I wasn't, because when I found out what
18 the problem was I told them that if they wanted to find a
19 solution we should go to Pereira and talk to the owners, and
20 I flew to Pereira. And there they said they were going to
21 continue to look for the airplane, for the drug shipment, and
22 for the pilot.

23 Senator Kerry: Did you contact anyone from the U.S.
24 intelligence community in Panama at that time?

25 Mr. Carlton: Several months later, I did try to contact

1 people at the U.S. embassy, but that was -- it was in January
2 of 1986. But I did actually make contact with intelligence
3 agents in the U.S. embassy in Panama.

4 Senator Kerry: Can you describe what took place? Could
5 you hold on just one minute.

6 [Pause.]

7 Senator Kerry: Let me just ask you, after the effort to
8 find the drugs on your farm and all the digging and beating
9 up of your cousin, did you hear afterwards of another
10 kidnapping in an effort to find the drugs?

11 Mr. Carlton: I believe so. I think it was a mechanic, a
12 young man who worked as a mechanic and worked for me. But
13 they didn't really harm him. They simply took him to an
14 apartment and they asked him questions.

15 Senator Kerry: Did you ever learn whether or not someone
16 related to John Hull was kidnapped in an effort to find the
17 drugs afterwards?

18 Mr. Carlton: No, I didn't.

19 Senator Kerry: You weren't aware of that, okay.

20 Now, would you describe then your contact with these
21 members of the intelligence community or the DEA, whichever
22 took place first?

23 Mr. Carlton: When I met with them personally, I told
24 them that I had information, intelligence information for
25 their agency and for the U.S. government, but that I would

1 need protection for me and for my family. They asked me what
2 type of information I could provide the U.S. government and I
3 gave them the details specifically as to what I knew.

4 But when I spoke of Noriega --

5 Senator Kerry: Do you remember who you talked to? Do
6 you remember specifically?

7 Mr. Carlton: I spoke to two agents. One was Thomas Tyre
8 and the second one, I can't recall what his name was.

9 Senator Kerry: When did this take place?

10 Mr. Carlton: It was in January of 1986.

11 Senator Kerry: All right, what we're going to do is take
12 about a five minute recess before we wrap up for the
13 afternoon. We will come back to this witness for a number of
14 closing areas.

15 Senator D'Amato, you have something you want to ask at
16 this point before we do that? Go right ahead. I just want
17 to give him a chance to breathe a little here.

18 Senator D'Amato: If I could, Mr. Carlton, just ask you
19 to cover two questions. You testified that you made some 17
20 trips between 1977, '78, and '79 carrying arms to the
21 Sandinista rebels who were trying to overthrow and eventually
22 did the Somóza government.

23 What did you receive in compensation? About how much
24 money did you get for those 17 trips?

25 Mr. Carlton: Well, there is some confusion, I think, as

1 to the dates. Of the 17 trips which I said I flew, these
2 were trips to provide supplies to the Salvadoran guerrillas.
3 Does that answer your question? Yes.

4 Senator D'Amato: And how much money did you receive for
5 that?

6 Mr. Carlton: I can't recall exactly, sir. But we were
7 paid \$35,000 per trip.

8 Senator D'Amato: \$35,000 a trip for running arms?

9 Mr. Carlton: That is correct.

10 Senator D'Amato: Now, you testified that you made some
11 four trips with the Colombian drug dealers and that the first
12 payment to Mr. Noriega was \$100,000. What payment did he
13 receive for the other three trips?

14 Mr. Carlton: The first was \$100,000, as I said before;
15 the second, \$150,000; the third, \$200,000; and the fourth,
16 \$250,000. So he raised his price for each trip.

17 Have I answered your question?

18 Senator D'Amato: Yes, you have.

19 Let me ask you, what did Escobar say when you told him
20 Noriega kept raising his price?

21 Mr. Carlton: Once, I believe on the second trip, he said
22 that was typical of him and that -- told me that they had had
23 previous dealings with him, though I repeat this: I never
24 admitted to Mr. Escobar that it was Noriega who was behind
25 it.

1 Senator D'Amato: Did Noriega ever suggest to you that
2 you weren't charging the Colombians enough, that what you
3 were charging them was too little?

4 Mr. Carlton: Yes, he did. I think it was for the third
5 trip. There was a discussion because they tried to add a
6 flight carrying drugs without letting me know. I was away.
7 I was in Europe at the time.

1 And they used, or the people who were waiting for the
2 plane carrying the drugs, were captured. And they were
3 severely tortured, and they had limbs fractured, and this
4 cost those individuals a lot of money.

5 When I returned from my vacation Noriega told me about
6 this and he was very displeased, because according to him
7 these people thought that Panama was a group of Indians that
8 they could come and do whatever they wanted.

9 And that is why I said before, nothing can be done in
10 Panama without Noriega's approval, that is if you want to be
11 successful.

12 Senator D'Amato: Let me ask you this, Mr. Carlton. Did
13 you ever fly into Nicaragua in connection with the drug
14 business? And if you did, would you tell us about those
15 flights, what the purpose of the flights were? And were you
16 ever arrested in Nicaragua?

17 Mr. Carlton: We flew to Nicaragua in connection with
18 drug trafficking. At one time, we carried, at least I was
19 told, a shipment worth \$200 million, \$2 million rather, that
20 was going to be given to someone. I do not know whom.

21 Senator Kerry: What year was that?

22 Mr. Carlton: It was in 1984, towards the end of the
23 month of May of 1984. I went there supposedly to meet with
24 Mr. Escobar so that he could give me detailed instructions in
25 connection with the operations to be carried out in

1 Nicaragua.

2 I was unable to meet with Mr. Escobar because they were
3 otherwise engaged. They seemed to have had problems. And
4 the second time I returned, or rather I went to look at a
5 series of airstrips I was asked to go to look:

6 And the idea was to have coordinates, alternate routes in
7 case we had to fly at night and had to land, we had to know
8 what radio stations were in the area so that we could attain
9 coordinate points and find out how to arrive at different
10 landing points.

11 At the time, I was recognized by security in Nicaragua,
12 and I was arrested. I was asked if General Noriega knew that
13 I was in Nicaragua. And I said that I did not notify General
14 Noriega of my comings and goings.

15 So to sum up, they told me that I could never return to
16 Nicaragua because anything I were to do or if anything about
17 me appeared in the papers General Noriega would be involved.
18 And they told me never to come back to Nicaragua, because I
19 would then be arrested. Have I answered your question, sir?

20 Senator D'Amato: Yes, I think you have. Let me see if
21 my interpretation is correct.

22 Is it your feeling that they gave you this warning not to
23 come back because they were concerned about the fact that if
24 you were involved in this drug dealing that it would bring
25 damage to the reputation of the General? They were concerned

1 with his reputation?

2 And the fact of you being known as an operative of his
3 and close associate would then be linking him with drug
4 dealing? Was that their concern?

5 Mr. Carlton: Yes, it was.

6 Senator D'Amato: Thank you very much.

7 Senator Kerry: I think we will bring that up after
8 this. We have a number of areas that we need to touch on in
9 terms of general finances, the airport corruption problem,
10 and our own relationship, et cetera.

11 I also want to get some identification of some of these
12 people on the chart in terms of corroborating prior
13 testimony. So we will take a 10-minute break and come back
14 at that time. We stand in recess for 10 minutes.

15 [Recess]

16 Senator Kerry: The hearing will come to order. My
17 apologies to all. That was a long 10 minutes, and I am sorry
18 that it went longer.

19 Now, Mr. Carlton, I remind you you are still under oath.
20 Can you hear me now through the translation?

21 Mr. Carlton: Yes.

22 Senator Kerry: Is there anything that you can tell us
23 about General Noriega's relationship with Cuba?

24 Mr. Carlton: No, sir.

25 Senator Kerry: Do you know anything about goods being

1 shipped to Panama from the United States and then going to
2 Cuba?

3 Mr. Carlton: Yes. As far as that is concerned, I could
4 tell you something.

5 Senator Kerry: What can you share with us about that?

6 Mr. Carlton: To reiterate what I said before in my
7 statements before the people of the Committee who interviewed
8 me, regarding shrimp, which are Cuban products, which are
9 packed again in Panama and then sent to the U.S.

10 Then about American technology which is sent to Cuba and
11 all of these goods are processed by a company owned by
12 Noriega, directed by Mr. Wittgreen, whose name is up there in
13 the chart.

14 Senator Kerry: Which company is that?

15 Mr. Carlton: I do not remember exactly the name of the
16 company. But I think I may remember its name later.

17 Senator Kerry: What kind of technology goods were being
18 shipped from the United States to Cuba through Panama?

19 Mr. Carlton: When I spoke on several occasions with Mr.
20 Wittgreen, he is quite close-mouthed in speaking about those
21 kind of transactions. But when he has a few drinks he is
22 quite eloquent.

23 When I would fly with him he would speak to me about all
24 of these activities and all of these goods that were being
25 sent, from school supplies to spare parts for typewriters,

1 tape recorders. I could not tell you exactly all of them.
2 But there were many goods sent through Panama to Cuba.

3 Senator Kerry: And do you know whether drugs came from
4 Cuba to Panama?

5 Mr. Carlton: From Cuba to Panama? No. But Cuban
6 vessels that operated from the Brockamante port were used.
7 It is on the Pacific coast of Panama.

8 Senator Kerry: Were some Nicaraguan products shipped to
9 the United States through Panama in these same business
10 enterprises?

11 Mr. Carlton: I think so, sir.

12 Senator Kerry: You think, you know, or you are not
13 sure?

14 Mr. Carlton: I really am not sure.

15 Senator Kerry: All right. Then let us leave it. Do you
16 know if the Medellin Cartel did establish cocaine
17 laboratories inside Nicaragua?

18 Mr. Carlton: Yes, sir.

19 Senator Kerry: Who in Nicaragua allowed those
20 laboratories to be established?

21 Mr. Carlton: I was not able to find out exactly who it
22 was. But when I told you before that I had gone with Mr.
23 Ricardo Bilonick, and we had flown with a certain amount of
24 money to Nicaragua, at a certain point he mentioned Mr. Tomas
25 Borge, but that was all.

1 Senator Kerry: But you have no other knowledge of the
2 specific process by which that took place?

3 Mr. Carlton: No, sir. At a certain point, we were going
4 to buy a plane here in the U.S. to take cocaine paste from
5 Bolivia to Nicaragua where it would be processed and then
6 sent to the U.S.

7 Senator Kerry: But you did not wind up making that
8 purchase?

9 Mr. Carlton: No, sir.

10 Senator Kerry: Let me come back to revisit an issue
11 where I think there is a little bit of confusion, and that is
12 the question of your visit to the DEA. You say you visited
13 the DEA in Panama City?

14 Mr. Carlton: Yes, sir.

15 Senator Kerry: What year did you visit them?

16 Mr. Carlton: Well, I did not really visit the embassy
17 facilities where the DEA offices are. These people
18 interviewed me, that is they picked me up at the Holiday Inn
19 Hotel off Panama City, and we left for a short ride in their
20 car.

21 Senator Kerry: This is in June of 1986?

22 Mr. Carlton: No, that was in January, 1986.

23 Senator Kerry: I am sorry. It is my writing I could not
24 read. January, 1986. And that was the time you met with
25 Thomas Tyre, sir?

1 Mr. Carlton: Thomas Tyre.

2 Senator Kerry: Do you know how to spell that?

3 Mr. Carlton: I have no idea, sir.

4 Senator Kerry: You went for a ride with them. What did
5 you tell them specifically?

6 Mr. Carlton: When they talked to me they asked me
7 exactly what I wanted to speak about to them. And I asked,
8 have you not heard my name? And they said, yes, we have.

9 And so I said, on different occasions I have sent people
10 to speak to you so that you interview me. But you have
11 always told them that you have nothing to talk to me about.
12 And the fact is that I believe that I can go before the
13 American judicial system and speak of a lot of things that
14 are happening in this country, and I can even prove them.

15 So they asked, such as what? So I said, money
16 laundering, drugs, weapons, corruption, assassinations. When
17 I mentioned the name of General Noriega, they immediately
18 became upset. And I noticed that, and of course I became
19 nervous at that point.

20 They did not try to contact me again. And the only thing
21 I had asked for was protection for myself and my family. And
22 at that time I had no problems with the American justice
23 system.

24 And I wanted to clarify that, gentlemen, because I do not
25 want you to think that I am speaking to you because I have

1 problems right now. I had wanted to do that even before I
2 had these problems. And if they are candid, they will let
3 you know that I did meet with them, and that I told them
4 that.

5 Senator Kerry: What happened after that meeting?

6 Mr. Carlton: Actually, they tried to contact me on the
7 phone, but when I returned their call I was not able to
8 contact them.

9 And to be very honest, I was scared, because I thought
10 that because of the connections that General Noriega has with
11 the American embassy in Panama, that I might be or my family
12 might be hurt.

13 And I want to be very clear on that, sir. I do not mean
14 by that that American officials are doing the bad things that
15 General Noriega is doing. It was just my feeling at that
16 point which is why I destroyed the evidence I had.

17 Senator Kerry: The evidence you had was what? Tapes?

18 Mr. Carlton: Yes.

19 Senator Kerry: Now, at some time, were you detained by
20 authorities at some place?

21 Mr. Carlton: That was in 1985 in Panama.

22 Senator Kerry: Well, sometime you left Panama. Is that
23 correct?

24 Mr. Carlton: In July, 1986.

25 Senator Kerry: Why did you leave Panama in July, 1986?

1 Mr. Carlton: At that time, I was a sales representative
2 for an airplane company, and I was selling an airplane.

3 I tried to meet with Mr. Alfredo Caballero in Costa Rica,
4 but apparently he had problems with the American judicial
5 system. And he exchanged me for his freedom, which is why I
6 went to Costa Rica to meet with him, to sell him an
7 airplane.

8 Senator Kerry: What happened in Costa Rica when you went
9 to sell him an airplane?

10 Mr. Carlton: I arrived at his hotel, and I met him for
11 about two minutes. And right away, about 50 agents arrived.
12 They surrounded us, they arrested me. And I was incarcerated
13 to be extradited to the U.S.

14 Senator Kerry: When were you extradited to the U.S.?

15 Mr. Carlton: In January, 1987.

16 Senator Kerry: Have you been in the witness protection
17 program since that time?

18 Mr. Carlton: No, sir. Beginning in July, 1987. It has
19 been since then that I have been in the program.

20 Senator Kerry: And you met with United States law
21 enforcement authorities who evaluated your story before you
22 were put in the witness protection program. Is that
23 accurate?

24 Mr. Carlton: Yes, that is correct.

25 Senator Kerry: When did you learn of the death of Cesar

1 Rodriguez?

2 Mr. Carlton: When Cesar had disappeared, he had not
3 returned his family's calls, and his friends' calls.

4 Senator Kerry: When was this? What period of time?

5 Mr. Carlton: I do not really remember if it was in
6 February, 1986 or March, 1986. I do not remember exactly
7 what month it was.

8 Senator Kerry: So Cesar Rodriguez was killed at some
9 point after you had first met with the DEA agents?

10 Mr. Carlton: Yes, sir. But I want to be very clear, I
11 have not tried to involve the DEA agents in that.

12 Senator Kerry: No, no. I understand that. Nobody is,
13 and I am certainly not. I am just trying to get the
14 chronology here.

15 You had publicly begun to make known that you were
16 willing to cooperate with some law enforcement authority, at
17 any rate.

18 Mr. Carlton: Yes, sir.

19 Senator Kerry: Now, what did you learn about Cesar
20 Rodriguez's death? Anything?

21 Mr. Carlton: Yes, sir.

22 Senator Kerry: Were you in Panama when you learned of
23 his death?

24 Mr. Carlton: No, sir. I was in my ranch near the Costa
25 Rican border.

1 Senator Kerry: Where was Cesar Rodriguez killed?

2 Mr. Carlton: In the city of Medellin in Columbia.

3 Senator Kerry: Now, do you know how he was killed?

4 Mr. Carlton: Yes, sir.

5 Senator Kerry: Did Cesar Rodriguez do something specific
6 that made him dangerous for General Noriega?

7 Mr. Carlton: Yes, sir.

8 Senator Kerry: What was that?

9 Mr. Carlton: All of us were a danger to General Noriega,
10 because he was trying to project a certain political image.
11 He was trying to clean up his image and we, those of us who
12 at some point had done something illegal for him, we were a
13 danger for him.

14 I do not know if that answers your question.

15 Senator Kerry: Did Cesar Rodriguez make tape recordings
16 as an insurance policy before he was killed?

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1 Mr. Carlton: Yes, sir.

2 Senator Kerry: Did you personally hear one of the
3 tapes? Did he ask you to listen to it, or did he give it to
4 you and you did listen to it?

5 Mr. Carlton: I listened to several tapes, yes.

6 Senator Kerry: And did those tapes detail many of the
7 things about the criminal enterprise in Panama?

8 Mr. Carlton: Yes.

9 Senator Kerry: Did those tapes tell you things about
10 General Noriega and Cesar Rodriguez that even you did not
11 know?

12 Mr. Carlton: Yes, that is correct.

13 Senator Kerry: Do you know what happened to those tapes?

14 Mr. Carlton: Yes, sir.

15 Senator Kerry: Do you know where they are now?

16 Mr. Carlton: Yes, sir.

17 Senator Kerry: Where are they?

18 Mr. Carlton: I have to protect those people, sir. I
19 can't give you that information.

20 Senator Kerry: That's fair, and we talked about that
21 prior to the hearing, and I will not press you further on
22 that question in open session.

23 I want you to turn to the chart over here for a minute.
24 Can you read the names on that chart?

25 Mr. Carlton: Yes, sir.

1 Senator Kerry: Fairly quickly, but nevertheless, being
2 specific, could you tell us, is that an accurate
3 representation of the criminal enterprise of General Noriega?

4 Mr. Carlton: Yes, sir.

5 Senator Kerry: In the private group, do you know who
6 Enrique Pretelt is?

7 Mr. Carlton: Yes, sir.

8 Senator Kerry: What does he do for General Noriega?

9 Mr. Carlton: They have legal businesses in Panama. He's
10 a very close friend of the General, and in addition, he
11 participated in those operations when I gave the drug money
12 to General Noriega. He knew about it.

13 Senator Kerry: And what about the names -- skipping your
14 name, the next name there?

15 Mr. Carlton: Richard Bilonick, Ricardo Bilonick is
16 someone who is very close to General Noriega. He was a kind
17 of Panamanian ambassador here in Washington during the
18 Carter-Torrijos treaty. At that time, he was the manager of
19 INAIR, the company we mentioned before, and he is a very good
20 friend of the Ochoa family.

21 Senator Kerry: And is he involved in the drug and money
22 laundering also?

23 Mr. Carlton: In the drug business.

24 Senator Kerry: What about Carlos Wittgreen?

25 Mr. Carlton: That is the person I mentioned before.

1 He's the one who handles General Noriega's companies. One of
2 them is Servinaves. This is a person who is in charge of
3 repacking the goods that are sent from Cuba to Panama and
4 from Panama to the U.S.

5 Senator Kerry: Mr. George Novey, III?

6 Mr. Carlton: Mr. George Novey, III has many friends
7 among those in the drug business. He is involved in money
8 laundering, and he was one of the people who headed INAIR.

9 Senator Kerry: And finally, we have talked about Cesar
10 Rodriguez, who is now deceased.

11 It is my understanding you know of some other people that
12 could be added to that list of the private group.

13 Mr. Carlton: I don't remember right now, yes, but I know
14 of some others that I could give to you later.

15 Senator Kerry: We will discuss those later.

16 Now, in the Military Operations Group, do you recognize
17 the names there?

18 Mr. Carlton: Yes, sir.

19 Senator Kerry: Do you recognize each and every name?

20 Mr. Carlton: Yes, sir.

21 Senator Kerry: Are there additional names that could be
22 added to that list?

23 Mr. Carlton: Yes, sir.

24 Senator Kerry: Will you share those with us afterwards?

25 Mr. Carlton: Yes, sir.

1 Senator Kerry: Now, how does the Military Operations
2 Group work with respect to General Noriega and his
3 operations? Specifically, would you tell us about the Air
4 Force and how it works?

5 Is it the Purcell brothers?

6 Mr. Carlton: Yes, that's correct, it's the Purcell
7 brothers.

8 In most cases, when planes go from the U.S. to Panama
9 with money, these planes don't go to civilian airports but to
10 the military airports where the suitcase or suitcases with
11 the money are unloaded. As I said before, all of this is
12 approved by the commander-in-chief.

13 Senator Kerry: Do they sometimes get met by armored cars
14 to carry the cash?

15 Mr. Carlton: Yes, with an escort, that's right.

16 Senator Kerry: With an escort from the PDF?

17 Mr. Carlton: Yes, sir.

18 Senator Kerry: Now, what is the role that is played by
19 the Purcells?

20 Mr. Carlton: They are very close friends of General
21 Noriega since they were first lieutenants. They have been
22 going up in the same degree and they have kept up with that
23 friendship. They are both millionaires today.

24 Senator Kerry: How does the Air Force work? How does it
25 involve itself in the drug process and money laundering?

1 Mr. Carlton: In the drug process, as far as that's
2 concerned, I really can't say that it's the Air Force because
3 I'm not sure of it, but as far as money laundering is
4 concerned, as I said, very often boxes go to the Air Force as
5 if they were spare parts for their airplanes, but they
6 actually have money there.

7 Senator Kerry: The money comes in in those boxes?

8 Mr. Carlton: Yes. That's correct.

9 Senator Kerry: And how do they make sure that General
10 Noriega gets paid? How does his money get to him?

11 Mr. Carlton: Well, I really don't know about that.

12 Senator Kerry: Well, you know about some of the money
13 that gets paid to General Noriega because you paid it to him,
14 right?

15 Mr. Carlton: As far as I'm concerned, yes.

16 Senator Kerry: Do you know how any of the other money is
17 paid? Have you been present when he has been paid?

18 Mr. Carlton: No, sir. I have not been there.

19 Senator Kerry: Now, what about the offices of the
20 government? Do you recognize all the names under the list of
21 the offices of the government?

22 Mr. Carlton: Yes, sir.

23 Senator Kerry: And is each and every name one that you
24 recognize as being part of the criminal enterprise?

25 Mr. Carlton: Yes, sir.

1 Senator Kerry: Do you know additional names that could
2 be added to that list?

3 Mr. Carlton: Yes, sir.

4 Senator Kerry: And you will share those with us in
5 executive session?

6 Mr. Carlton: Yes, sir.

7 Senator Kerry: And the final lists, why do we not do
8 both of them at the same time? If you would look at the two
9 last lists there.

10 Mr. Carlton: Yes, sir.

11 Senator Kerry: Each of those private banks listed you
12 know personally is a bank that is involved in money
13 laundering?

14 Mr. Carlton: Except for one, sir.

15 Senator Kerry: Which one are you not certain of
16 personally?

17 Mr. Carlton: The Swiss bank.

18 Senator Kerry: Are there any banks not listed there
19 which should be?

20 Mr. Carlton: Several.

21 Senator Kerry: Would you name those banks, please?

22 Mr. Carlton: Right now?

23 Senator Kerry: Yes.

24 Mr. Carlton: The Bank of Colombia, the Banco Ganarero,
25 the InterAmerican Bank. Well, actually, that was closed down

1 already. The Banco Real the Interoceanic Bank. I don't
2 really remember the others, but I'll give you the names later.

3 Senator Kerry: Why do we not pursue that further, then,
4 at another time.

5 And finally, the last group, are there names that you
6 could add to that of the legitimate business, so-called
7 private groups?

8 Mr. Carlton: Yes, sir. I do know some.

9 Senator Kerry: Now, Mr. Carlton, we are almost at the
10 end of this process for today.

11 Let me ask you one other question. I asked you in back,
12 and you did not understand my question correctly, and I want
13 to come back to it. I asked you in general terms whether you
14 knew of people being ordered killed by General Noriega, and
15 you understood my question in a way that led you to say you
16 did not personally know of that because I had referred to
17 people generally, and I used a term that in Spanish you
18 understood to mean assassinate, broadly.

19 So let me rephrase my question to you and ask you for an
20 answer.

21 Do you have personal knowledge yourself of whether or not
22 General Noriega ordered or directed or took part in the
23 murder of any individual?

24 Mr. Carlton: Yes, that's correct.

25 Senator Kerry: You do have that knowledge?

1 Mr. Carlton: Yes, sir.

2 Senator Kerry: And you know he did.

3 Mr. Carlton: Yes, sir.

4 Senator Kerry: We are not going to go into that here
5 because we are not trying to create a criminal record in that
6 sense, but I want that answer to be part of the record.

7 . I would like to as you generally, now, here is this
8 enterprise. You know the country, you know the region, you
9 have traveled, you have been involved in drugs and arms
10 smuggling. You have seen friends of your murdered and
11 killed, and here you are wearing a hood, under federal
12 protection.

13 What do you think about what has happened to that part of
14 the world, what has happened to Panama, what has happened to
15 you, and what do you think about it now?

16 Mr. Carlton: I will try to be brief in answering your
17 question.

18 Panama's problems were the result of the military coup.
19 Starting with General Torrijos, ties were formed with drug
20 trafficking. They were set up to try to find financing, try
21 to find funds in other countries. These groups of criminals
22 came increasingly closer to Panama, and they gradually
23 corrupted the Panamanian authorities which until then, until
24 that time had not engaged in drug trafficking and money
25 laundering activities. Starting with the military coup in

1 1968, the banking system in Panama expanded, and this
2 expansion brought about money laundering activities. All the
3 money generated by drug trafficking, kidnappings,
4 assassinations came to banks in Panama where it was deposited.

5 Another situation arose when General Noriega became the
6 head of the forces in Panama. Then the problem knew no
7 boundaries because he would deal with God and the Devil at
8 the same time. I will deal with you today; tomorrow I will
9 sell you. That is the present situation in Panama. You have
10 corruption, drug trafficking, gun dealings, assassinations.
11 That is the political history my country is living at this
12 time.

13 Senator Kerry: In terms of the assassination and money
14 laundering and so forth process that you say has taken over
15 your country, is it fair to say that this criminal enterprise
16 is reaching into other countries in the same way?

17 Mr. Carlton: I could not say that with certainty. I
18 couldn't say it's happening the same way in other countries,
19 but as long as this man is in Panama, the other countries
20 will also be prone to his influence. He could involve them
21 in these activities.

22 Senator Kerry: Has the most significant change in Panama
23 taken place since about 1982?

24 Mr. Carlton: You could say that, sir.

25 Senator Kerry: That is about the same time that the

1 arrangement was created with the Medellin Cartel, correct?

2 Mr. Carlton: The agreement with the Medellin Cartel
3 dates back to 1983 or '84, but in my case, since 1982.

4 (Pause)

5 Senator Kerry: Just as a subnote, Mr. Carlton, I would
6 like to send this copy of a check down to you and ask you if
7 you recognize it. It is a check paid to Sud Export and
8 Import Corporation, and it is paid on the Defense Forces of
9 Panama check. It is in the amount of \$22,000 paid to Sud
10 Export and Import Corporation. It is dated March 29, 1984,
11 and it is my understanding that you recognize that check and
12 know what it was for.

13 Mr. Carlton: The company which you are referring to was
14 owned by my former partner, Cesar Rodriguez. On several
15 occasions checks like this one were used to pay for services,
16 limousine services or travel expenses and chartering planes.
17 Cesar would take \$5,000 to \$7,000 out of this, and the
18 difference went to General Noriega.

19 Senator Kerry: And I believe you told our staff during
20 the course of previous interviews that this particular check
21 was made out and paid for the transportation of a large
22 number of models who were flown specifically for a party, is
23 that accurate?

24 Mr. Carlton: I said that on several occasions parties
25 were organized, and that models were brought in, beautiful

1 girls from the United States, and we would be present at
2 those parties.

3 Senator Kerry: That was the method by which those
4 parties and those transportation costs were paid for, was
5 through Panamanian Defense Force checks that were routed to
6 Cesar Rodriguez, is that what you are saying to us?

7 Mr. Carlton: Yes. That is what I said before and what I
8 am trying to say now. There are many checks like these.

9 Senator Kerry: And we have some other copies of them,
10 but I'm not going to ask you to identify all of them right
11 now.

12 That will be entered into the record as Exhibit No. 12, I
13 believe is where we are now.

14 [The document referred to was marked Exhibit NO. 12 for
15 identification and follows:]
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1 Senator Kerry: Mr. Carlton, there is other testimony
2 which we want to take in private session for obvious
3 reasons. So at some point in the future we will be following
4 up with you in order to do that.

5 I want to thank you for your testimony here today.

6 Let me just ask you a quick question in terms of process
7 here.

8 You happened to see Mr. Bandon out here I believe
9 briefly. You saw him as he was leaving, is that accurate?

10 Mr. Carlton: Yes, it is.

11 Senator Kerry: Before today, when is the last time that
12 you saw Mr. Bandon, before today?

13 Mr. Carlton: I cannot recall at this time, sir.

14 Senator Kerry: Is it months ago, a year ago, two years
15 ago, since you left Panama?

16 Mr. Carlton: I think that not since I left Panama two
17 years ago.

18 Senator Kerry: Have you spoken to him in any way since
19 then?

20 Mr. Carlton: No, sir.

21 Senator Kerry: Did you know him in Panama?

22 Mr. Carlton: Yes, I did.

23 Senator Kerry: You knew him to be close and involved
24 with General Noriega and his affairs?

25 Mr. Carlton: Yes, I did.

1 Senator Kerry: Fine. Thank you for that.

2 What I wanted to point out is obviously that the
3 testimony of Mr. Carlton has corroborated I think point for
4 point what Mr. Blandon said with respect to the arms
5 shipments, the Colombian cartel, the meetings in Panama, the
6 question of shipments, Costa Rica relationships, as well as
7 the incident of the flight of the Panamanian airplane to El
8 Salvador, and where there has not been corroboration, I think
9 it has been because the witness has said himself that he
10 simply did not have knowledge of those particular events.

11 It also corroborates the testimony at this point of Leigh
12 Ritch and Mr. Kalish with respect to specific banks, the
13 laundering process and so forth.

14 Tomorrow morning at 9:00 o'clock we will have the last
15 witness in this series of hearings, and that will be Mr.
16 Ramon Millan Rodriguez, who was a major launderer.

17 Do you know Ramon Millan Rodriguez?

18 Mr. Carlton: Yes, I do.

19 Senator Kerry: What is he involved in, do you know?

20 Mr. Carlton: All I know about Mr. Ramon Millan Rodriguez
21 is that he would take money to Panama in private airplanes,
22 and he landed at the military part of the airport.

23 Senator Kerry: Did you know personally whether or not he
24 met with General Noriega?

25 Mr. Carlton: Yes, I heard it said. I heard the

1 intelligence people say so.

2 Senator Kerry: Well, tomorrow we will hear from Mr.
3 Rodriguez in the completion. That will just be a morning
4 session. There will be no afternoon session tomorrow.

5 We will begin at 9:00 o'clock and move right through the
6 morning.

7 On that note, Mr. Carlton, thank you very much.

8 We stand recessed until tomorrow at 9:00 o'clock.

9 [Whereupon, at 4:32 p.m., the subcommittee recessed, to
10 reconvene at 9:00 a.m., Thursday, February 11, 1988.]

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SUBJECT
TO
EDITING

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Subcommittee on Terrorism, Narcotics and International Operation
of the

COMMITTEE ON FOREIGN RELATIONS

UNITED STATES SENATE

HEARING TO RECEIVE TESTIMONY ON:

DRUGS, LAW ENFORCEMENT AND FOREIGN POLICY: PANAMA

Washington, D.C.

February 11, 1988

128-997-144
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C O N T E N T SSTATEMENT OF:PAGE

Ramon Milian Rodriguez

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HEARING TO RECEIVE TESTIMONY ON
DRUGS, LAW ENFORCEMENT AND FOREIGN POLICY: PANAMA

Thursday, February 11, 1988

U.S. Senate
Subcommittee on Terrorism,
Narcotics and International
Operations
Committee on Foreign Relations
Washington, D.C.

The Subcommittee met, pursuant to notice, at 9:10 a.m. in Room SH-216, Hart Senate Office Building, the Hon. John F. Kerry [Chairman of the Subcommittee] presiding.

Present: Senators Kerry [presiding] and D'Amato.

Senator Kerry: The hearing will come to order, please.

Good morning, all. This is the last in this series of three and a half days of hearings that will be held this month. We will corroborate today with additional testimony those things that have been said in prior days relative to the money laundering, drug smuggling, criminal enterprise of General Noriega.

In addition, we will go a little bit further on some of the material that has been opened with respect to linkages to the Nicaraguan resistance effort and drug smuggling.

1 Mr. Millan Rodriguez, our witness today, will probably
2 almost to a certainty return to testify further during the
3 next course of hearings, which is scheduled in March. And I
4 will have some comments at the end of his testimony for today
5 relative to where we have traveled in these past three and a
6 half days and what we believe we have found at this point in
7 time.

8 We are going to do this in a morning session only, as I
9 announced yesterday. And so we're going to try to proceed as
10 expeditiously as possible.

11 Mr. Rodriguez, I would ask you if you would please stand
12 so that you may be sworn. Would you raise your right hand.

13 [Witness sworn.]
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1 TESTIMONY OF RAMON MILIAN RODRIGUEZ

2 Senator Kerry: Would you state your full name for the
3 record.

4 Mr. Rodriguez: My name is Ramon Milian Rodriguez.

5 Senator Kerry: What is your date of birth?

6 Mr. Rodriguez: March 7th, 1951.

7 Senator Kerry: Your social security number?

8 Mr. Rodriguez: 567-88-0977.

9 Senator Kerry: Are you presently incarcerated?

10 Mr. Rodriguez: Yes, I am.

11 Senator Kerry: Where are you incarcerated?

12 Mr. Rodriguez: I am in the federal correctional
13 Institution at Butner, North Carolina.

14 Senator Kerry: What crimes were you convicted of?

15 Mr. Rodriguez: I was convicted of RICO.

16 Senator Kerry: Racketeering enterprise?

17 Mr. Rodriguez: Yes, sir.

18 Senator Kerry: What specific criminal acts did you
19 commit to be part of the RICO?

20 Mr. Rodriguez: Money laundering, the transport of cash.

21 Senator Kerry: You were arrested trying to transport
22 cash out of the country, is that correct?

23 Mr. Rodriguez: Yes, sir.

24 Senator Kerry: How much cash were you trying to
25 transport out of the country?

1 Mr. Rodriguez: I had \$5.4 million with me.

2 Senator Kerry: In cash?

3 Mr. Rodriguez: Yes, sir.

4 Senator Kerry: And you had your own Learjet at that
5 time?

6 Mr. Rodriguez: That's right, my own plane.

7 Senator Kerry: And you were arrested with the cash in
8 your plane at the airport, is that accurate?

9 Mr. Rodriguez: Yes, sir. Actually, I was detained at
10 the airport. I was arrested later.

11 Senator Kerry: How long is your sentence?

12 Mr. Rodriguez: I am serving a combined total of 43
13 years.

14 Senator Kerry: And you are eligible for parole when?

15 Mr. Rodriguez: 1995.

16 Senator Kerry: Have any promises whatsoever been made to
17 you with respect to your current status by this Committee?

18 Mr. Rodriguez: No, sir.

19 Senator Kerry: Have any promises been made to you by
20 anybody with respect to your current status?

21 Mr. Rodriguez: No, sir.

22 Senator Kerry: And you understand that you are
23 testifying under oath? You are subject to the pains and
24 penalties of perjury?

25 Mr. Rodriguez: Yes, I do, sir.

1 Senator Kerry: And you know that that can mean that, if
2 it is proven that you don't tell the truth here, that you
3 could in fact serve additional time should we prosecute for
4 perjury?

5 Mr. Rodriguez: Yes, sir.

6 Senator Kerry: Now, did you offer to tell your story at
7 some time to any law enforcement authorities?

8 Mr. Rodriguez: There have been negotiations on and off
9 since 1983, but nothing has ever come of it.

10 Senator Kerry: In 1983 you did go to law enforcement
11 authorities and offer to tell your story, is that accurate?

12 Mr. Rodriguez: Yes, sir.

13 Senator Kerry: We will go into that later.

14 Where were you born?

15 Mr. Rodriguez: I was born in Havana, Cuba.

16 Senator Kerry: When did you come to the United States?

17 Mr. Rodriguez: January the 17th, 1959.

18 Senator Kerry: Just help us out a little bit. I can
19 figure it out, but I'm slow in math today. How old?

20 Mr. Rodriguez: I was about eight years old.

21 Senator Kerry: About eight years old.

22 What did your father do?

23 Mr. Rodriguez: We had several businesses in Cuba. We
24 had a bank and meat packing and some construction.

25 Senator Kerry: And your family was a family of adequate

1 means?

2 Mr. Rodriguez: Yes, sir.

3 Senator Kerry: Where did you go to school?

4 Mr. Rodriguez: I graduated from the University of Santa
5 Clara in California.

6 Senator Kerry: What year did you graduate?

7 Mr. Rodriguez: In 1973.

8 Senator Kerry: What did you have a degree in?

9 Mr. Rodriguez: I have a bachelor of science in
10 commerce.

11 Senator Kerry: Do you have any other professional
12 training?

13 Mr. Rodriguez: I am a certified public accountant,
14 enrolled in the state of Florida.

15 Senator Kerry: When did you become a certified public
16 accountant?

17 Mr. Rodriguez: '76 or '77, I'm not sure.

18 Senator Kerry: And did you become that in Florida?

19 Mr. Rodriguez: Yes, sir.

20 Senator Kerry: So at some time after Santa Clara, you
21 moved to Miami?

22 Mr. Rodriguez: Immediately after Santa Clara.

23 Senator Kerry: Is there any particular reason you moved
24 to Miami?

25 Mr. Rodriguez: Well, ethnically it is a magnet for

1 Cubans, and I had contacts in the community.

2 Senator Kerry: When did you become an American citizen?

3 Mr. Rodriguez: In the sixties. I don't remember the
4 exact. The middle sixties, I believe.

5 Senator Kerry: Once you arrived in Miami, what did you
6 begin to work at?

7 Mr. Rodriguez: I worked as an accountant for an
8 accounting firm.

9 Senator Kerry: What was the name of the firm?

10 Mr. Rodriguez: John Haralambibes, CPA. I initially did
11 accounting.

12 Senator Kerry: How long did you work there?

13 Mr. Rodriguez: I worked there until about 1977 or '78.

14 Senator Kerry: And did you have particularly close
15 connections to the Cuban community because of your father and
16 your ties?

17 Mr. Rodriguez: Yes, sir, I had a very close
18 relationship.

19 Senator Kerry: Did that help you to develop your
20 accounting practice?

21 Mr. Rodriguez: Yes, sir, tremendously.

22 Senator Kerry: Now, at some time did you begin to learn
23 something about money laundering?

24 Mr. Rodriguez: Yes, sir, almost right at the beginning.

25 Senator Kerry: Would you describe that to the

1 Committee?

2 Mr. Rodriguez: Well, I had a client who was a very dear
3 friend of the family by the name of Manuel Artime. Dr.
4 Artime was a very well known leader in the community.

5 Senator Kerry: Dr. Artime had been involved in the Bay
6 of Pigs, had he not?

7 Mr. Rodriguez: Yes, sir. He was the political officer
8 of the Bay of Pigs.

9 Senator Kerry: And he enjoyed a very favorable
10 reputation within the community because of that?

11 Mr. Rodriguez: Yes, sir, he did. He was a hero figure.

12 He was involved in various anti-communist efforts. The
13 group that he worked with had just had, recently had a
14 tremendous failure. He needed a new face, somebody mobile,
15 ideologically in tune with his beliefs, someone he could
16 trust.

17 And I fit those bills for him. He asked me to work for
18 him on certain projects that involved the covert handling of
19 money.

20 Senator Kerry: Can you describe any of the projects that
21 you initially worked on?

22 Mr. Rodriguez: Well, after he arranged for me to start
23 receiving the rudimentary skills in the covert handling of
24 money --

25 Senator Kerry: When you say "the covert handling of

1 money," be more specific? What did you learn how to do?

2 Mr. Rodriguez: Well, it's an interesting field. It
3 requires expertise in accounting, banking, logistics, and
4 security. And I received training in all those areas.

5 Senator Kerry: What kind of training?

6 Mr. Rodriguez: Well, you know, when you are a young
7 college graduate you can just about write your name when you
8 get out of school.

9 Senator Kerry: Today they can't even do that, but that's
10 all right.

11 Mr. Rodriguez: So anyway, I had to learn all about
12 banking secrecy, banking secrecy laws, various vehicles of
13 incorporation.

14 Senator Kerry: Who trained you in this?

15 Mr. Rodriguez: I was trained by teachers arranged
16 through Dr. Artime.

17 Senator Kerry: And your teachers were practitioners in
18 each of these fields?

19 Mr. Rodriguez: The teachers were expert in each of these
20 fields.

21 Senator Kerry: Can you name any of them?

22 Mr. Rodriguez: No, sir. We did not exchange names.

23 Senator Kerry: And what were some of the first projects
24 that you worked on?

25 Mr. Rodriguez: Well, the very first project I ever

1 worked on was delivering money to the families of some agents
2 that had been captured breaking the law in the U.S. It's
3 commonly referred to as Watergate.

4 Senator Kerry: So you were involved in delivering some
5 money to families of the Watergate burglars, is that
6 accurate?

7 Mr. Rodriguez: Yes, the Cubans.

8 Senator Kerry: The Cubans who were involved in that?

9 Mr. Rodriguez: Yes, sir.

10 Senator Kerry: And these families were located where?

11 Mr. Rodriguez: In Miami.

12 Senator Kerry: And the money that you delivered to them,
13 you delivered to them in a way that couldn't be determined,
14 is that fair to say?

15 Mr. Rodriguez: Yes, sir.

16 Senator Kerry: And did you say that you were proud of
17 that or people were proud of that particular effort?

18 Mr. Rodriguez: Oh, yes, the entire community was. You
19 know, we felt that the Cubans had behaved well. They had
20 done as they were ordered and they took their punishment, and
21 we felt that we owed them backing. We felt that they had
22 been mistreated.

23 Senator Kerry: And how did you deliver this money?

24 Mr. Rodriguez: Cash, and there were some transfers, some
25 deliveries to Nicaragua.

1 Senator Kerry: How much money was delivered
2 specifically, do you remember?

3 Mr. Rodriguez: Well, you know, no more than a few
4 hundred thousand dollars. A couple of hundred thousand
5 dollars in total.

6 Senator Kerry: Where was it delivered to?

7 Mr. Rodriguez: Well, in the case of living expenses and
8 so forth, they were delivered directly to the families'
9 homes. There were other cases where I made deliveries to
10 accounts specifically in Nicaragua, but I didn't have a need
11 to know.

12 Senator Kerry: You didn't have a need to know what?

13 Mr. Rodriguez: Who was the beneficiary.

14 Senator Kerry: Now, subsequent to that did you begin to
15 gain some accounting clients?

16 Mr. Rodriguez: Yes, sir. Dr. Arttime had many companies
17 that were involved in his work, and I ended up being the
18 accountant for all of his companies. And as any practice
19 grows, I ended up representing many of the principals of the
20 companies, and it just grew and grew.

21 Senator Kerry: At some time did you begin to have Cuban
22 refugee fishermen as clients?

23 Mr. Rodriguez: Yes, sir. I -- again through old family
24 contacts, I started doing accounting for many of the
25 fishermen. At that time fishing was a very profitable

1 profession. Lobster and shrimp were very profitable, and in
2 the late sixties and early seventies a fisherman could make
3 between \$50,000 and \$100,000 fishing.

4 And I represented a great number of them.

5 Senator Kerry: Did something happen to the fishing
6 enterprise to reduce its profitability?

7 Mr. Rodriguez: Yes, sir. The Bahamian government
8 changed its policy on their fishing grounds and started
9 prohibiting the fishermen from fishing in their waters, and
10 it created a tremendous recession in the industry for them.

11 They were saddled with mortgage payments on their boats.
12 They were living a lifestyle of a man who at that time was
13 making, as I said, between \$50,000 and \$100,000 a year, and
14 all of a sudden their source of income was cut out.

15 Senator Kerry: Was there a transition then in the
16 industry?

17 Mr. Rodriguez: Yes, sir.

18 Senator Kerry: Would you describe that?

19 Mr. Rodriguez: They found out that they could substitute
20 their income with smuggling.

21 Senator Kerry: What did they start smuggling?

22 Mr. Rodriguez: Marijuana.

23 Senator Kerry: And were you aware of that at the time?

24 Mr. Rodriguez: I became aware of it.

25 Senator Kerry: How did you become aware of it?

1 Mr. Rodriguez: Well, because there was just no other
2 justification for the amounts of money. They went from
3 making a lot of money to making an incredible amount of
4 money.

5 Senator Kerry: Describe that? What took place?

6 Mr. Rodriguez: Well, it was not uncommon in those times
7 for an individual to make a million dollars a year. And back
8 then it was a lot of money. It still is.

9 Senator Kerry: Did they come to you and -- well, later
10 we will get into the question of what's a lot of money.

11 Senator D'Amato: I agree with you, it still is. And I
12 think Senator Kerry agrees with you.

13 Senator Kerry: I sure do, but I tell you, as I listened
14 to this I became astonished by the amounts of money.

15 Did they bring the cash to you personally?

16 Mr. Rodriguez: Yes. I should interject that we're a
17 very closely knit community, and many of the people that
18 were, say, fishermen also did clandestine work for people
19 like Dr. Artime. So when the question of handling covert --
20 I mean handling large amounts of money came up, I already had
21 a small reputation as far as handling of money.

22 Senator Kerry: Is that because of your association with
23 Dr. Artime?

24 Mr. Rodriguez: Yes, sir. And initially I was asked if I
25 could handle the money, and yes, I could.

1 Senator Kerry: You used the word "clandestine." Why did
2 you use the word "clandestine" or "covert"?

3 Mr. Rodriguez: Well, speaking in terms of the fishermen,
4 a boat -- I will give you an example. A boat going out to
5 fish in international waters at that time was perfectly able
6 to deliver a team of men in a dinghy to Cuban coastal waters
7 for infiltration, and then the boat could just go on back and
8 fish and come back with a load of fish.

9 Senator Kerry: Did that take place?

10 Mr. Rodriguez: Yes, sir.

11 Senator Kerry: You know that?

12 Mr. Rodriguez: Yes, sir.

13 Senator Kerry: For a fact?

14 Mr. Rodriguez: Absolutely.

15 Senator Kerry: How do you know that?

16 Mr. Rodriguez: I know many of the infiltration teams.

17 Senator Kerry: We will come back, I think, to some of
18 that.

19 Let me keep going on the drugs for a minute. For how
20 long were you working, then, laundering this money,
21 processing this money on behalf of these fisherpeople who
22 were smuggling?

23 Mr. Rodriguez: Okay. I should probably put this all in
24 perspective. Right around the time that the fishermen began
25 having problems with the Bahamians, these same fishermen who

1 also worked for us in other things, Dr. Artime developed
2 cancer.

3 So at a point in time between '75 and '76, he became too
4 ill to work and many of his people were left without a
5 captain. They drifted into the smuggling business because
6 they had the assets. They had boats, airplanes, radios.

7 Senator Kerry: Were many of these people people who had
8 been part of the Cuban resistance?

9 Mr. Rodriguez: To a great -- a majority, the great
10 majority.

11 Senator Kerry: And did Dr. Artime maintain his ties to
12 the intelligence community during that period, do you know?

13 Mr. Rodriguez: Yes, sir.

14 Senator Kerry: He did?

15 Mr. Rodriguez: During all that time.

16 Senator Kerry: And you know that to a certainty?

17 Mr. Rodriguez: Yes, sir.

18 Senator Kerry: How do you know that to a certainty?

19 Mr. Rodriguez: Well, I trusted Dr. Artime, and some of
20 the things I was asked to do had no other clear purpose than
21 for the benefit of national security.

22 Senator Kerry: Well, again, we're going to get into that
23 a little bit later, I think.

24 Let me just ask you, were some of these people part of
25 what is known as the Brigade 2506?

1 Mr. Rodriguez: Yes, sir, many of them were.

2 Senator Kerry: Now, again, this is what year
3 specifically?

4 Mr. Rodriguez: Let's put it at 1976, which was really
5 crucial because that was when Artime died and that was when
6 everyone was left to their own devices, which was a real
7 demarcation point.

8 When you lose your ideological leader and you are
9 somewhat disgruntled -- and many of my countrymen feel that
10 they have reason to be disgruntled with America -- like water
11 will always choose a course of least resistance, at that time
12 the easiest way to make money, the fastest way, was through
13 drug smuggling.

14 And many of them went into that.

15 Senator Kerry: Did you at some time -- did this process
16 of laundering or processing money for the smugglers lead you
17 to Panama?

18 Mr. Rodriguez: Well, I had contacts in Panama from
19 before.

20 Senator Kerry: Would you describe those contacts?

21 Mr. Rodriguez: Well, I went to school with several
22 Panamanians who later became attorneys.

23 Senator Kerry: When did you go to school there?

24 Mr. Rodriguez: No, when I was at the University of Santa
25 Clara I went to school with many Panamanians who later on

1 assumed positions of importance in Panama.

2 Senator Kerry: Such as?

3 Mr. Rodriguez: Well, some have been political leaders.
4 Others are leaders in commerce.

5 Senator Kerry: Let's be specific. Who did you go to
6 school with who came into positions of importance?

7 Mr. Rodriguez: Well, I went to school with a fellow
8 whose uncle had been secretary of state and was important
9 politically. I'm talking about Mr. Henry Ford.

10 Senator Kerry: Was the position known as secretary of
11 state?

12 Mr. Rodriguez: Ministro del Estado.

13 And once you've held a post like that --

14 Senator Kerry: His name?

15 Mr. Rodriguez: Henry Ford.

16 Senator Kerry: This is the Henry Ford I think Mr.
17 Blandon referred to the other day.

18 Mr. Rodriguez: If he was associated with him, it could
19 only be the same Henry Ford. We're not talking about
20 Detroit.

21 Senator Kerry: We're talking about a bigger business,
22 though.

23 Mr. Rodriguez: A little bit bigger, yes.

24 Senator D'Amato: Much more profitable.

25 Mr. Rodriguez: Yes, much more profitable.

1 Anyway, once you are part of the ruling clique in a
2 country such as Panama, you find that the political positions
3 are --

4 Senator D'Amato: Interchangeable?

5 Mr. Rodriguez: And traded.

6 Senator D'Amato: They just keep going round and round.

7 Mr. Rodriguez: You have a very good understanding of
8 foreign politics.

9 Senator D'Amato: You will find the same thing in a
10 number of countries, not only Panama. But I always marvel --
11 of course, I am not ascribing the same kind of
12 characteristics as it relates to the drug trading, et cetera,
13 but in Italy the politicians never leave until they leave
14 Mother Earth 30 years later or 40 years later, regardless of
15 what you will find them --

16 Senator Kerry: They never left Mother Earth.

17 Are you sworn, Senator D'Amato?

18 Mr. Rodriguez: So anyway, I had through these people
19 very direct contacts to sources of power within the country.

20 Senator Kerry: Can you name anyone else that you went to
21 school with?

22 Senator D'Amato: If you tell me Pete Dupont, I'm going
23 to begin to wonder.

24 Mr. Rodriguez: I went to school with a lot of people.
25 Before I start naming them, I'd like to discuss it with you

1 in executive session.

2 Senator Kerry: I'd be happy to do that. I know you have
3 already given us some names and I have those as a matter of
4 the record previously.

5 But the connection to Henry Ford is the key connection
6 with respect to your beginning to launder money, is that
7 accurate?

8 Mr. Rodriguez: Well, it was crucial because it gave me
9 the open door into a country that requires pedigree as well
10 as money to deal in the higher circles.

11 Senator Kerry: Describe your first trip to Panama with
12 respect to your money laundering enterprise?

13 Mr. Rodriguez: Senator, that's virtually impossible. I
14 don't think I can remember the first trip I made. I have
15 made hundreds of trips.

16 Senator Kerry: I mean the first one that you used with
17 respect to the money laundering, the first time you went
18 there. Who did you meet with? How did you set up the money
19 laundering operation?

20 Mr. Rodriguez: Okay. Let me just interject that I'm
21 going to speak about the first time I established a formal
22 business relationship with a Panamanian official. Prior to
23 that I had informal relationships with many officials. I'm
24 talking about majors, captains, lieutenants.

25 Senator Kerry: The Panamanian defense force?

1 Mr. Rodriguez: Yes, sir.

2 Senator Kerry: Did that at that time include General
3 Noriega?

4 Mr. Rodriguez: No.

5 Senator Kerry: At that time a colonel or whatever he
6 was?

7 Mr. Rodriguez: He was a colonel at the time.

8 But prior to getting into large-scale money laundering

9 --

10 Senator D'Amato: Major leagues?

11 Mr. Rodriguez: Yes, sir.

12 Senator D'Amato: You were operating in the minors?

13 Mr. Rodriguez: Yes, sir.

14 Well, let's say that I was dealing in the tens of
15 millions. I was going to shortly deal in more than that. So

16 --

17 Senator Kerry: So the minor leagues you were involved in
18 when you had these links to colonels, et cetera, you were
19 actually moving millions of dollars, tens of millions?

20 Mr. Rodriguez: Yes, sir.

21 Senator Kerry: At that early stage in the 1970's?

22 Mr. Rodriguez: Between '76 and '79.

23 Senator Kerry: You would personally fly that money to
24 Panama?

25 Mr. Rodriguez: At that time, yes, we would fly it, or on

1 occasions we would ship it by boat. There was no set
2 organization for it. It was the simplest thing in the world
3 just to get on a plane and go to Panama with a load of cash.
4 At that time the interdiction efforts were not really in
5 place.

6 I'm not sure even when the currency transaction reporting
7 requirements came in. But you know, they were a joke at that
8 time. So practically anyone could get on a plane with a lot
9 of money.

10 The reason I had to make a more formal arrangement was
11 because it was logistically impossible for me to personally
12 carry that much money on board any plane.

13 Senator Kerry: Because you were doing so much business?

14 Mr. Rodriguez: Yes.

15 Senator Kerry: What year is this?

16 Mr. Rodriguez: 1979, which is the year that I sat down
17 with General Noriega and reached an accord.

18 Senator Kerry: Let's describe that meeting. How did
19 that meeting come about?

20 Mr. Rodriguez: Okay. I asked Mr. Ford to arrange a
21 meeting with General Noriega. I think he was a colonel at
22 the time. He was even back then regarded as the person you
23 had to deal with.

24 Henry was very kind and set up the meeting. I traveled
25 down and met --

1 Senator Kerry: How did you fly down?

2 Mr. Rodriguez: At that time I flew down, I believe
3 Braniff Airlines was the one I was using.

4 Senator Kerry: Where did you meet with General Noriega?

5 Mr. Rodriguez: I met with him at Henry's office.

6 Senator Kerry: Did you meet some Colombian dealers at
7 that time?

8 Mr. Rodriguez: Well, the Colombian dealers predated the
9 meeting with Noriega. As a matter of fact, they were
10 responsible for the meeting. I was, through word of mouth
11 and through success, I was referred to some Colombians who
12 had a problem with cash flow, not in terms of business but
13 actually the flow of cash.

14 Senator Kerry: Which Colombians?

15 Mr. Rodriguez: They are commonly referred to as the
16 cartel.

17 Senator Kerry: Who specifically did you meet with?

18 Mr. Rodriguez: Pablo Escobar Gaviria and some of his
19 lieutenants. I thought I was interviewing them to see if I
20 wanted them to be my client and they thought they were
21 interviewing me to see if they wanted me.

22 At that time I had no inkling of who they were. But I
23 very quickly got an idea of who they were when we started
24 discussing the amounts of money that they needed handled.

25 Senator Kerry: How much money did they need handled?

1 Mr. Rodriguez: Well, initially I believe we were talking
2 in the neighborhood of \$50 to \$100 million.

3 Senator Kerry: Over what period of time?

4 Mr. Rodriguez: A month.

5 Senator Kerry: \$50 to \$100 million a month?

6 Mr. Rodriguez: Yes, sir.

7 Senator Kerry: Did this involve Ochoa, the Ochoa
8 brothers also?

9 Mr. Rodriguez: Yes, sir.

10 Senator Kerry: Did it involve Carlos Lehder?

11 Mr. Rodriguez: Yes. It involved all of the major boys,
12 because by that time they were starting to experiment with
13 co-insuring. Rather than having one person take a risk for
14 an entire trip, they would cooperate. Each would contribute
15 to their shipment, and if there was an interdiction they
16 would share.

17 Senator Kerry: Share the loss?

18 Mr. Rodriguez: Share the loss on pro rata that they had
19 contributed in merchandise.

20 Senator Kerry: At the time did you negotiate an
21 arrangement between the Colombian dealers and Colonel
22 Noriega?

23 Mr. Rodriguez: Well, I negotiated an arrangement between
24 Colonel Noriega and myself. I was going to --

25 Senator Kerry: Let's be very precise about that, then.

1 This was when?

2 Mr. Rodriguez: In '79.

3 At that time I was asked by the -- I never thought of
4 them as the cartel, but let's call them the cartel. I was
5 asked to design a system to facilitate the cash flow of their
6 money from the U.S. out of the U.S. to any point that I
7 chose.

8 And the system, as I said, required security, logistical
9 planning, banking contacts. It had to be complete.

10 Senator Kerry: Why you for that? Why not someone else?
11 Why not a Colombian businessman?

12 Mr. Rodriguez: Well, I had a proven track record. I was
13 already dealing with so many people that they knew, that it
14 was a referral, like any other business referral. And I
15 daresay they probably interviewed other people. I just
16 happened to be the one that won the bid.

17 I knew after speaking with them that there was no
18 possibility of taking on such an enterprise unless I had
19 Panamanian government support. It was just an astronomical
20 effort, and I felt I needed certain things out of Panama.

21 Senator D'Amato: Mr. Rodriguez, could you give us a time
22 frame? When about was this that this meeting took place?
23 And I'm not asking with precision, but about.

24 Mr. Rodriguez: Let's say the last six months of 1979. I
25 know that I incorporated one company specifically for that

1 purpose and it was incorporated -- I don't have the date, but
2 it was in '79 that it was incorporated. The company was
3 Cambias Monetarios Internacional.

4 Senator D'Amato: That's when you for the first time came
5 into contact with Escobar and his lieutenants and the
6 magnitude of \$50 to \$100 million, and that's when you had
7 that initial meeting with Henry Ford and Noriega, is that
8 correct?

9 Mr. Rodriguez: Yes, sir.

10 Senator D'Amato: I just wanted to get a time reference,
11 Mr. Chairman.

12 Mr. Rodriguez: So anyway, I had my meeting with Noriega
13 at the time I made my --

14 Senator Kerry: Who was present at the meeting?

15 Mr. Rodriguez: He had an aide which I do not know, and
16 Henry was present for part of the meeting.

17 Senator Kerry: And the meeting took place at?

18 Mr. Rodriguez: At Henry's office.

19 Senator Kerry: Henry's office?

20 Mr. Rodriguez: Yes, sir.

21 Senator Kerry: Had you ever met Colonel Noriega before?

22 Mr. Rodriguez: No, sir.

23 Senator Kerry: Did you know about him?

24 Mr. Rodriguez: I knew of him. And again, I answered
25 categorically. I had had some social contact, you know, like

1 at a party, that type of thing. But up to that point I
2 couldn't say I knew the man. I knew of him.

3 Senator Kerry: How were you able -- you know, we keep
4 hearing people say nothing happens in Panama without the
5 approval of General Noriega. How were you able to deal
6 previously with amounts up to \$10 million without a deal with
7 General Noriega, then Colonel Noriega?

8 Mr. Rodriguez: Because, first of all, they were
9 manageable sums. When I say \$10 million or \$20 million, at
10 that time I was probably handling \$2 or \$3 million at a
11 time.

12 Senator Kerry: \$10 million total?

13 Mr. Rodriguez: Yes. They were manageable sums, and I
14 dealt with the officer in charge, and I assumed that he
15 answered to his superior and his superior answered, and so
16 forth.

17 Senator Kerry: General Noriega's control grew
18 substantially, didn't it, around 1983 when he became head of
19 the forces? He wasn't at that time head of the forces, was
20 he?

21 Mr. Rodriguez: No, he was not. He was just head of army
22 intelligence.

23 Senator D'Amato: Mr. Chairman, I am wondering at this
24 point, because I would like for my own edification. And
25 maybe, Mr. Rodriguez, if you are qualified to answer this.

1 It has always seemed to me that there was kind of an uneasy
2 truce or an accommodation between the then leader during that
3 period of time, in 1979, '80, and '81 until he died -- his
4 name was Torrijos?

5 Mr. Rodriguez: Yes, sir.

6 Mr. Rodriguez: Torrijos, who was the head of the armed
7 forces, and Noriega. Now, in your opinion was there a
8 looking the other way? Was Torrijos part of this? Was this
9 an independent operation, what you're going to be getting
10 into, the drug operation that was run by the colonel at that
11 time?

12 What was the situation, if you feel qualified?

13 Mr. Rodriguez: Well, I will tell you what my
14 understanding was. General Noriega had -- let me put it like
15 this. Torrijos is very charismatic.

16 Senator D'Amato: He had the people?

17 Mr. Rodriguez: He had the people.

18 Senator D'Amato: It seems to me there was some talk of
19 even threatened revolutions against him, but he took the
20 people to the streets and the soldiers went back to the
21 barracks.

22 Mr. Rodriguez: He was a very charismatic leader, not
23 very intellectual. He ruled from the heart, not from the
24 brain.

25 General Noriega, on the other hand, rules from the

1 cunning. He had the intelligence training and he fully
2 recognized the value of the information he received, and he
3 fully recognized how best to utilize that power. So that's
4 why you had to deal with Colonel Noriega.

5 Senator D'Amato: So that while Torrijos was leader in
6 name, you had operating in the army --

7 Mr. Rodriguez: You had Noriega as the enforcer.

8 Senator D'Amato: Do you believe that Torrijos was part
9 of that drug operation?

10 Mr. Rodriguez: I believe Torrijos had to profit from
11 it.

12 Senator Kerry: Let me try to caution you here. I don't
13 want to get beliefs.

14 Mr. Rodriguez: Yes, sir. That's why I used the word
15 "believe."

16 Senator Kerry: But I don't think we ought to deal in
17 beliefs.

18 Senator D'Amato: Mr. Chairman, this is an attempt to
19 establish who was --

20 Senator Kerry: What you established in terms of that is
21 very, very important. But I want to keep this on a what we
22 know and what you saw and what you dealt with personally, if
23 we can.

24 Mr. Rodriguez: Yes, sir.

25 Senator Kerry: I think we are better if we just stick

1 with that.

2 Let me come back if I can. What did you want from
3 General Noriega specifically?

4 Mr. Rodriguez: I made three basic demands. I wanted
5 complete security for the money from the point that it
6 reached Panama. Prior to that there had been instances of
7 hijacking of couriers. Some had been hurt. I wanted army
8 protection, complete security. If there was a problem once
9 the money reached Panama, they made it good. That was point
10 one.

11 Point two, which was a more intellectual point, something
12 that he was unable to understand and conceded easily, was
13 immediate credit for cash deposits. Banks have a tendency to
14 want to hold your money without your being able to use it for
15 as long as they can.

16 Senator D'Amato: That hasn't changed.

17 Mr. Rodriguez: No, it hasn't. And they treat large
18 amounts of cash just the way they treat a check. If you
19 deposit ten dollars you can draw on it immediately. If you
20 deposit \$10 million, no, you have to wait until we count it,
21 verify it, send it to the Federal Reserve, invest it and make
22 some money on it.

23 So we required immediate credit on our money.

24 And thirdly, we required access to Panamanian assets,
25 wherever they may be. And when I speak of assets, I speak of

1 political and diplomatic sources, the use of diplomatic
2 passports, diplomatic pouches, as well as access to
3 information.

4 Senator Kerry: Did you strike a deal on those points?

5 Mr. Rodriguez: Yes, sir, I did.

6 Senator Kerry: What did he want or what did you offer
7 him? Did he want something or did you offer him something?
8 How did that work?

9 Mr. Rodriguez: We negotiated. General Noriega always
10 wants more and you always offer him a pittance, and you try
11 to get a mutually agreeable sum.

12 Senator Kerry: What was the deal that you struck?

13 Mr. Rodriguez: Well, because he is sort of a slippery
14 and tricky fellow, I was unable to tie him down to specific
15 agreement. We had a sliding rule, depending on how much
16 service we needed.

17 A rule of thumb would be about one percent on moneys
18 delivered to Panama by us. I have paid him less, I have paid
19 him more. I have paid him much more, depending on just how
20 much -- for instance --

21 Senator Kerry: Did it depend on the size of your
22 shipment of money?

23 Mr. Rodriguez: Size had something to do with it. I wish
24 I could come here and show you a commission scale, like the
25 discount brokers or Merrill Lynch give you. There wasn't a

1 set rate schedule.

2 Senator Kerry: What was the variation? What was the
3 range?

4 Mr. Rodriguez: Let's say from --

5 Senator Kerry: One-half a percent?

6 Mr. Rodriguez: One-half, one and a half, to ten
7 percent. You know, on a case where you required them to do
8 most of the work.

9 Senator Kerry: Did he agree to provide you with a safe
10 haven for laundering money?

11 Mr. Rodriguez: Yes, sir.

12 Senator Kerry: Did you want information about U.S. law
13 enforcement or intelligence? Did you ask him for that?

14 Mr. Rodriguez: That was our third point of negotiation.

15 Senator Kerry: And did you get that?

16 Mr. Rodriguez: Yes, sir.

17 Senator Kerry: So General Noriega gave you personally
18 law enforcement information or intelligence?

19 Mr. Rodriguez: Myself?

20 Senator Kerry: Such as what, or what did you get?

21 Mr. Rodriguez: Well, let's put it like this. I would
22 get requests and I would forward them on.

23 Senator Kerry: Requests from whom?

24 Mr. Rodriguez: The cartel.

25 Senator D'Amato: Was that DEA, for example? Did they

1 want to know who were the Drug Enforcement agents, or did you
2 ever have a question about various operations that the drug
3 people or the Customs people may have been undertaking?

4 Mr. Rodriguez: We're talking basically about the
5 identifying of American agents abroad. We're talking about
6 the use of radio frequencies, schedules, Coast Guard
7 schedules or Navy schedules.

8 Senator D'Amato: So the drug cartel, for example, was
9 able to get through Noriega, or would make requests from you
10 to Noriega as it related to, let's say, the interdiction, the
11 Customs operations, the Coast Guard, radio frequencies for
12 the airplanes that would be used in those interdiction
13 efforts? Is that what you're saying?

14 Mr. Rodriguez: Yes, sir. I don't want to give the
15 impression that General Noriega on every instance had
16 information, because that's not the case. But certainly it
17 gave him an inkling of what was sellable from his end. If he
18 didn't have it, he could certainly try to obtain it.

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1 Senator D'Amato: Let me ask you this. Could you give us
2 an estimate as it relates to the monies that you
3 transferred?

4 You mentioned \$50 million to \$100 million.

5 Senator Kerry: Can we get to that, because he is going
6 to do a big --

7 Senator D'Amato: Let me ask you one other thing on this
8 information.

9 Did Noriega or his associates ever respond to that
10 request through you by giving you some of that information as
11 it related to the airways, as it related to schedules, et
12 cetera?

13 Mr. Rodriguez: Yes, sir. He was forthcoming with
14 information.

15 Senator D'Amato: So some of those requests he did
16 respond and give you intelligence information as to where the
17 agents were operating with their names and the intradiction
18 routes, et cetera, that were being carried out? Is that
19 correct?

20 Mr. Rodriguez: Yes, sir. Just as an example, in 1982 I
21 can tell you with certainty --

22 Senator D'Amato: I can tell you with certainty they will
23 be attacking your credibility next, but go ahead.

24 Mr. Rodriguez: Well, if that's the case, let me just use
25 a short pause to tell you something.

1 I'm here without immunity, without a deal, without
2 protection. I'm here because General Noriega undertook to do
3 me a favor in 1983 which I'm paying him back now. If you
4 wish to call that a personal vendetta, well, then, that's
5 fine.

6 Senator D'Amato: I am glad you set the record straight
7 that way. I think it is important. There are so many people
8 trying to cover what happened and they are so embarrassed,
9 they will go to any length to discredit anything which sets
10 the record straight, in my opinion, and we see a concerted
11 effort to do that.

12 Tell us about 1982, as an example.

13 Mr. Rodriguez: Well, in 1982 specifically, the Cartel
14 had the name and identification of every American agent in
15 Medellin.

16 Senator D'Amato: Drug enforcement agents?

17 Mr. Rodriguez: Yes, sir, without exception. There were
18 no undercover agents. They were toyed with.

19 Senator Kerry: Let me just clarify the one point. We
20 were going to come to this later.

21 But it is your belief, is it not, that you are currently
22 serving time because of the involvement of General Noriega
23 and others? Is that accurate?

24 Mr. Rodriguez: Yes, sir.

25 Senator Kerry: You believe that were it not for General

1 Noriega you would not be in prison today?

2 Mr. Rodriguez: Absolutely.

3 Senator Kerry: Okay. We can come back to that later
4 on. I just wanted to clarify that now.

5 Now, where did General Noriega deposit his money?

6 Mr. Rodriguez: Are you talking about his personal money,
7 or are you talking about all the money that we took to
8 Panama, his business?

9 Senator Kerry: I was talking about his personal money.

10 Mr. Rodriguez: Okay. Let me explain to you first what a
11 cut-out account is. No man in the position of General
12 Noriega would --

13 Senator Kerry: Can I interrupt you? I apologize for
14 this, and I apologize to others who may object to the
15 interruption, but I would like to do, because I think it is
16 important to understanding this, is come back a little bit
17 and have you describe now the process by which this
18 laundering took place.

19 What did you do? What techniques did you use in order to
20 hide cash, get it to Panama and use the services of the deal
21 you just described? Did you set up dummy accounts, foreign
22 corporations?

23 Then describe to us the intricacy of this network by
24 which you were able to hide millions.

25 Mr. Rodriguez: Okay. First you have to realize that

1 what you are dealing with is a tremendous logistical
2 problem. Money has volume and weight. Money in the volume
3 that I'm talking about is extremely bulky, extremely
4 difficult to handle, extremely difficult to secure.

5 So the first thing that my brief involved was setting up
6 a secure logistical handling of the money. We started out by
7 recruiting a force of employees that were trustworthy to the
8 Cartel and making sure they had enough English to get by, and
9 making sure that they were --

10 Senator Kerry: Where were these employees, in the United
11 States?

12 Mr. Rodriguez: No, sir. Initially we're talking about
13 Colombia nationals.

14 Senator Kerry: But where did they work?

15 Mr. Rodriguez: Inside the U.S..

16 Senator Kerry: Where in the U.S.?

17 Mr. Rodriguez: Okay. We set up several points of
18 consolidation, which we'll call a safe house. The
19 Colombian --

20 Senator Kerry: How many safe houses did you set up?

21 Mr. Rodriguez: Well, the numbers varied, but let's say
22 never less than 10; between 10 and 20.

23 Senator Kerry: Where were these safe houses located?

24 Mr. Rodriguez: Miami, New York --

25 Senator Kerry: Jackson Heights.

1 Mr. Rodriguez: Pardon me?

2 Senator Kerry: Jackson Heights?

3 Mr. Rodriguez: No.

4 Senator Kerry: You had none in Jackson Heights in New
5 York?

6 Mr. Rodriguez: No, sir. New York, Chicago, San
7 Francisco, Los Angeles, and in the southern United States we
8 varied a lot. Sometimes we had Dallas, Houston, New
9 Orleans. It was not an area --

10 Senator Kerry: You are talking about what years, now?

11 Mr. Rodriguez: I'm talking from '79 on, you know, when I
12 designed and developed this --

13 Senator Kerry: So you brought Colombians who spoke very
14 little English --

15 Mr. Rodriguez: Yes, sir.

16 Senator Kerry: -- specifically to count the money within
17 the safe houses?

18 Mr. Rodriguez: Yes. We brought them to perform the job
19 of picking up the money.

20 Senator Kerry: Now, what was the cover for the safe
21 house?

22 Mr. Rodriguez: Oh, we had innumerable covers.

23 Senator Kerry: Describe one. You would bring a normal
24 family in, they would live in the house? What would happen?

25 Mr. Rodriguez: We would bring a family. We would

1 provide a company for which the individual could work so he
2 could have a W-2, a car, and all the expenses.

3 Then he'd maintain a normal lifestyle.

4 Senator Kerry: Would these properties be large enough so
5 that there was --

6 Mr. Rodriguez: Oh, yes. We're talking about large
7 properties, fenced-in electric gates if possible. Not in
8 every instance was it possible, but --

9 Senator Kerry: The counting of the cash would take place
10 on the safe house property?

11 Mr. Rodriguez: There were always two safe houses. There
12 was a safe house that was identified to the couriers to which
13 they would deliver money. In this safe house, the money
14 would stay a very short period of time.

15 There would be a second safe house where the Cartel
16 principal would reside. The money would be taken from the
17 first safe house to the second safe house.

18 The reasoning behind it was that if any of the couriers
19 were ever taken, they would only be in a position to disclose
20 the identity of the first safe house and limit our losses.

21 The money was verified and put in banking form, stamped
22 and strapped and boxed in the second safe house, the one that

23 --

24 Senator Kerry: What kind of boxes?

25 Mr. Rodriguez: Well, there were boxes that were designed

1 for money. They had the correct dimensions. I wish I had
2 one to show you. I've got about 50,000 of them still left.

3 Senator Kerry: Do you want to tell us where they are?

4 Mr. Rodriguez: They're in Miami. I could have one sent
5 to you.

6 Senator Kerry: Would you do that?

7 Mr. Rodriguez: If you would allow me at a recess to call
8 down, I could have one --

9 Senator Kerry: I will allow you at a recess to make the
10 call, and I would like to see one of these boxes.

11 Mr. Rodriguez: Yes.

12 Anyway, were designed --

13 Senator D'Amato: You are not thinking of going into
14 business when you get out, are you?

15 [Laughter.]

16 Mr. Rodriguez: No. I can tell you I'm retired.

17 Anyway, the money was packed in these boxes which were
18 very official looking, and later on we even developed logos,
19 et cetera, for them, and transported to an air freight
20 facility. The money would be transported to an air freight
21 facility that would be under our --

22 Senator Kerry: When we say "air freight", did we use
23 commercial airlines at that time? Were you using those?

24 Mr. Rodriguez: Yes. The reason we --

25 Senator Kerry: Did you use Eastern Airlines?

1 Mr. Rodriguez: Yes, sir, we used --

2 Senator Kerry: Did you use Braniff Airlines?

3 Mr. Rodriguez: Braniff until they went out of business.

4 Senator Kerry: Was this money literally put on pallets
5 and palletized?

6 Mr. Rodriguez: Yes. Let me just give you a little idea
7 of why we went into an air freight company. There's a
8 license to consolidate cargo. Now, this is a very valuable
9 license because it allows you to take shipments from various
10 sources and pack it together into a fuselage type container,
11 or you can strap it together with a fuselage configuration.

12 So if you have access to a facility like this, what you
13 do is you put your money in the middle, and you put cargo on
14 the outside, you strap it, and you ship it on a commercial
15 flight quite easily, and that was the way that we -- that I
16 designed to get out the large bulk of money.

17 Senator Kerry: Was this money met on arrival in Panama?

18 Mr. Rodriguez: The money was met on arrival. The pallet
19 was --

20 Senator Kerry: What kind of vehicle would meet this?

21 Mr. Rodriguez: An armored vehicle with a Panamanian
22 Defense Force detail. They would -- we would have our agents
23 strip the pallet, take out the money, it would get loaded on
24 the armored truck, and it would be delivered to the Banco
25 Nacional de Panama.

1 Senator Kerry: Now, come back a moment. I just wanted
2 to ascertain a couple of quick certainties, but I would like
3 you to go more into the description in the safe house process
4 and transport process.

5 Mr. Rodriguez: Okay.

6 Senator Kerry: One other quick question. When you
7 talked about this arrangement with General Noriega for
8 information about law enforcement, did the Cartel get the
9 names of those enforcement people that you talked about
10 through General Noriega or through you?

11 Mr. Rodriguez: Well, you know it's obviously through me
12 except that I love to insulate myself. I believe in using a
13 cut-out at all times.

14 Senator Kerry: What is a cut-out?

15 Mr. Rodriguez: A cut-out is a fellow that breaks the
16 trail between you and your contact. It's used in the banking
17 industry very effectively, and it can be used in the
18 information business also. I almost always work through
19 cut-outs. I think that's one of the reasons why it's been so
20 hard to catch me, frankly.

21 Senator Kerry: Did you, in fact, set up a series of
22 accounts with dummy corporations in order to process money?

23 Mr. Rodriguez: Yes, I --

24 Senator D'Amato: If I might, just to pursue that line
25 that you are following, the Chairman asked you whether or not

1 Noriega got this information, and you said yes.

2 Then he asked did he get it through you, and you kind of
3 said yes.

4 Would you go into a little detail? How did he get it?
5 Did you give it to someone else who gave it to him and then
6 that person told you, or did you give it to him directly?

7 Mr. Rodriguez: When I had requests I sent it through
8 someone that I trusted, and he delivered it to someone that
9 the General trusted, and that way it got to the General.
10 Then when he had it sent back, he sent it through his man who
11 he trusted, and his man gave it to my man who I trusted.

12 Senator Kerry: How did that specifically get to the
13 Cartel? Trace for me the transfer of those names to the
14 Cartel.

15 Mr. Rodriguez: Well, specifically, giving you a name is
16 foolish because --

17 Senator D'Amato: No, we do not need a name; but just
18 give us an example of how a transmission went to Noriega and
19 back.

20 Mr. Rodriguez: All right. I would receive the request
21 from the Cartel. We used some devices that we're going to
22 talk about later.

23 But anyway we had the means of communicating --

24 Senator Kerry: Were these security devices for
25 communications?

1 Mr. Rodriguez: Yes, sir.

2 Senator Kerry: You guys had very sophisticated
3 communications?

4 Mr. Rodriguez: Yes, sir.

5 Senator Kerry: More so than law enforcement; is that a
6 fact?

7 Mr. Rodriguez: I don't think they could afford what we
8 could afford.

9 Senator Kerry: That is accurate, incidentally, because
10 we know some of this equipment..

11 Mr. Rodriguez: Yes, sir, absolutely.

12 Senator Kerry: Go ahead.

13 Mr. Rodriguez: Anyway, the request would be sent to me.
14 I had at that time an agent in Panama that went under the
15 name of Jirio. It's meaningless because that was his code
16 name. I would transmit it to Jirio, and he would do the
17 legwork for me.

18 I was not in Panama 100 percent of the time. I went
19 there two or three times a week, but, you know, the rest of
20 the time I had other things to do.

21 So Jirio would do the legwork. He would meet with his
22 contact man, contact man to Noriega, and back down the line.
23 Once Jirio got the information that was needed and I was
24 informed of it, at that time we would have it picked up by a
25 Cartel representative.

1 Senator D'Amato: Of your own knowledge, you were in the
2 position to ascertain that the Cartel did make a request as
3 it related to law enforcement officials and their activities
4 and identities. You went through an intermediary, forwarded
5 it on to Noriega through one of his intermediaries, get back
6 that information from your intermediary and then forward it
7 on?

8 Mr. Rodriguez: Absolutely.

9 Senator D'Amato: Okay. I think that is what we wanted
10 to establish, your direct knowledge of this as a continuous
11 kind of situation.

12 Mr. Rodriguez: Absolutely. You have to keep up with the
13 flows of --

14 Senator D'Amato: You were about to say it is probably
15 continuing right now. I will say that.

16 Senator Kerry: Was the Eastern station manager or the
17 Braniff station manager on the payroll of the Cartel?

18 Mr. Rodriguez: No, sir. The Eastern and Braniff people
19 were Noriega men.

20 Senator Kerry: They were Noriega people?

21 Mr. Rodriguez: Yes, sir.

22 Senator Kerry: Were they part of the drug process,
23 laundering?

24 Mr. Rodriguez: I do not know all of General Noriega's
25 endeavors, but for some personal reason of his he maintained

1 a very tight control over the airlines that landed in Panama,
2 a control to the extent that he always was sure to name the
3 station manager dealing out of Miami.

4 Senator Kerry: But you do know that cargoes received
5 protection at the airport?

6 Mr. Rodriguez: I know that from personal knowledge, sir.

7 Senator Kerry: Now, let us come back to the dummy
8 corporations, because I think it is important to draw the
9 picture here.

10 How many corporations did you set up?

11 Mr. Rodriguez: Hundreds.

12 Senator Kerry: These corporations are duly and
13 appropriately filed with Secretaries of States in various
14 states in this country? Is that accurate?

15 Mr. Rodriguez: The companies would be registered to do
16 business in the U.S. They would file all the required --

17 Senator Kerry: In how many different states did you file
18 dummy corporations?

19 Mr. Rodriguez: It was three major states: New York;
20 Florida; and California. You know, I couldn't even begin to
21 remember any or all of the names, but I've given you the
22 example of Camblos Monetarios, which was my major company.

23 Senator Kerry: You and I went through a long list of
24 corporations together. Do you remember doing that?

25 Mr. Rodriguez: Yes.

1 Senator Kerry: This list of corporations, Virnall
2 Enterprises, Chazara International and so forth, some of them
3 were legitimate businesses. Is that accurate?

4 Mr. Rodriguez: Some of them were legitimate.

5 Senator Kerry: Some of them were specifically set up as
6 dummy corporations for the laundering of money?

7 Mr. Rodriguez: Precisely.

8 Senator Kerry: We are not going to go into every one of
9 them here today, but they will be part of the record, and I
10 think I will incorporate the original testimony also in those
11 parts that do not have to be sanitized for security purposes
12 as part of Exhibit 13.

13 [The information referred to follows:]
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1 Senator Kerry: Now, what countries did you use for the
2 laundering of money?

3 Mr. Rodriguez: Panama, Curacao, Switzerland, Hong Kong.
4 I've had some dealings with the Caymans but they were not to
5 my liking.

6 Senator Kerry: What bank? I am sorry.

7 Mr. Rodriguez: I've mostly touched just about --

8 Senator Kerry: Why were the Caymans not to your liking?

9 Mr. Rodriguez: I never felt that I could trust the
10 people in charge.

11 Senator Kerry: Incidentally, did you use the Bahamas for
12 a period of time?

13 Mr. Rodriguez: I've used the Bahamas.

14 Senator Kerry: Did you have problems in the Bahamas?

15 Mr. Rodriguez: I should answer that yes, because the
16 Bahamas lacked a central power figure. You know, it's like
17 having to deal with 50 different people. It was not anything
18 like, say, Panama, where I could go to one source.

19 Senator Kerry: You mentioned that at one time you had a
20 problem in the Bahamas because you would pay money but you
21 would not necessarily get what you paid for. Is that
22 accurate?

23 Mr. Rodriguez: Yes, sir. That is what I --

24 Senator Kerry: Can you describe what you mean?

25 Mr. Rodriguez: Well, as I said, the basic problem was a

1 lack of central leadership. You know, you pay off one guy
2 and somebody wouldn't agree with him, and you had no way of
3 keeping track of how many people you had to pay off to
4 accomplish a goal.

5 Senator Kerry: Did you pay off lots of people in the
6 Bahamas personally?

7 Mr. Rodriguez: No. I had a lot of people do it for me.

8 Senator Kerry: But you did make available money through
9 your people in order to pay off for transactions in the
10 Bahamas?

11 Mr. Rodriguez: Yes, sir.

12 Senator Kerry: You personally did that?

13 Mr. Rodriguez: Yes, but the Bahamas was never a
14 strong --

15 Senator Kerry: Understood, but you knew what you were
16 releasing this money to your lieutenants for?

17 Mr. Rodriguez: Yes, sir, absolutely.

18 Senator Kerry: You got what you wanted sometimes?

19 Mr. Rodriguez: Sometimes we did, and sometimes we did
20 not, and we did not -- I do not accept that type of
21 arrangement, so that's why --

22 Senator Kerry: Now, the countries that you mentioned
23 that you laundered money in or dealt with for money
24 laundering, did you also register dummy corporations in those
25 countries?

1 Mr. Rodriguez: Yes, sir.

2 Senator Kerry: Have you shared those corporations with
3 us in the other countries?

4 Mr. Rodriguez: No, sir. I believe the only companies
5 that I have shared with you are the ones in those documents,
6 because those were the only documents captured.

7 I do not have the other documents. They were numerous,
8 and in many instances those same companies were, in fact,
9 dealing in other countries. I'll give you an example.

10 I would almost always use a Panamanian corporation as a
11 cut-out to a Swiss or Liechtenstein or Luxembourg or Hong
12 Kong company simply because I wanted to insure that there was
13 no way to get back to my principals.

14 So many times we had to go through a double set. You
15 make a Panamanian corporation that is absolutely untraceable,
16 and then you go to the host country if we're talking about
17 Curacao, and you make the Panamanian company a stockholder of
18 the Netherland Antilles company. That way you can disclose
19 the owner of the stock in the Antilles company by just
20 disclosing the Panamanian company but kill the trail.

21 Senator Kerry: Now, this network of companies that you
22 created and your money laundering operation grew into an
23 extraordinary business, did it not?

24 Mr. Rodriguez: Yes, sir. It went far beyond my wildest
25 expectations.

1 Senator Kerry: How much money did you begin to handle?

2 Mr. Rodriguez: Well, towards the end of my career I was
3 handling approximately \$200 million a month.

4 Senator Kerry: \$200 million a month?

5 Mr. Rodriguez: Yes, sir.

6 Senator Kerry: You were laundering that out of the
7 United States?

8 Mr. Rodriguez: Yes, sir.

9 Senator Kerry: Mostly were you laundering it out of one
10 principal location or many locations?

11 Mr. Rodriguez: Well, we, of course, operated, like I
12 said, New York and Chicago --

13 Senator Kerry: But now once the money came from the safe
14 house in New York, was there a central collection point?

15 Mr. Rodriguez: Yes, sir. We had a consolidating
16 facility.

17 Senator Kerry: Where was the consolidating facility?

18 Mr. Rodriguez: In Miami.

19 Senator Kerry: You would ship this money out of Miami?

20 Mr. Rodriguez: Yes, sir. As I said, we would put it on
21 the pallets and ship it --

22 Senator Kerry: Did you have a -- excuse me.

23 Mr. Rodriguez: -- and ship it out of Miami.

24 Senator Kerry: Did you also have private aircraft
25 available to you?

1 Mr. Rodriguez: Oh, yes, many private aircraft.

2 Senator Kerry: Did you own them?

3 Mr. Rodriguez: I either owned them or had access to
4 them. We had --

5 Senator Kerry: How many airplanes did you have access to?

6 Mr. Rodriguez: Well, I'd say at any one time I probably
7 could get my hands on 40 or 50 aircraft.

8 Senator Kerry: What kind of aircraft?

9 Mr. Rodriguez: From a 727 on down.

10 Senator Kerry: What did you own?

11 Mr. Rodriguez: Well, I personally owned a Lear jet.

12 Senator Kerry: What kind of Lear jet?

13 Mr. Rodriguez: A 25-E.

14 Senator Kerry: Is that the one you were arrested in?

15 Mr. Rodriguez: Yes, sir, and we had other planes --

16 Senator Kerry: Why were you moving \$5.4 million yourself
17 at a time when you had hundreds of millions a month moving?

18 Mr. Rodriguez: This will sound frivolous. First of all,
19 there were certain payments that I always made personally,
20 and I don't want to say that was my petty cash, but that was
21 my cash on hand. I never kept less than \$3 or \$4 million
22 cash on hand.

23 If you'll notice, I was going to Panama, and the reason
24 that I would take cash to Panama -- and there were more than
25 one reason for doing it, but, first of all, on consolidated

1 shipments, the shipments would go with, for lack of a better
2 term, a bill of lading which would instruct the bank into
3 which accounts the money would be deposited.

4 We did not like to break up those shipments and have the
5 commissions for handling taken out of those shipments. We
6 wanted those shipments deposited intact. We wanted to
7 maintain the integrity of the shipments because that way we
8 could determine if there was a shortage, which courier was
9 responsible for it, which person at the bank was responsible
10 for counting it, and that was important to determine if we
11 were being cheated at the bank or being cheated by the
12 couriers.

13 So we wanted to maintain the integrity of our major
14 shipments. So the money that I took to Panama was to make
15 the payoffs, in effect.

16 Senator Kerry: Now, you told me you also carried a
17 considerable amount of money in your car. Is that accurate?

18 Mr. Rodriguez: Yes, sir. Like I say, I never had less
19 than \$2 or \$3 million on hand.

20 Senator Kerry: Where would you put it in your car?

21 Mr. Rodriguez: In the trunk of my car.

22 Senator Kerry: What kind of car did you drive?

23 Mr. Rodriguez: Well, I owned just about every major
24 automobile made.

25 Senator Kerry: What did you have in your fleet?

1 Mr. Rodriguez: A Rolls Royce, a Maserati, a Ferrari.

2 Senator Kerry: Did you buy American at all?

3 [Laughter.]

4 Mr. Rodriguez: Yes, sir. Surprisingly enough, our fleet
5 of courier cars were all American made and used.

6 Senator Kerry: Did you get fleet discounts?

7 Mr. Rodriguez: No, we always bought used cars. We never
8 haggled on the price, and we never transferred ownership.

9 Senator Kerry: Did you have any helicopters available?

10 Mr. Rodriguez: Yes, sir.

11 Senator Kerry: How many helicopters?

12 Mr. Rodriguez: I had six. We had some Bell Rangers.

13 Senator Kerry: How old were you during all of this?

14 Mr. Rodriguez: Well, I reached my peak at 28.

15 Senator Kerry: I will not ask you which one.

16 [Laughter.]

17 Senator D'Amato: He had no time for any of that.

18 Senator Kerry: Share it with us. What was your
19 lifestyle like? Give us a sense of how you lived.

20 Mr. Rodriguez: Well, I lived very comfortably. I had
21 just about the best that the world had to offer. I had a
22 very nice home. I had my suits tailored at Saville Row, my
23 shirts made in Paris. I lived within my means.

24 [Laughter.]

25 Senator Kerry: I do not know what to say to that.

1 Were you a good tipper.

2 Mr. Rodriguez: I was always fair.

3 Senator Kerry: Let me come back here now for a second.

4 During this time when you lived this well, you had these
5 flamboyant cars, you had a terrific lifestyle --

6 Mr. Rodriguez: I had a marvelous cover, too. I was a
7 very highly respected professional in the community. I was
8 on the board of several banks.

9 Senator Kerry: What banks were you on the board of?

10 Mr. Rodriguez: Ponce de Leon Savings and Loan.

11 Senator Kerry: In Miami?

12 Mr. Rodriguez: Yes. I was an advisor to them. I was on
13 the board of several important companies.

14 Senator Kerry: Give us some names.

15 Mr. Rodriguez: I would hate to besmirch --

16 Senator Kerry: The companies?

17 Mr. Rodriguez: The companies.

18 Senator D'Amato: You were a successful accountant, were
19 you not?

20 Mr. Rodriguez: Yes, sir.

21 Senator D'Amato: Did you maintain an active accounting
22 practice?

23 Mr. Rodriguez: Yes, sir.

24 Senator D'Amato: Did you have people working for you
25 also?

1 Mr. Rodriguez: Yes, sir. I had approximately -- I
2 believe IRS will verify that they've audited 1,200 clients.

3 Senator Kerry: You told me you are currently having some
4 meetings with IRS. Is that accurate?

5 Mr. Rodriguez: Yes, sir.

6 Senator Kerry: Is it an ongoing relationship?

7 Mr. Rodriguez: We have a long and ongoing relationship
8 that will probably be going on till the day I die.

9 Senator Kerry: Did you ever have to pay anybody in the
10 United States in order to facilitate your shipping process?

11 Mr. Rodriguez: You are talking about an official of the
12 U.S.?

13 Senator Kerry: Law enforcement authorities or
14 otherwise.

15 Mr. Rodriguez: I personally never did.

16 Senator Kerry: Did your organization?

17 Mr. Rodriguez: I have reason to believe that they did.

18 Senator Kerry: Let us not deal with what you believe.

19 Mr. Rodriguez: Yes. I don't want to get into that
20 because that's the type of activity that I found extremely,
21 extremely dangerous, and I would not want to expose my
22 operation to that, my money operation.

23 Senator Kerry: I am going to come back and revisit that
24 a little bit later.

25 How was the money prepared for shipment out? Just the

1 boxing?

2 Mr. Rodriguez: It was boxed. It was, of course, put in
3 banking form.

4 Senator Kerry: Who did the boxing?

5 Mr. Rodriguez: Armed employees.

6 Senator Kerry: Were these the same people that did the
7 counting?

8 Mr. Rodriguez: Yes. Not the same people who were the
9 couriers. They were at the second safe house.

10 Senator Kerry: These are the people who were brought
11 from Colombia? Is that accurate?

12 Mr. Rodriguez: Yes, sir.

13 Senator Kerry: Did the organization pay off employees of
14 various agencies at low levels?

15 Mr. Rodriguez: Yes, yes, and I think you're leading to
16 local officials.

17 Senator Kerry: Miami, et cetera.

18 Mr. Rodriguez: Yes, sir.

19 Senator Kerry: You did?

20 Mr. Rodriguez: Yes, sir, at local levels, yes.

21 Senator Kerry: Now, how do you account for being able to
22 avoid detection for as long as you did?

23 Mr. Rodriguez: Well, there are two theories to that.
24 I'm either very good, or I had some help.

25 Senator Kerry: How much money were you earning at that

1 point for your services?

2 Mr. Rodriguez: Of course, I wasn't really keeping
3 track. I was earning --

4 Senator Kerry: Roughly.

5 Mr. Rodriguez: Probably about \$2 or \$3 million a month,
6 and that's --

7 Senator Kerry: Roughly \$2 or \$3 million a month of
8 income to you?

9 Mr. Rodriguez: Yes, sir. If I take it all into -- I
10 never really had an accounting system where I got to the
11 bottom line.

12 Senator Kerry: Did you ever tell this to any
13 investigator for the United States Government prior to your
14 testifying before this committee?

15 Mr. Rodriguez: Yes, sir.

16 Senator Kerry: At what times and when if they are
17 multiple, or are they singular?

18 Mr. Rodriguez: Well, I had a very brief talk with a
19 fellow by the name of Arthur Summerall.

20 Senator Kerry: With what agency?

21 Mr. Rodriguez: U.S. Customs.

22 Senator Kerry: Where?

23 Mr. Rodriguez: In Miami.

24 Senator Kerry: When was that?

25 Mr. Rodriguez: The day I got stopped.

1 Senator Kerry: The day you were stopped?

2 Mr. Rodriguez: Yes, the day I was detained.

3 Mr. Charles Sathos of the Justice Department was present,
4 and later on there were other agents but I don't know their
5 names.

6 Senator Kerry: Did you ever meet with any D.A. agents or
7 drug task force?

8 Mr. Rodriguez: These fellows were working with the Vice
9 President's Drug Task Force.

10 Senator Kerry: When was this?

11 Mr. Rodriguez: In '83, Sathos and Summerall were.

12 Senator Kerry: So in 1983 you talked with members of the
13 Vice President's Drug Task Force?

14 Mr. Rodriguez: Yes, the South Florida Task Force.

15 Senator Kerry: The South Florida Task Force?

16 Mr. Rodriguez: Yes, sir.

17 Senator Kerry: What was the substance of that discussion?

18 Mr. Rodriguez: Well, I don't know if we really want to
19 get into that in open session.

20 Senator Kerry: I tell you what. Why not reserve that
21 question? We will talk about it later. I am not sure why we
22 would not, but you can tell me why and we will make a
23 decision as to whether we will or not, and we will come back
24 and revisit that.

25 Can you give us a sense during the time you had this

1 arrangement? The arrangement with Panama ended essentially
2 with your arrest in 1983?

3 Mr. Rodriguez: Yes, sir. May of '83 was when I --

4 Senator Kerry: Was when you were arrested.

5 Mr. Rodriguez: When I was arrested.

6 Senator Kerry: How much money did you pay to Noriega
7 during the time you had this arrangement?

8 Senator D'Amato: You or your group, that is.

9 Mr. Rodriguez: I was making I would say between \$2 to \$4
10 million a month from my money operations, and I if I had to
11 pick an average figure I would say I was probably paying him
12 a total of \$10 million a month, including all operations.

13 I made payments for things I did not know the reason I
14 was making the payoff for.

15 Senator D'Amato: You mean the Cartel would instruct you
16 to make a certain payment?

17 Mr. Rodriguez: Yes, sir.

18 Senator D'Amato: Since you handled the monies, you are
19 saying now that you paid him as much as \$10 million a month?

20 Mr. Rodriguez: Yes. I say it was a good average figure
21 to go by.

22 Senator D'Amato: For how long a period of time? Was
23 that from, let us say, 1980 through 1983?

24 Mr. Rodriguez: Well, it started late '79 on. It wasn't
25 \$10 million a month in '79. It grew and escalated, and that

1 \$10 million a month is probably what he was getting at the
2 end.

3 Senator Kerry: Let me ask an obvious question that some
4 people may want to ask you and someone will probably throw
5 out. I do not think I have ever asked you this, and I was
6 struck by your statement because I never heard you say
7 specifically so directly this linkage to the arrest and
8 Noriega.

9 Obviously you are angry at him; you want to get back at
10 him.

11 Mr. Rodriguez: Yes, sir.

12 Senator Kerry: Why should I believe you gave \$10 million
13 to Noriega if you are so anxious to get at him? Is it not
14 pretty easy now? You are in jail; you want to say, hey, the
15 guy gave me \$10 million; you are going to blame him for the
16 arrest; and we can dismiss that.

17 Why should I say Milian Rodriguez, who is in jail, is
18 credible in saying that he gave \$10 million to Noriega
19 because he is mad at him?

20 Mr. Rodriguez: Well, I really can't give you a reason.
21 I pointed out that I had a personal grudge for the man
22 because I think I owe it to you to be fair.

23 Senator Kerry: On the other hand, you have never been
24 prosecuted for any of that, have you?

25 Mr. Rodriguez: No, sir.

1 Senator Kerry: You have never been prosecuted for any of
2 these other things that you are telling us you were involved
3 in?

4 Mr. Rodriguez: No, sir.

5 Senator Kerry: You are serving your 47 years --

6 Mr. Rodriguez: 43.

7 Senator Kerry: I did not mean to add to your sentence,
8 but the 43 years you are serving are for this one instance of
9 the \$5.4 million or for the ongoing criminal enterprise?

10 Mr. Rodriguez: I'm serving for the ongoing criminal
11 enterprise.

12 You know, I have some personal reasons why I'm
13 testifying, and it adds up to more than just that I'm mad at
14 General Noriega, but I would like to reserve them. Perhaps
15 at a later date I will share them in public, and maybe after
16 recess I'll share them with the public.

17 Senator Kerry: Why not talk to me about them, and we
18 will make a determination of that.

19 But it obviously is important in terms of your
20 credibility and so forth.

21 Mr. Rodriguez: Yes, sir.

22 Senator D'Amato: Mr. Chairman, I am wondering, just to
23 get us --

24 Senator Kerry: Let us add one thing to that. Our staff
25 has checked out a great number of the things you have said,

1 and obviously you have corroborated other witnesses
2 significantly, and they have corroborated you both by having
3 seen you in Panama, knowing you were engaged in this, and
4 knowing of the detail.

5 Also, you have give us privately an extraordinary number
6 of names, actual corporations and so forth which have checked
7 out.

8 So this committee obviously has been comfortable in
9 putting you on, but I want the public to understand that. I
10 think after the recess we should revisit it.

11 Mr. Rodriguez: Sure.

12 Senator Kerry: Senator D'Amato.

13 Senator D'Amato: Mr. Chairman, for a long time I have
14 maintained that people just really do not have simply any
15 idea of the scope and the magnitude of the dollars involved
16 here, and I think Mr. Rodriguez begins to put this in
17 perspective.

18 He was the man who set up this money laundering
19 enterprise which the Cartel turned to. Even in spite of his
20 youth at that time, it is obvious from his testimony one can
21 see that this is a man who has extraordinary ability in this
22 area.

23 Senator D'Amato: Because I know of billions and billions
24 of dollars annually that move through, I would like you to
25 shed some perspective in terms of your operation as it

1 related to just the money that you handled.

2 I am sure the Cartel had other people in other areas of
3 the world operating also, but this being the Central
4 American, Panamanian for the most part, operation, how much a
5 month did you launder, understanding that every month was not
6 the same? If you could give us an idea of an average.

7 If Noriega was, let us say, getting as much as \$10
8 million, how much in the total flowed through that operation?

9 Mr. Rodriguez: My average figure at the end was right
10 around \$200 million a month. The total payoff to General
11 Noriega included many other services that he had.

12 Senator D'Amato: I understand that, but, in other words,
13 you were handling through the Panamanian banks about \$200
14 million a month?

15 Mr. Rodriguez: Yes, sir.

16 Senator D'Amato: In other words, we are talking about
17 approximately \$2.5 billion a year that your operation, that
18 which you handled, flowed through those banks?

19 Mr. Rodriguez: Yes, probably for the last two years.

20 Senator D'Amato: I think that just gives people a
21 sense --

22 Senator Kerry: Let me add to that, if I may.

23 How much money were you controlling of Cartel cash and
24 assets in the United States that you personally were making
25 decisions about and controlling?

1 Mr. Rodriguez: Boy. Hundreds of millions of dollars.
2 It was, you know, we were talking about CDs that had to be
3 rolled over, property --

4 Senator Kerry: Let me just lead up to this. You
5 invested for the Cartel here in the United States, correct?

6 Mr. Rodriguez: Yes. I was --

7 Senator Kerry: That is what they did with their drug
8 money. The proceeds, once laundered out of Panama, came back
9 in and were invested.

10 Mr. Rodriguez: All money that gets laundered returns to
11 the U.S.

12 Senator Kerry: It was invested in real estate.

13 Mr. Rodriguez: Real estate.

14 Senator Kerry: CDs.

15 Mr. Rodriguez: Stocks and bonds; you name it. They have
16 a very diversified portfolio.

17 Senator Kerry: You suggested to me at one point that you
18 were controlling perhaps as much as \$10 or \$11 billion of
19 assets in the United States.

20 Mr. Rodriguez: That was in 1983, total. We had 11 --

21 Senator Kerry: Is that accurate? \$11 million that you
22 were controlling?

23 Mr. Rodriguez: Yes, sir.

24 Senator Kerry: Now, is it true or is it not true that
25 banks in the United States were anxious to get hold of your

1 money?

2 Mr. Rodriguez: Yes, sir. Banks, I would say it would be
3 fair to say that American banks courted my business.

4 Senator Kerry: Would you describe to me, as you did
5 previously, what that entailed?

6 Mr. Rodriguez: Well, in the specific case of American
7 banks, they have -- for one thing they have a special
8 representative for people like me.

9 Senator Kerry: Tell me a bank that you dealt with. Let
10 us lay it on the table. What bank courted you?

11 Mr. Rodriguez: All of them. I dealt with Citibank,
12 Citicorp, Bank of America, First National Bank of Boston,
13 which are the real major money banks. They are banks that
14 can take a \$200 million CD easily. You just can't place that
15 kind of money with a ma and pa bank in Des Moines, Iowa.

16 Senator Kerry: You would personally place, you, Millan
17 Rodriguez --

18 Mr. Rodriguez: Yes, sir. I was the person in charge of
19 that.

20 Senator Kerry: -- placed a \$200 million CD somewhere?

21 Mr. Rodriguez: Yes. I always dealt in increments of
22 either \$100 or \$200. Just in case I ever needed to cash one
23 in quickly, I didn't want to lose a lot of interest and so
24 forth.

25 Basically I handled most of it out of New York.

1 Senator Kerry: Out of what offices in New York?

2 Mr. Rodriguez: Their headquarters.

3 Senator Kerry: Where is that located?

4 Mr. Rodriguez: Gee. I've always had a driver and
5 limosine.

6 Senator Kerry: Oh, the bank headquarters. You mean out
7 of the bank headquarters?

8 Mr. Rodriguez: Yes, sir.

9 So anyway, I had a contact man who was fully cognizant of
10 who I was.

11 Senator Kerry: Was there competition among banks for
12 your money?

13 Mr. Rodriguez: Yes, sir. As a matter of fact, we always
14 played them one against the other. So and so gave me 8-1/4.
15 Why should I -- if you can't give me an eighth more, I'm
16 taking my money, that sort of thing.

17 But, you know, basically I was not in the business to
18 cause a bank run on any bank.

19 Senator Kerry: Now, did the bank have any reason to know
20 other than that this might be the representative of foreign
21 government with a lot of money to invest in the United States?

22 Mr. Rodriguez: In every instance the bank knew who they
23 were dealing with.

24 Senator Kerry: What do you mean "who they were dealing
25 with"? They were dealing with Milian Rodriguez.

1 Mr. Rodriguez: They were dealing with Milian Rodriguez,
2 who represented money from South America, and their
3 corresponding banks in Panama knew where the money came from
4 because we required certain things from them.

5 We required -- let's take a case of something that's
6 called a back-to-back loan. I have an individual that wants
7 to borrow \$1 million in the U.S., and he's practically
8 destitute in the U.S.

9 So we go to the bank's Panamanian office, place \$1
10 million on deposit there and issue instructions to lend out
11 of their American bank \$1 million to so and so unsecured. We
12 would subordinate the \$1 million in Panama to guarantee the
13 American loan, but they knew what they were doing. It was
14 not as if they didn't have an inkling of what the purpose
15 was.

16 Senator Kerry: Money speaks.

17 Mr. Rodriguez: Marvelously.
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1 Senator Kerry: Were there other special arrangements
2 that were made with respect to the banking process?

3 Mr. Rodriguez: Not that I can think of. I should say
4 that in money laundering the banking side of it is really the
5 most simple. The problem is getting the money to the banks,
6 into the system.

7 Senator Kerry: Just a quick question in terms of another
8 witness' testimony. A pilot here testified the other day
9 saying, of the process of the arrival of money and
10 offloading, he said it was his area of responsibility to
11 coordinate a great number of things, one of which was the
12 ground crew coordination for loading, unloading,
13 transportation.

14 Apparently this gentleman went beyond that scope and had
15 not only fundamental business interests, but interests that
16 extended to the Panamanian government, deeply within the
17 Panamanian government.

18 Does that describe some of the personnel at the airport?
19 Is that accurate?

20 Mr. Rodriguez: Yes. But for instance, in our case we
21 used our own ground personnel.

22 Senator Kerry: You had your own ground personnel?

23 Mr. Rodriguez: We would unpack the consolidated shipment
24 and then we would turn it over to the armed forces.

25 Senator Kerry: Did the armored cars have any markings on

1 them?

2 Mr. Rodriguez: Yes, sir. It's a major U.S. company.

3 Senator Kerry: I understand it's been a growing industry
4 there, is that accurate?

5 Mr. Rodriguez: Yes. Brinks is the armored car company.

6 Senator Kerry: Are there others besides Brinks?

7 Mr. Rodriguez: Yes, sir.

8 We own armored cars ourselves.

9 Senator Kerry: You own your own armored cars?

10 Mr. Rodriguez: Yes.

11 Senator Kerry: Now, tell us what kind of -- are you
12 aware of what kind of investments the cartel began making in
13 Colombia itself?

14 Mr. Rodriguez: Well, the cartel -- you should remember
15 that with their money they could afford the very best
16 brains. And they, realizing their limitations, went out and
17 got some very good brains.

18 The cartel is into communications, transportation.

19 Senator Kerry: They bought a newspaper or newspapers in
20 Colombia?

21 Mr. Rodriguez: Sure, and a TV station.

22 Senator Kerry: They bought a TV station. What else have
23 they bought?

24 Mr. Rodriguez: I believe several soccer teams are
25 sponsored by them. Airlines.

1 Senator D'Amato: Politicians?

2 Mr. Rodriguez: Yes, sir.

3 Army personnel, that type of people. It's a very
4 vertically and horizontally integrated conglomerate.

5 Senator Kerry: Was there a time when the Medellin cartel
6 went to war with the M19 revolutionaries in Colombia?

7 Mr. Rodriguez: Yes, sir. That happened.

8 Senator Kerry: Did you attend a meeting where the war on
9 the M19 was discussed?

10 Mr. Rodriguez: Yes, sir.

11 Senator Kerry: How much money was involved?

12 Mr. Rodriguez: Oh, I think, you know, the number, it was
13 \$7 million that was put up by the whole group.

14 Senator Kerry: To do what?

15 Mr. Rodriguez: Well, each group not only contributed
16 money, but contributed their most sadistic sociopaths to the
17 group. These people were armed --

18 Senator Kerry: You literally put together a private
19 army, isn't that accurate?

20 Mr. Rodriguez: Yes, sir.

21 Senator Kerry: A private army of about 2,000 people?

22 Mr. Rodriguez: Yes, sir.

23 Senator Kerry: How did this war come about? Why did you
24 have to put a private army together of 2,000 people?

25 Mr. Rodriguez: There was -- M19 decided to finance its

1 efforts by kidnapping the family members of known drug
2 people.

3 There came a time when they kidnapped one of the Ochoa
4 women. Now, this thing had been escalating, and after a few
5 meetings the consensus was that, if something wasn't done to
6 stop them, it would just get totally out of hand.

7 At that time, because the cartel is not your most
8 educated group of people, some of the people who counseled
9 them, such as myself, were brought in. And we explained to
10 them what terrorism is, what training is involved. We
11 explained to them some of the methods of combating
12 terrorism.

13 They were somewhat impressed and they wanted to carry out
14 that type of operation, to get rid of the M19 threat.

15 Senator Kerry: So this is really a war within Colombia
16 for control of the ability to conduct operations freely in
17 Colombia?

18 Mr. Rodriguez: Yes, it was a military operation to get
19 rid of a threat, both politically and economically. You must
20 remember that M19 is Marxist-Leninist in ideology and the
21 cartel is, of course, a capitalist enterprise. They don't
22 think of themselves in those terms, but they are.

23 Once we were able to explain to them what their threat
24 was, because they had never been able to visualize it that
25 way, they wanted some action.

1 Senator Kerry: What kind of weapons did they arm this
2 private army with?

3 Mr. Rodriguez: Basically there was no preferred weapon.
4 You find all the soldiers that were contributed had their own
5 weapons. Many of them preferred, of course, automatic
6 weapons, and I would say that almost 100 percent of them had
7 automatic weapons, whether they were M-16's, AK-47's, or
8 Uzi's.

9 It was up to them, but we were able to provide anything
10 they wanted.

11 Senator Kerry: Who won the war?

12 Mr. Rodriguez: The cartel, beyond a doubt.

13 Senator Kerry: How did the win the war?

14 Mr. Rodriguez: Well, they won it using the -- have you
15 ever heard of a book called "Handbook for the Urban
16 Guerrilla," by Carlos Marigliella? Well, we taught these
17 people how to become terrorists. We taught them how their
18 enemies would react and how they should react to counter
19 that.

20 That's why I mentioned that they contributed their
21 sociopaths, because an urban guerrilla will use a child as a
22 shield, and if you want to win a war against them you have to
23 have a man behind the gun who will shoot through the child.

24 It was a ruthless and bloody war.

25 Senator Kerry: What period of time did this go on?

1 Mr. Rodriguez: Several months.

2 Senator Kerry: What year?

3 Mr. Rodriguez: Late '80, '81.

4 And it ended with the Ochoa woman returned unharmed and a
5 peace conference between what remained of M19, which was in
6 tatters --

7 Senator Kerry: Most of the M19 was killed?

8 Mr. Rodriguez: Most of them were.

9 Senator Kerry: Brutally, is that accurate?

10 Mr. Rodriguez: Yes, sir. Not only were they killed
11 brutally, but the brutality was made public. After all, you
12 know, Lenin said the purpose of terrorism is to terrorize.
13 So the victims were hung up from trees, they were
14 disemboweled, with signs on them, to discourage the
15 population from cooperating with them.

16 So it was a very successful operation, not something to
17 be proud of in humanistic terms, but something to be proud of
18 --

19 Senator Kerry: So M19 sued for peace with the cartel?

20 Mr. Rodriguez: Yes.

21 Senator Kerry: And there was literally a meeting between
22 them?

23 Mr. Rodriguez: There was a meeting, and it was an
24 interesting meeting because the person that came to this
25 meeting came wired as a human bomb.

1 Senator Kerry: Which person?

2 Mr. Rodriguez: The M19 representative. I don't know his
3 name. He came ready to die or to find an accord.

4 Senator Kerry: And has that accord that has been reached
5 now seen the M19 receiving some of -- being involved in
6 narcotics trafficking?

7 Mr. Rodriguez: Yes, sir.

8 I want to point out that I was vehemently opposed to that
9 accord. As a Cuban, I cannot accept dealing with
10 communists.

11 Senator Kerry: It's fair to say that you remain -- and I
12 know this from private talks with you -- from your boyhood
13 and your experience in Cuba, you're a passionate
14 anti-communist.

15 Mr. Rodriguez: Yes, sir, absolutely.

16 Senator Kerry: And we will go into some of that a little
17 bit later.

18 Mr. Rodriguez: So anyway, we warned, the counselors
19 warned the cartel leadership that making a deal with M19 was
20 extremely dangerous, because M19 had an ideologically formed
21 cadre that could not be bought.

22 Their position was that they could buy anyone, because
23 they are naive in that sense. And we were very afraid of
24 what M19 could grow into.

25 The average cartel member is uneducated, most of the time

1 illiterate, whereas the average M19 cadre has usually spent a
2 great deal of time in Cuba, is fanatical in his beliefs or
3 her beliefs, and money does not impress them. Money to them
4 is only a means to their end.

5 Senator Kerry: So you define that as a threat to the
6 ability of the cartel ultimately to do what it did best,
7 which was make money?

8 Mr. Rodriguez: Yes, sir.

9 Senator Kerry: On that note, we're going to take a 15
10 minute recess and then we will proceed to completion. We
11 stand in recess for 15 minutes.

12 [Recess.]

13 Senator Kerry: The hearing will come to order.

14 We have a considerable amount of territory to try to
15 cover in a short span of time, so I want to try to keep
16 moving along as rapidly as we can.

17 Mr. Rodriguez, I thank you for the detail of your answers
18 and I want that detail. I think it's very important. If we
19 can try to keep moving expeditiously, I think it would help
20 everybody.

21 I will remind people that Mr. Rodriguez will not testify
22 as to all the things that he knows today regarding some of
23 these matters, because we are holding some of it for the
24 subsequent hearings that will follow, in order to try to keep
25 corroborative evidence together.

1 I would like to go back to one area, and that is the
2 payments to General Noriega. You talked about the ten
3 million or so at one period of time and that it varied and so
4 forth.

5 Could you be more specific as to how that money got from
6 you to General Noriega?

7 Mr. Rodriguez: Okay. In any given month, within ten
8 days from the end of the month we would have a total tally of
9 our operations and our accounts payable, including General
10 Noriega's payable portion.

11 At that time, I would notify the General's representative
12 that we were ready to pay and for them to please specify how
13 they wanted the payments made. Any time -- say you're paying
14 \$7 million in one month. Well, he didn't necessarily need \$7
15 million cash.

16 It's possible that he had several needs around the world,
17 and I think he just found it a little more convenient for him
18 to say: Well, account so-and-so in such a bank, put \$2
19 million in that one; account so-and-so in this bank, \$2
20 million; and another million to such and such a company.

21 Senator Kerry: Let me interrupt you for a minute. I
22 don't want you to surmise what he did. What I want to find
23 out is what you specifically did.

24 Did you receive a specific instruction from General
25 Noriega?

1 Mr. Rodriguez: Yes, sir, we received specific
2 instructions, and we carried them out.

3 Senator Kerry: And the carrying out involved what?
4 Placing money in a specific account somewhere, or in Panama?

5 Mr. Rodriguez: Placing money in specific accounts, in
6 specific companies, and sometimes cash payments.

7 Senator Kerry: Did you ever make cash payments?

8 Mr. Rodriguez: Well, I had --

9 Senator Kerry: Someone deliver them?

10 Mr. Rodriguez: Yes, I had my agent deliver them, yes,
11 sir.

12 Senator D'Amato: Was there a particular bank, for
13 example, a central point where those dollars were? Let's say
14 X dollars, and you then got where the General wanted his
15 portion of the money, whether it was \$7 or \$10 million,
16 distributed?

17 How did that take place? Was it by bank transfer from a
18 particular bank? Did you use one bank to start to make those
19 payments?

20 Mr. Rodriguez: No. I think it's fair to say we used
21 just about every bank in Panama. We would --

22 Senator D'Amato: Were they wired?

23 Mr. Rodriguez: If he wanted money placed outside of
24 Panama, they were wired. If it was an account in a bank
25 within Panama, not so.

1 But for instance, if a bank -- since we just about had
2 balances in all the banks, if a bank -- if he named a bank
3 and an account number in the bank -- of course the account
4 number is meaningless. It is a one-time cut-out for their
5 purposes.

6 But most of the time, I would have funds available in
7 that bank. So I would just transfer it from the account in
8 that bank to that new account number. It would be infrequent
9 that a bank would be named that we did not have ongoing ties
10 with and have funds available in.

11 Senator Kerry: What banks did you use in Panama? What
12 were the principal banks you did business with?

13 Mr. Rodriguez: Well, we used just about every bank in
14 Panama. Now, as far as I personally --

15 Senator Kerry: How many banks are there in Panama?

16 Mr. Rodriguez: There are about 140 banks. But you have
17 to remember that when you're handling the volume of money we
18 were handling for the number of people we were dealing with,
19 you find that you have an acquaintance with a client at just
20 about every bank.

21 And we were constantly -- we just didn't take these
22 millions of dollars and park them into the bank. We were
23 paying out bills, we were paying out for equipment and
24 merchandise, et cetera.

25 Senator Kerry: Now, where are all the documents and

1 records which were attendant to this accounting process?

2 Mr. Rodriguez: Well, there were two sets: one in my
3 computer in Miami, which was destroyed; and another one in
4 the cartel's accounting office in Panama.

5 Senator Kerry: When was your computer destroyed?

6 Mr. Rodriguez: It was destroyed when I was arrested,
7 because it was a hard disk drive computer. You cannot move a
8 machine like that without securing the disk. The agents that
9 made the seizure apparently were unaware that they had to
10 treat the hard disk --

11 Senator Kerry: So you're saying it was destroyed
12 accidentally by law enforcement authorities?

13 Mr. Rodriguez: Yes, sir.

14 Senator Kerry: Who were trying to secure it?

15 Mr. Rodriguez: Yes, sir. They moved it out of my office
16 and they treated it like another piece of furniture.

17 Senator Kerry: And the information was lost?

18 Mr. Rodriguez: Yes. And they tried their darnedest to
19 put it together, but were not able to.

20 Senator Kerry: Now, coming back to the law enforcement
21 piece of this, you said that you talked to members of the
22 task force, southern drug task force, when you were
23 detained.

24 What did you tell them?

25 Mr. Rodriguez: Well, I told them they were making a

1 mistake, that they should talk with me at length before they
2 arrested me.

3 Senator Kerry: You were prepared to give them
4 information then? Did you want to strike a bargain?

5 Mr. Rodriguez: I wanted to strike a bargain. I didn't
6 think I was going to give them any information they didn't
7 already have. I think that I wanted all government agencies
8 to speak to each other before a decision was made on me.

9 Senator Kerry: And did they listen to you? Did they
10 offer to take that under advisement or not?

11 Mr. Rodriguez: No, I think that they thought I was
12 speaking untruthfully to them. And quite frankly, a \$5
13 million seizure was a big thing.

14 Senator Kerry: A big seizure for them?

15 Mr. Rodriguez: Yes, it was a big seizure for them.

16 Senator Kerry: The record should show that staff has
17 interviewed the authorities who made the arrest, and that
18 will later be made part of the record. But there was an
19 indication at the time that they thought they had a very
20 significant drug trafficker and they had a big bust, and they
21 thought he was doubletalking to them and proceeded, I guess,
22 with the arrest.

23 Is that accurate?

24 Mr. Rodriguez: Yes, sir.

25 Senator D'Amato: If I could just go back a step, there

1 were two things that I'd like you to touch on. One, Mr.
2 Rodriguez, as it related to the total amounts of dollars that
3 you paid or were instructed to pay over to General Noriega
4 from that, starting in '79 until you were arrested in '83.
5 Could you estimate for us -- and you said it got to about \$10
6 million a month.

7 how much over that period of time did you pay?

8 Mr. Rodriguez: From '79 to '83?

9 Senator D'Amato: Yes.

10 Mr. Rodriguez: Again, we are talking ballpark figures.
11 Between \$320 million to about \$350 million.

12 Senator D'Amato: And this again, as Senator Kerry has
13 elicited from you, came by way of instructions into which
14 accounts to place the money?

15 Mr. Rodriguez: Yes, sir.

16 Senator D'Amato: And to which companies to place the
17 money?

18 Mr. Rodriguez: Yes, sir.

19 Senator D'Amato: And certain cash payments?

20 Mr. Rodriguez: And attorneys, trust accounts, and so
21 forth.

22 Senator D'Amato: Wasn't there a particular bank that the
23 General favored, the ABN Bank, that was used to then pay out
24 moneys to Curacao and Paris? Were you aware of that?

25 Mr. Rodriguez: Yes, sir, ABN Bank was a favorite.

1 Senator D'Amato: What do you know about that bank, if
2 anything, that you can testify as it relates to General
3 Noriega?

4 Mr. Rodriguez: Sir, that bank is one of the largest
5 banks in the world. It has offices in places you wouldn't
6 believe. It's a very upstanding bank.

7 Senator D'Amato: But it was from that bank that -- or do
8 you have knowledge that General Noriega used that bank to
9 then send moneys to Curacao and Paris?

10 Mr. Rodriguez: Yes, sir. Many of -- a lot of the
11 General's money for some reason went to France.

12 Senator D'Amato: When you say a lot, could you make an
13 estimate as to how much? Did you ever send as much as a
14 million or \$2 million or \$3 million to Paris?

15 Mr. Rodriguez: Yes, sir.

16 And I would say to you that there wasn't a month that
17 money did not go to France.

18 Senator D'Amato: Mr. Chairman, there was one other thing
19 I'm wondering if Mr. Rodriguez would comment on. At one
20 point in time when we were talking about the cartel and the
21 intelligence information that they received from General
22 Noriega, you said that in 1982, that the Medellin cartel knew
23 all of the agents.

24 Now, were those all of the agents in Colombia or was it
25 in Panama? And you used the word "toyed with them." Would

1 you give us some kind of -- what do you mean by that?

2 Mr. Rodriguez: I was specifically talking about the
3 agents in Medellin. What they did was --

4 Senator D'Amato: There were some agents who attempted to
5 infiltrate the organization?

6 Mr. Rodriguez: They were attaches at the embassy and all
7 these people who were obviously in some sort of drug
8 interdiction effort, that were supposedly working secretly.

9 Senator D'Amato: Were they working in Panama and in
10 Colombia?

11 Mr. Rodriguez: I don't really know their personal
12 schedules.

13 But what the cartel did was in 1982 -- it might have been
14 '82 -- yes. They had some invitations printed that appeared
15 to come out of a government agency, the Colombian government
16 agency, for a Christmas party at the Intercontinental Hotel.
17 These invitations were sent to all of these agents I'm
18 talking about.

19 And most of them showed up to the party, and once they
20 were there they were notified that they were there at the
21 invitation of the cartel.

22 Senator D'Amato: So they knew them all --

23 Mr. Rodriguez: They were a bit arrogant in the way they
24 handled it. I am a bit arrogant myself, so I can't --

25 Senator D'Amato: I think that people wanted -- and I

1 think it's important and illustrative to indicate just how
2 compromised the agency, our Drug Enforcement Agency, had
3 become.

4 Mr. Rodriguez: That's why when you have reports that
5 Drug Enforcement agents are all going to get killed, I don't
6 really take it with too much seriousness, because I know that
7 the cartel knows who's who and could do horrible things if
8 they wanted to.

9 I think that they have learned how to use violence
10 graphically in the most opportune moment. I think the
11 assassination of the Colombian attorney general a week or so
12 ago is very indicative that they know how to use terror now.

13 Senator D'Amato: So they're not going to kill an agent?

14 Mr. Rodriguez: They won't kill people at random.
15 They'll make statements with their violence.

16 Senator D'Amato: Thank you, Mr. Chairman.

17 Senator Kerry: Mr. Rodriguez, we're going to try to move
18 fairly rapidly through a couple of areas and then conclude.
19 I just want to ask you quickly, you see this chart over to
20 your right?

21 Mr. Rodriguez: Yes.

22 Senator Kerry: It's set forth with the title "The
23 organization of the criminal empire."

24 Mr. Rodriguez: Yes, sir.

25 Senator Kerry: Can you read those names from where you

1 are there?

2 Mr. Rodriguez: Yes, I can.

3 Senator Kerry: Do you recognize the names that you see
4 laid out on that chart?

5 Mr. Rodriguez: yes, I do.

6 Senator Kerry: Who do you recognize them to be?

7 Mr. Rodriguez: I recognize some competitors of mine,
8 some employees of the General.

9 Senator Kerry: Employees of General Noriega?

10 Mr. Rodriguez: Yes, sir. And of course you have a list
11 of --

12 Senator Kerry: Who are the competitors?

13 Mr. Rodriguez: Well, specifically Pretelt and Cesar
14 Rodriguez.

15 Senator Kerry: Cesar Rodriguez?

16 Mr. Rodriguez: Yes, sir.

17 Senator Kerry: And do you recognize those names as being
18 members of General Noriega's criminal effort?

19 Mr. Rodriguez: Yes, sir. I think in the case of Mr.
20 Pretelt and Mr. Cesar Rodriguez they represent somewhat free
21 enterprise laundering, except with General Noriega's best
22 interests at heart, whereas I never conducted my activities
23 according to General Noriega's best interests.

24 Senator Kerry: You did it according to your best
25 interests and the cartel's?

1 Mr. Rodriguez: The cartel, and I think I added a measure
2 of responsibility to the way it was handled.

3 Senator Kerry: Now, when you suggest -- was there a
4 recklessness about the way they did it?

5 Mr. Rodriguez: Well, I think that if you just check the
6 record, General Noriega was unable to solidify his power base
7 in 1983. Since I handled the dollars that were so important,
8 I always made sure that he was just powerful enough to serve
9 us, but never let him get powerful enough to control us.

10 Senator Kerry: Now, you believe that your arrest in 1983
11 came about as a result of a betrayal, is that accurate?

12 Mr. Rodriguez: I believe General Noriega very adroitly
13 used the American law enforcement agencies to surgically
14 extract me from the operation, while leaving the operation
15 intact for him and his cronies to continue working.

16 Senator Kerry: Describe how it came about, your arrest?
17 What happened?

18 Mr. Rodriguez: Well, a telex was sent out of Panama to
19 the south Florida vice presidential task force identifying me
20 as a major money launderer. I think it's important to note
21 that prior to that telex they didn't know who I was. And the
22 vice president's task force immediately, for a government
23 agency within two or three months, arrested me, without doing
24 very much investigative work or any of the other things I
25 would expect from that type of agency.

1 By doing that, taking me out of the picture without
2 hurting the system that was working, I think we were used by
3 General Noriega.

4 Senator Kerry: Do you know how they specifically learned
5 of your being at the airport with \$5.4 million in cash?

6 Mr. Rodriguez: There was no question, I could be stopped
7 at any time in the airport. I flew a minimum of twice a
8 week. I filed CMIR's. I filed my flight plan 48 hours ahead
9 of time because I had to have a Cuba overfly.

10 I mean, what I was doing was not exactly --

11 Senator Kerry: A secret up until then?

12 Mr. Rodriguez: Yes.

13 Senator Kerry: So all this time, you had basically done
14 it with impunity. And suddenly the noose tightened?

15 Mr. Rodriguez: Yes, sir.

16 Senator Kerry: Did Noriega -- was he aware of your
17 opposition to the M19 cartel agreement?

18 Mr. Rodriguez: Oh, absolutely.

19 Senator Kerry: Is that a significant part of why you're
20 here today?

21 Mr. Rodriguez: Yes, that more than any desire for
22 revenge, because, as is history now, he's been indicted
23 without my assistance. You know, I don't really need to do
24 any more to hurt him. He's already been very hurt.

25 But remember that you have a system that handles

1 multi-billion dollars in shipments yearly, that is now in
2 irresponsible hands and being infiltrated by communist
3 cadres. It's only a matter of time before the communist
4 cadres take over the cartel.

5 And I am here --

6 Senator Kerry: But you say that after having described a
7 brutal war in which the cartel wiped out the communist cadre,
8 or much of it.

9 Mr. Rodriguez: Absolutely. I think more than anything,
10 they got their attention. I think that that opened up the
11 eyes of these people to the kind of power and the kind of
12 effort that can be put together by an organization of this
13 type.

14 Senator Kerry: So what you're saying is, what I think
15 you described, is that you see the ability of people now to
16 understand the power that's there, and you see a resurgence
17 of this? Is that what you're saying, a continued --

18 Mr. Rodriguez: Let's put it like this. Fidel Castro's
19 best effort with M19 was pitiful compared to the cartel's
20 best effort. It was proven on the battlefield. I think when
21 you have a victory like that, especially someone like Castro
22 or the Sandinistas, they are bound to reevaluate their
23 position.

24 And it would be logical to take over the cartel, and I
25 think that --

1 Senator Kerry: Or drug trafficking?

2 Mr. Rodriguez: Or drug trafficking. The cartel, because
3 it's an ongoing concern, there's a tremendous amount of
4 goodwill in that organization, just like in any other
5 organization.

6 Senator Kerry: Have you seen -- did you witness growth
7 into other countries of the narcotics trafficking in a
8 similar way, that began to subvert institutions and change
9 the politics?

10 Mr. Rodriguez: There's a very good word being used
11 lately. It's called the narcokleptocracy. And that is not a
12 figment of somebody's imagination. Every Central and South
13 American country now without exception has a group of people
14 that are dependent on the cartel.

15 The cartel does not just control drugs. It controls
16 industries -- not factories, industries. There is not a
17 Central or South American country that the cartel cannot
18 influence economically and politically. And until you
19 realize that, you cannot deal with --.

20 Senator Kerry: Was there a relationship you became aware
21 of between the Colombian drug cartel or drug traffickers and
22 the Mexicans?

23 Mr. Rodriguez: Well, the Mexicans get a lot of their
24 product, cocaine, from the cartel. They also have an asset,
25 which is a 2,000 mile border with the United States, which

1 they sell access to that. So Mexicans and Colombians are a
2 natural.

3 Senator Kerry: That's why it's an essential part of the
4 drug route to the United States, is obviously the border? Is
5 that accurate?

6 Mr. Rodriguez: Sure.

7 Senator Kerry: Was there a dispute between the Mexican
8 drug traffickers and the Colombians?

9 Mr. Rodriguez: Yes.

10 Senator Kerry: What was that dispute about?

11 Mr. Rodriguez: Money.

12 Senator Kerry: And control?

13 Mr. Rodriguez: Yes, to a certain extent. You know,
14 there was no single simple dispute. These things grow
15 because they have an ongoing concern, and you have
16 jealousies.

17 Senator Kerry: How was that dispute resolved?

18 Mr. Rodriguez: Well, the Mexicans were put on a cash
19 basis by the cartel.

20 Senator Kerry: What does that mean?

21 Mr. Rodriguez: It means when they flew down to pick up
22 their merchandise, they had to fly down money to pay for it.
23 And --

24 Senator Kerry: Do the Colombians operate in Mexico now?

25 Mr. Rodriguez: No. The Mexicans operate in Mexico, and

1 the Colombians cooperate with the Mexicans where they are
2 allowed to. But the border belongs to the Mexicans.

3 Senator Kerry: Now, we're going to follow up, Mr.
4 Rodriguez. We're going to follow up at a subsequent time,
5 probably in executive session, on further identification of
6 banks and individuals.

7 But I'd like you just to describe for me with a little
8 more particularly than "the New York banking process." Who
9 would you meet with in the bank, for instance?

10 Mr. Rodriguez: Okay. Every bank that I dealt with has a
11 representative.

12 Senator Kerry: Everybody who has a portfolio has a
13 representative, so there's nothing unusual about that, is
14 there?

15 Mr. Rodriguez: Except that our representatives aren't
16 found on the listing in the bank directory.

17 Senator Kerry: You had a special linkage?

18 Mr. Rodriguez: A special man to deal. For instance, I
19 had a special man to deal with.

20 Senator Kerry: How would you contact him? Did you have
21 a name, someone you could telephone?

22 Mr. Rodriguez: I contacted their Panamanian branch. I
23 would say: Look, I've got to be in New York on such a day; I
24 have this CD and this loan, and I want to discuss them, and
25 I'll be there at 9:00 o'clock.

1 Senator Kerry: Would you walk into the bank or somewhere
2 else?

3 Mr. Rodriguez: They would have the limousine meet me and
4 bring me in.

5 Senator Kerry: A limousine meet you at the airport?

6 Mr. Rodriguez: Yes, sir.

7 Senator Kerry: And bring you in?

8 Mr. Rodriguez: Yes, sir.

9 Senator Kerry: Would any representative meet you at the
10 airport?

11 Mr. Rodriguez: I would normally have somebody waiting
12 for me when I got there.

13 Senator Kerry: Your person?

14 Mr. Rodriguez: No, their person.

15 Senator Kerry: And they would escort you to the bank?

16 Mr. Rodriguez: Yes, and I would take care of business.

17 Senator Kerry: Did you know who you were looking for
18 when you first arrived at the bank?

19 Mr. Rodriguez: Well, after a while I knew the fellows
20 that were in charge of it.

21 Senator Kerry: Do you know them by name to this date?

22 Mr. Rodriguez: No, sir.

23 Senator Kerry: You don't?

24 Mr. Rodriguez: No, because there was a very real reason
25 why we went through this type of charade. We were breaking

1 laws in a very big manner and you always have to have
2 plausible deniability. And the New York banks are no fools.
3 So everyone --

4 Senator Kerry: Well, that may be questionable.

5 Mr. Rodriguez: I found them to be --

6 Senator Kerry: They engaged in the business and they
7 undertook it, and some banks have already paid fines, I think
8 grossly insufficient, but have paid fines for laundering.

9 Mr. Rodriguez: But that gives you a tremendous insight
10 into how sophisticated they are. I'm doing 43 years in jail;
11 they pay fines when they get caught.

12 Senator Kerry: That's exactly the point I'm trying to
13 make.

14 Mr. Rodriguez: So I guess I'm not as smart as they are.

15 Senator Kerry: I think the banks -- and I don't know;
16 I'm not on the Banking Committee. But if there's any one
17 ingredient in this process that would assist us, it is to
18 make it harder to move large amounts of cash, isn't that
19 accurate?

20 Mr. Rodriguez: Yes, logistics is the biggest problem in
21 money laundering.

22 Senator Kerry: And banks have resisted those processes
23 that would somehow create greater accountability for the
24 movement of cash.

25 Mr. Rodriguez: Precisely.

1 Senator Kerry: And there is --

2 Senator D'Amato: We have passed --

3 Senator Kerry: We have the \$10,000 thing.

4 Senator D'Amato: -- a very strict money laundering bill
5 that for the first time brings in some accounting and holds
6 the banks themselves accountable. And let me tell you that
7 we face tremendous, tremendous opposition, and we only
8 explored very superficially some of the violations.

9 I would like to get into this later on with Mr. Rodriguez
10 in future sessions.

11 Senator Kerry: But the real issue is the international
12 regulation, the international regulation.

13 Mr. Rodriguez: Precisely. As long as they have an out
14 with foreign branches --

15 Senator Kerry: The foreign branches, correct? And the
16 out is the foreign branch?

17 Mr. Rodriguez: The foreign branch.

18 Senator D'Amato: There was incredible resistance to
19 legislation which would hold them accountable. Up until this
20 time they could operate with impunity, because I guess they
21 would get a slap on the wrist and a fine of \$10,000 per
22 transaction. Even if they were caught, it was basically --

23 Mr. Rodriguez: What you are suggesting would affect
24 their bottom line.

25 Senator D'Amato: Total forfeiture of all money you're

1 dealing with, that's now the law. But I think we would
2 probably benefit, Mr. Rodriguez, by having the opportunity to
3 look at some of the other areas that are still wide open and
4 probably being utilized by some of the banks.

5 Mr. Rodriguez: I am at your service.

6 Senator D'Amato: You go to the man who beat the system
7 to find out how to shore up the system. It's one of the
8 things I suggested with Senator Kerry. I may be criticized
9 for saying this, but it seems to me that you've been in
10 prison a number of years now already, but it's rather
11 incredible that there has not been an effort made by our law
12 enforcement people, recognizing your knowledge of the system,
13 et cetera, to attempt to utilize you, not in terms of
14 exposing people because the safe houses have been changed,
15 the corporations have been changed, many of the people have
16 been changed, but as it relates to dealing with this whole
17 system, and at least to get your knowledge and your expertise
18 in an attempt to utilize them.

19 And notwithstanding that you may have been interviewed on
20 several occasions, it's just that kind of lack of commitment
21 that just gets this Senator, and I think some others like
22 Senator Kerry and Senator DeConcini, so riled up when we hear
23 about this war on drugs.

24 It is absolutely -- if it weren't so serious, it would be
25 laughable. I don't have words sufficient to express to you

1 the contempt I have for those who should know better, who
2 really carry this on and try to beguile the Congress and the
3 people, et cetera, about a meaningful effort and a meaningful
4 war.

5 Here you have the person who ran the money operation for
6 the cartel for years, who hasn't had -- has not been utilized
7 in terms of the information. Were it not for Senator Kerry
8 and his Committee, et cetera, who has brought this to the
9 fore, you would still be languishing there and we would be
10 without your information.

11 I don't mean to put a medal on you. My gosh, we should
12 be able to draw on your experience.

13 Mr. Rodriguez: I would like to be fair at all times,
14 because I find that life works out for me better that way.
15 In all fairness, the things that we're discussing today,
16 after having some corroboration and so forth, in 1983 sounded
17 pretty foolish to these people, because it put them in the
18 position that they had to admit that they were totally out of
19 control and totally foolish.

20 Senator Kerry: The fact is that you told them in 1983.
21 They didn't want to listen, isn't that accurate?

22 Mr. Rodriguez: Precisely.

23 Senator Kerry: Because they made their own judgments.

24 Mr. Rodriguez: Well, like I said, they would have to --
25 it's a pretty mind-boggling thing to hear, and it's even more

1 mind-boggling that it was getting by them, and it's still
2 getting by them.

3 Senator Kerry: Well, it's sure coming out now. And I
4 think there's a lot more of it to come out.

5 But let me come to a couple of points. We need to try to
6 move toward the end here, and I want Senator D'Amato to be
7 able to make some comments if he wants to at the end, also.

8 Let me just ask you quickly. Have members of Brigade
9 2506 been involved in drug trafficking?

10 Mr. Rodriguez: Yes, sir.

11 Senator Kerry: You know that personally?

12 Mr. Rodriguez: Yes, I do, sir.

13 Senator Kerry: How important are the -- well, strike
14 that question.

15 Has Cuba infiltrated the drug community to a certain
16 degree?

17 Mr. Rodriguez: Absolutely.

18 Senator Kerry: And you personally -- I understand that
19 Cuban intelligence knows about the drug trafficking business
20 specifically?

21 Mr. Rodriguez: Sir, Cuban intelligence made an attempt
22 to recruit me.

23 Senator Kerry: When was that?

24 Mr. Rodriguez: '80, '81.

25 Senator Kerry: Did you ever report that to anybody?

1 Mr. Rodriguez: No.

2 Senator Kerry: Describe for us, if you will again,
3 fairly directly and succinctly, the threat that you believe
4 this poses to your country, our country? Is it a threat?

5 Mr. Rodriguez: I want to say, it is my country. I feel
6 American, even though America is a hard place to love because
7 she often treats you badly.

8 Senator Kerry: When you say that, are you speaking about
9 the Cuban experience?

10 Mr. Rodriguez: Yes, sir.

11 Senator Kerry: You're talking about the sense of
12 betrayal that Cubans have about Castro?

13 Mr. Rodriguez: I'm talking about the Bay of Pigs, the
14 lack of air cover, some of the other things that have gone
15 on.

16 Senator Kerry: But you have never had an argument with
17 this country in other respects?

18 Mr. Rodriguez: No, sir. You know, I studied Marxism,
19 socialism, and capitalism, and fascism. I've made -- I chose
20 capitalism out of a ratiocination, not out of an accident.

21 If the cartel and the cartel's assets get taken over by
22 communist elements, here's what you're going to have. You're
23 going to have a self-funded revolutionary attempt inside the
24 U.S. Drugs go to the lowest echelons of the society, to the
25 highest.

1 The lowest echelons make great recruits. If you control
2 their drug flow, you have potential recruits. They'll listen
3 to Marxism --

4 Senator Kerry: For any kind of activity, isn't that
5 accurate?

6 Mr. Rodriguez: Any kind of activity.

7 So you're going to have a potential communist cell in
8 every ghetto, in every city in the U.S.

9 Senator Kerry: Can I ask you something further on that.
10 Is it not accurate that other terrorists or ideologically
11 fanatical groups are drawing on the profits of the narcotics
12 trade to fund whatever their operations?

13 Mr. Rodriguez: I can tell you unequivocally that the
14 heroin trade out of Colombia is funding Palestinians. It is
15 mind-boggling.

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1 Senator Kerry: Are you familiar with the trade in the
2 Bakaa Valley?

3 Mr. Rodriguez: No, sir, I'm not.

4 Senator Kerry: Coming back to that question I asked, you
5 said fundamentally absolutely. Does that mean terrorist
6 groups or ideologically finatical groups of right or left?
7 Is that accurate?

8 Mr. Rodriguez: Yes, sir, both right and left; but I'm
9 concerned with the leftist because they're the most
10 organized, they're the most ideologically finatics you can
11 find.

12 Once they get the ghettos organized, you have the
13 highest echelons of society that are subject to blackmail.
14 You may not be able to take the son of a government
15 bureaucrat and pay him to give you information on this
16 father's activities, but you can blackmail him into doing
17 that. You can control his drug flow.

18 The potential here is enormous.

19 Senator Kerry: Let me ask you now with respect to that
20 sort of ideologic phenomenon. You have been a supporter
21 living in the Cuban community, passionately anti-Communist
22 and anti-Castro.

23 You have also been a supporter, though not necessarily
24 passionate about it, but a supporter of the Contras. Is that
25 accurate?

1 Mr. Rodriguez: Yes, sir.

2 Senator Kerry: Are you aware of whether or not narcotics
3 proceeds at some time may or may not have supported Contra
4 efforts?

5 Mr. Rodriguez: Yes, sir. Narcotics proceeds were used
6 to shore up the Contra effort.

7 Senator Kerry: Did you personally play a role in some of
8 the transfer of that money?

9 Mr. Rodriguez: Yes, I did.

10 Senator Kerry: Are you familiar with the name of a
11 company called Frigerificos de Puntarennas?

12 Mr. Rodriguez: Yes, sir, I am.

13 Senator Kerry: What is that company?

14 Mr. Rodriguez: It's a shrimp processing warehouse; but,
15 more importantly, it was one of the fronts that we used.

16 Senator Kerry: Did you set it up? What role did you
17 play in it?

18 Mr. Rodriguez: I was the key person setting up the
19 interlocking chain of companies around Frigerificos de
20 Puntarennas.

21 Senator Kerry: Are you familiar with a company called
22 Ocean Hunter?

23 Mr. Rodriguez: Yes, sir.

24 Senator Kerry: What was Ocean Hunter?

25 Mr. Rodriguez: Ocean Hunter was the agent, an agent for

1 Frigerificos. It was supposed to import shrimp into the U.S.

2 Senator Kerry: Was that part of the interlocking network
3 that you talked about?

4 Mr. Rodriguez: Yes, sir.

5 Senator Kerry: Did you launder money?

6 Mr. Rodriguez: I have laundered money for that network,
7 yes, sir.

8 Senator Kerry: Were payments or arrangements made by
9 which the Contras could receive money through Frigerificos?

10 Mr. Rodriguez: Yes, sir.

11 Senator Kerry: You arranged that?

12 Mr. Rodriguez: I, through my intermediaries, made it
13 possible.

14 Senator Kerry: Did that particular company receive
15 \$250,000 in humanitarian assistance funds from the State
16 Department?

17 Mr. Rodriguez: Yes, sir, it did.

18 Senator Kerry: Was any of the money traceable to drugs
19 or to drug-related transactions?

20 Mr. Rodriguez: The money that we -- you're talking about
21 the money that we provided?

22 Senator Kerry: That is right.

23 Mr. Rodriguez: No, sir.

24 Senator Kerry: Why was that?

25 Mr. Rodriguez: Because we were experts at what we do.

1 Senator Kerry: You created enough cut-outs to do that;
2 is that correct?

3 Mr. Rodriguez: Yes.

4 Senator Kerry: Do you want to explain how the money
5 moved?

6 Mr. Rodriguez: Well, I had a liaison with U.S.
7 intelligence -- or let's not call it U.S. intelligence.
8 Let's call it whoever was running the resupply.

9 Senator Kerry: We are going to leave the names out for
10 now. We are going to come back to this in a few weeks, but I
11 want to just talk about how the money laundering moved.

12 Mr. Rodriguez: I had a -- as I said, I had the contact
13 man who supplied me with the needs for cash, the locations
14 and the agents that they were going to use to receive the
15 money.

16 When contact was made with me, I would deliver on it, any
17 country, any place.

18 Senator D'Amato: Mr. Chairman, if I might just ask at
19 this point.

20 Millan, were the people who received this money aware of
21 the fact that this was drug money, the proceeds came from
22 drug money?

23 Mr. Rodriguez: Let's put it like this, Senator D'Amato.
24 The Contra peasant in the field did not, but the men who made
25 the contact with me did.

1 At that time I was under indictment. I mean I was red
2 hot, and it was surprising to me to be contacted when I was
3 in such a potentially --

4 Senator D'Amato: Who did you make contact with?

5 Senator Kerry: We really want to hold on that piece, and
6 we promised in this process we would. But we do have some
7 documentation. We have documents from the companies, et
8 cetera.

9 If I could just ask you, do you recognize the document
10 that is in front of you?

11 Mr. Rodriguez: This is a -- because I handled so much
12 money -- yes, I do recognize it. Do you want me to explain
13 to you what it is?

14 Senator Kerry: What do you recognize that document to be?

15 Mr. Rodriguez: This is not a double entry system.

16 Senator Kerry: Is this part of your accounting documents?

17 Mr. Rodriguez: This is a part of my personal notation as
18 to what I did with the monies that I received, whom I
19 received them for and what I did with them.

20 Senator Kerry: This was part of your official records
21 which law enforcement authorities seized. Is that accurate?

22 Mr. Rodriguez: Yes, it is.

23 Senator Kerry: This document which was seized which you
24 recognized was placed into evidence by the Federal Government
25 in the trial against you, for which you are now serving

1 time. Is that accurate?

2 Mr. Rodriguez: Yes, sir.

3 Senator Kerry: Now, I direct your attention to the top
4 notation on the headings of this document.

5 What is the first heading in that top column?

6 Mr. Rodriguez: That first heading is an abbreviation for
7 Miami.

8 Senator Kerry: The numbers and figures that are listed
9 underneath it reflect what?

10 Mr. Rodriguez: They reflect monies that I took out of
11 the consolidating process for my personal use.

12 Senator Kerry: The next heading says what?

13 Mr. Rodriguez: The next heading says CIA.

14 Senator Kerry: What does that CIA refer to?

15 Mr. Rodriguez: It refers to one shipment of money I
16 received.

17 Senator Kerry: Was the CIA the CIA we know? Is that the
18 Central Intelligence Agency?

19 Mr. Rodriguez: Yes.

20 Senator Kerry: What does your accounting show with
21 respect to the CIA?

22 Mr. Rodriguez: It shows that I received the shipment of
23 \$3 million and change sometime in the middle of the month.

24 Senator Kerry: Do you know what that was for?

25 Mr. Rodriguez: Well, I always got instructions with it.

1 and I carried out the instructions.

2 Senator Kerry: Did that have something to do with supply
3 efforts to the Contras? You do not know?

4 Mr. Rodriguez: I don't remember. This document --

5 Senator Kerry: Oh, no, not at that point. That question
6 is inappropriate at that point. That is my mistake.

7 That did reflect a distribution of funds by you with
8 respect to CIA. Is that accurate?

9 Mr. Rodriguez: Yes, sir.

10 Senator Kerry: This will be made part of the record as
11 Exhibit Number 14.

12 [The information referred to follows:]
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1 Senator Kerry: Also, I might remark this was Government
2 Exhibit Number 12 in your criminal trial put into evidence by
3 the Federal prosecutor.

4 Mr. Rodriguez: We were surprised when we put that in.

5 Senator Kerry: Were you ever asked about that?

6 Mr. Rodriguez: No, sir.

7 Senator Kerry: Were you ever asked what the notation CIA
8 meant?

9 Mr. Rodriguez: No.

10 Senator Kerry: Nobody has ever asked you?

11 Mr. Rodriguez: No, sir. We tried to have this document
12 not put into evidence, and the government as adamant about
13 putting it in, so they put it in.

14 Senator Kerry: We are now at the hour of noon, and there
15 is a great deal more to go into.

16 Let me just confirm. Well, no, I am satisfied on that,
17 and I will stop.

18 Senator D'Amato, before we close this session of the
19 hearings, do you have any comments that you would like to
20 make at this time?

21 Senator D'Amato: Mr. Chairman, once again we have a
22 witness who uniquely can give us an in-depth magnitude of the
23 operation of the drug cartel, the manners in which it has
24 been able to corrupt public officials in literally all of the
25 countries, although he has testified with particularity as it

1 relates to Panama and has given us a glimpse of how we can
2 even defeat when it turns its forces on to the M-19 that we
3 and the Colombian government have been engaging in for a
4 number of years. We understand the power of it.

5 The most shocking is how it has been able and how we
6 have, our own intelligence community, our own defense
7 establishment and its intelligence operations, betrayed our
8 own agents by coming together with these dictators and
9 opportunists and being so superficial in our judgments that
10 we would entrust the lives of our American citizens, our drug
11 enforcement agency and put them at risk by dealing with scum
12 like Noriega. It is outrageous.

13 What a sad commentary. Lord knows how many others in how
14 many other countries have been placed at peril. Millian says
15 they toyed with them. How many have succumb?

16 What about Enrique Camarena in Mexico? What about our
17 agents who have been sacrificed along the way? It is a sad
18 commentary.

19 It is something, Mr. Chairman, that I would hope in the
20 fullness of time your efforts and those of this committee and
21 others begin to sensitize those in charge, those in this
22 administration and future administrations to the kinds of
23 commitment to which we are entitled, and that we cannot
24 continue to do business as usual with these petty tyrants,
25 and that sometimes we take these superficial attitudes, well,

1 who else do we have there, and that the threat of this
2 insidious drug epidemic and the power that it wields is real,
3 and that the danger has penetrated the United States and our
4 homes and our communities, and, yes, it has even corrupted
5 and co-opted out our own institutions at the highest level
6 where we have lost the capacity and judgment to make the
7 proper kinds of distinctions in who we deal with and how we
8 deal with them.

9 So, Mr. Chairman, I say that I think this is just the
10 beginning of what has to be a commitment from at least the
11 Congressional institution and hope that we can get our
12 colleagues to join us and not in a political sense,
13 Democratic, Republican, liberal, conservative.

14 We have heard testimony from witness after witness how
15 all of the ideological forces have been financed, whether it
16 be the Contras, whether it be the M-19s, whether it be the El
17 Salvadorean guerrillas, how they have drawn upon these
18 dollars for the financing of their ideological revolutions.

19 Mr. Chairman, I commend you for your tireless efforts in
20 this area, and I look forward to working with you.

21 I am not going to put a gold star on you, Millan, but I
22 would probably like to say do you ever regret what you did
23 when you look at this and how you used that brain of yours
24 that God gave you, a good brain obviously?

25 Mr. Rodriguez: Let me say this, Senator. There is some

1 mitigation to my life. It hasn't come out here. I didn't
2 come here to -- I came here to bury Caesar, not to praise him.

3 I think later on you'll find out that I'm not entirely as
4 bad as I seem.

5 Senator Kerry: Are you sorry for the path you chose? Do
6 you feel a sense of waste for the years that you are serving
7 now? Do you feel like you have lost something that could
8 have been different or, basically, hey, this is the way it is?

9 Mr. Rodriguez: Senator, I belong to a group of people
10 who are willing to do immoral, reprehensible acts for ends
11 that are what we feel in the best interest of our ideology.

12 We use these Justifiable means to break the law, and when
13 we're caught we pay. That's the way it is.

14 Senator Kerry: Well, I appreciate the insight that you
15 have given us and the fact that you have been willing to
16 cooperate.

17 I just want to give you one chance before we walk out of
18 here. Is there any piece of testimony as you have thought
19 about it, is there anything here -- because you are serving a
20 long sentence now, but, I assure you, if you lie to this
21 committee it will be longer, and I think you understand that.

22 Mr. Rodriguez: Yes, sir.

23 Senator Kerry: You said that to me this morning before
24 you even came out here, that you understood that.

25 Is everything you have told us today the truth, the whole

1 truth and nothing but the truth?

2 Mr. Rodriguez: Absolutely.

3 Senator Kerry: Well, I guess I have a number of
4 different comments.

5 One, I notice that yesterday issues are already arising
6 about who is credible and who is not, and has there been an
7 inconsistency here or there.

8 This record will be available for reading very quickly,
9 and I would warrant that when you read it and go through it,
10 the consistency of what we have heard is extraordinary from
11 person after person who has declared, against their own
12 interest, at great risks personally to their lives, at risk
13 of further prosecution, at risk of us discovering through
14 other sources documentation that somehow they did not tell
15 the truth and, therefore, serve even longer in prison.

16 I think when you measure all those things against what
17 has been said, there is reason to find enormous credibility
18 in it.

19 It is interesting to note that while Vice President Bush
20 denied that he made the call, and I do accept his word, it
21 also was learned last night on McNeill-Lehrer that a former
22 NSC staffer admitted that, indeed, there was prior notice
23 given to Castro. It said it was through a different
24 channel. They did not need Noriega.

25 Who knows? Was it a staff call? Was it someone else?

1 Was there someone saying this is representing the Vice
2 President, we have been detailed to notify? Blandon gets a
3 call in the night and says the Vice President's office called
4 or the Vice President.

5 The fact is, he says he called Fidel Castro in the dead
6 of night, and the fact is that Castro was noticed.

7 It seems to me that as you go through the details of this
8 and analyze this measured against the past, there is further
9 reason to believe what we have heard.

10 I recognize if you go back to the Iran Contra hearings,
11 there were witnesses who came forward with totally different
12 stories, totally inconsistent with each other day after day.
13 That has not appeared here.

14 Witness after witness after witness has corroborated the
15 money laundering, corroborated the network, corroborated the
16 names.

17 Senator D'Amato: With specificity, Mr. Chairman.

18 Senator Kerry: With specificity; with great specificity.

19 I think most people share this with me. I certainly do
20 not quickly forget the fact that there were long and
21 indignant and repeated denials by the White House and others
22 about selling arms to Iran.

23 There were long and repeated denials by the CIA and the
24 State Department about those and many other things, including
25 illegal support of the Contras.

1 During the period of the Boland Amendment, there were
2 repeated denials and yet factual aberrations.

3 Bill Webster is someone in whom I have enormous
4 confidence. I think he is one of the finest public servants
5 we have in government today, and I think he is moving
6 effectively and diligently to try to make up for some of the
7 things that did happen a number of years ago. The fact is,
8 he has fired some of the people who were involved in reaching
9 beyond their permitted scope of duty during this period that
10 we are talking about right here.

11 It seems to me that in light of that as well as past
12 assassination manuals printed by the CIA, as well as the
13 Managua minings and so forth, we have cause to wait before we
14 make judgments.

15 We are going to see in the months to come a lot more
16 investigative effort, and that will certainly go on.

17 I would like to just say quickly at this time that we
18 have seen significant corroboration of a number of different
19 things in these last days. The witnesses have certainly
20 detailed General Noriega's involvement with the Colombian
21 Cartel to smuggle narcotics, to launder money, provide them
22 protection. Some have even testified to his involvement in
23 murder.

24 Noriega's sale of weapons to the Salvadoran rebels has
25 been confirmed by at least three witnesses.

1 His relationship with U.S. officials has been confirmed.

2 His connections between drug traffickers. The
3 connections between drug traffickers, incidentally, and
4 Contra supply efforts of one kind or another, whether private
5 or otherwise, have been mentioned in the instance of
6 Gonzalez, in the instance of Mike Palmer, mentioned by Mr.
7 Rodriguez, by Mr. Rich, by Mr. Blandon and Mr. Carlton.

8 We have seen narcotics diverted to ranches and airstrips
9 across various parts of Central America, and we have learned
10 of connections to Cuba, of connections to M-19. We have
11 learned, obviously, of an enormous network of narcotics
12 trafficking that has come to threaten U.S. foreign policy
13 interests and that has come to threaten institutions of this
14 country itself.

15 There are clearly many questions left to be asked. There
16 are clearly whole areas of inquiry that have been opened by
17 this that are even beyond the scope of this committee,
18 certainly beyond its current staffing ability.

19 These are not just foreign policy issues but law
20 enforcement issues, international banking issues, national
21 security issues and, obviously, intelligence community issues.

22 I share with Senator D'Amato and I thank him for his
23 having joined me here for these three and a half days. He
24 has long been interested in and concerned about this issue.
25 He has come at it from different committee positions. He

1 does not serve on the Foreign Relations Committee nor on my
2 subcommittee, but as an interested member and as the ranking
3 minority member of the Narcotics Task Force he has been
4 important, I think, in helping to draw this out and to
5 underscore its importance to all of us.

6 I also want to thank Senator Pell, because Senator Pell,
7 as Chairman of this committee, is currently on an INF trip to
8 Europe. He has been very patient and very supportive of the
9 subcommittee and its efforts and of our staff. Without his
10 support, we would not have been able to continue up to this
11 point.

12 So at this point we will adjourn until March, when we
13 will have a subsequent inquiry and follow-up on some of the
14 things raised here today as well as new material.

15 Before we close, I have here a report on Panama prepared
16 by a six-member bipartisan Senate Staff delegation as the
17 result of a trip in mid-November 1987. The trip was
18 authorized by the Senate leadership to gather information on
19 the situation in Panama and report it back to the Senate with
20 recommendations on what progress, if any, had been made in
21 restoring democracy.

22 The delegation as comprised of foreign policy aides to
23 Senators Kennedy, Durenberger, D'Amato, Graham of Florida and
24 the professional staff of the majority and the minority. We
25 will make that part of this record.

[The information referred to follows:]

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1 Senator Kerry: Finally, Senator Helms would have been
2 here this week but for a personal family emergency. I would
3 like to thank him, as he has been supportive of this overall
4 effort, not just about Panama where he has obviously had
5 concerns, but across the board. It was Senator Helms who
6 made the comment at our initial inquiry, let us do this and
7 let the chips fall where they may.

8 So I am appreciative to his staff, also, for their
9 support in the effort.

10 We stand adjourned until March.

11 [Whereupon, at 12:12 p.m., the hearing was adjourned,
12 subject to call of the Chair.]
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TRANSMIT VIA: AIRTEL

CLASSIFICATION: _____

DATE: 4/13/88

FROM:  Director, FBI (245B-634)

TO:  SAC, Tampa (12B-997) (SQ5) (P)

b6
b7C

STARBANK;
GENERAL MANUEL ANTONIO NORIEGA;


NARCOTICS MATTER;
OO: TAMPA

Re: Tampa teletype to Director dated 2-16-88.

Enclosed for Tampa are the following:

1. One copy of the transcript of the 1-28-88 open proceedings before the Senate Permanent Subcommittee on Investigations which includes the testimonies of Steven Michael Kalish, William P. Rosenblatt, and Laura Sherman.
2. One copy each of four documents used as public exhibits in the 1-28-88 proceedings.
3. One copy each of the transcripts of the 2/8-11/88 opening hearings before the Senate Subcommittee on Terrorism, Narcotics, and International operations of the Committee on Foreign Relations which includes the testimonies of Alfonse D'Amato, Robert Morgenthau, General Paul Gorman, Gerald K. Loeb, Leigh Bruce Rich, Jose I. Blandon Castillo, Floyd Carlton, and Ramon Milian Rodriguez.

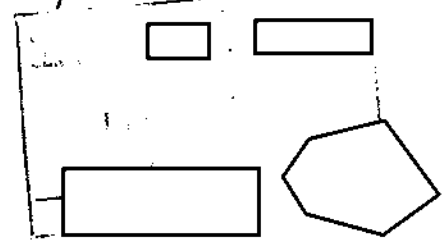
Above enclosures are being provided by the Congressional Affairs Office, FBIHQ, in response to referenced teletype. Tampa note that enclosed transcripts are unrevised and have not as yet been reviewed for accuracy by aforementioned witnesses.

Enclosures (9)

12B-997-145

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128-997-146



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Ricardo Arias Calderón

PANAMA: DISASTER OR DEMOCRACY

Shortly after the ratification of the Torrijos-Carter treaties on the Panama Canal in 1978, I visited an academic friend in the United States who follows U.S. policy on Latin America and raised with him the issue of Panama's continued military regime and the need for democratization. He responded quite candidly and bluntly: "From the point of view of U.S. political leaders, Panama's problems are solved. The fight over ratification has been costly. They won't spend more political resources on Panama." Nine years later, early this year, I raised the same issue with a high State Department official in Washington; his response was a diplomatic but forceful put-off: "Do the people of Panama really reject military rule?" In both cases, Panama's democratization was not perceived as an issue, at least not an urgent one.

Since June I have talked again to both of these persons, this time in Panama. Neither could possibly have repeated their previous remarks, nor did they. The very fact of their visits indicated changed perceptions. They were in Panama precisely because its regime and the need for democratization had exploded into a major national commotion, which the international news media could not ignore and the world community could no longer disregard.

Since early June Panama has been shaken by an unending succession of public demonstrations, both small and large, including on several occasions very effective general strikes. These demonstrations have covered the metropolitan area, especially the financial center, as well as the outskirts of the capital and the most important provincial cities, and have encompassed every major component of Panamanian civilian society.

The national unrest was triggered by the accusations of Colonel Roberto Díaz Herrera, who was retired in late May. A first cousin of the late General Omar Torrijos, he had been

Ricardo Arias Calderón is President of the Christian Democratic Party of Panama. He was candidate for vice president on the Democratic Opposition Alliance ticket in the 1984 elections.

PANAMA: DISASTER OR DEMOCRACY 329

the second in command of the Panamanian Defense Forces and was considered to be the guardian of orthodox *torrijismo*, a version of national security ideology, wrapped in populism and nationalism. Díaz Herrera had not reached the rank of general nor was he able to take his turn as commander in chief, as planned by the highest members of the General Staff less than a year after General Torrijos' death in 1981.

On June 7, 1987, the independent newspaper *La Prensa* and other Panamanian media began to publish a series of startling declarations by Colonel Herrera. He accused General Manuel Antonio Noriega, the current commander in chief, of ordering the 1985 murder of Dr. Hugo Spadafora, an outspoken critic of Noriega; taking part in the purported murder of General Torrijos; fostering the electoral fraud of 1984; benefiting from large-scale corruption; and participating in the narcotics traffic.

Because Herrera was the first high-ranking officer to break the rule of silence upon dismissal and confessed his own role in both the fraud and the corruption, his declarations had tremendous impact on public opinion. They triggered an upsurge of popular protest against the rule of General Noriega. Not since the beginning of the military regime in 1968 has such a broad, intense and sustained movement of protest erupted; its aim is nothing less than a basic realignment between civilian society and the military.

On June 10 the National Civic Crusade was formed to coordinate the protest movement. Originally it comprised more than a hundred organizations: civic clubs; private enterprise associations, led by the Panama Chamber of Commerce, Industry and Agriculture and the National Council of Private Enterprise; teachers' and doctors' professional organizations; student groups and, eventually, labor groups. The Catholic Church served initially in an advisory capacity. Gradually the Crusade has developed local chapters and now represents approximately 200 organizations.

Five democratic opposition parties, while not integrated formally in the Crusade, have acted together in support of its objectives and activities: the three political parties of the Democratic Opposition Alliance, and two other parties which are in the process of obtaining legal recognition. They represent a broad spectrum of populist, Christian democratic, liberal and social democratic political persuasions. In a July 8 manifesto the five party presidents called for "the new government which our people demand, completely freed from the structures of

the militaristic regime and the legitimacy of which must be based on the known will of the majority of the people."

The National Civic Crusade has made two fundamental demands: for justice, with special insistence on the removal of General Noriega as commander in chief (so that accusations against him can be the subject of an independent judicial investigation), and for the democratization of governmental institutions. The Crusade has adopted the position that it will not negotiate with the government until General Noriega has been removed. It has insisted, even in the face of violent repression, that only peaceful methods of civil disobedience be used to fight for these objectives.

The protest movement has met with the most brutal and widespread official repression since the 1968 military takeover, including the longest and most drastic suspension of constitutional guarantees in Panamanian history, a blatant recourse to paramilitary groups, and the prolonged closing of opposition press and radio. Thousands of persons have been beaten and teargassed since June. Over 1,500 protesters have been arrested, dozens of them tortured while under official custody or in jail. Between 500 and 1,000 persons have suffered bullet or bird-shot wounds. More than ten Panamanians have been forced to leave the country since June, and at least ten have been killed.

A public opinion poll, published in early August, surveyed the metropolitan population of Panama.¹ Its findings confirm the desire of the Panamanian people to end General Noriega's regime:

- 77 percent of those interviewed consider that the elections of 1984 were dishonest;
- 79 percent believe that General Noriega runs the country, while only eight percent believe that President Eric Delvalle does;
- 67 percent think that the Panamanian Defense Forces interfere too much in national affairs and 77 percent think that their functions should be exclusively military;
- finally, 75 percent consider that General Noriega should resign as commander in chief, while just 13 percent say that he should remain in this position.

¹ The poll was conducted by the Costa Rican affiliate of Gallup International, CID (Consultoria Interdisciplinaria en Desarrollo, S.A.).

II

The commotion of these past months did not mushroom overnight, merely as a result of Colonel Herrera's declarations. It has been at least ten years in the making. Four basic factors have generated the present impasse: the frustration of the democratization process, the emergence of a renewed version under General Noriega of military control over the country, corruption and the consequent breakdown of civic and moral values, and the ongoing economic crisis.

With the signing of the Torrijos-Carter treaties a process of democratization began in Panama. General Torrijos realized that the ratification of new treaties on the canal could not be completed without some form of national consultation, and that this consultation entailed loosening his dictatorial rule. As the negotiations came to a close, the military regime lost the overarching excuse it had used to justify itself. Moreover, the then Democratic leadership of the U.S. Senate, as well as President Carter, made it explicitly clear to General Torrijos that U.S. congressional ratification required his commitment to adopt certain measures, such as legalizing political parties, allowing the return of Panamanian exiles, abrogating laws that restricted freedom of the press and imposed severe punishment on alleged "subversives" by administrative authority.

President Carter referred to this understanding in a public statement released on September 7, 1987:

Ten years ago today, Panama's leader, Omar Torrijos, and I signed two Panama Canal Treaties at the Organization of American States in the presence of sixteen heads of state from throughout the hemisphere. . . .

On that day ten years ago, Omar Torrijos and I spoke about how our two nations could become lasting partners. He told me that could only happen if Panama were to become a democracy, and he pledged his commitment to that goal. I am sure that General Torrijos would be very disappointed by recent developments in Panama, and that he would hope, as I do, that the military would defend the nation by removing itself from politics and permitting the people to decide their own future by free elections.

Nonetheless, General Torrijos maintained a militaristic version of the Mexican political system based on the Democratic Revolutionary Party, which he founded; on a legislature of 505 representatives, the so-called popular power; and on the National Guard, the paramount institution according to the second article of the then-prevailing Constitution. Even so, until

his death, Torrijos allowed a more pluralistic environment, which permitted the democratic opposition to organize and express itself.

This process of managed democratization continued under General Torrijos' successors, particularly General Rubén Darío Paredes. After becoming National Guard commander in 1982, General Paredes made sweeping changes in high governmental positions, including the presidency, and fostered the revision of the 1972 Constitution, by way of a referendum, to include requirements for representative democracy. Unfortunately, he insisted on maintaining what he publicly called "real power" until after the presidential election scheduled for 1984, and insisted on becoming the official presidential candidate.

The *torrijista* regime began to wane after its founder's death, but a decisive realignment between civilian society and the military did not take place. The failure of this attempt at what might be called "authoritarian democratization" culminated in the electoral fraud of the 1984 elections. It has been extensively analyzed and documented in a book that became Panama's all-time best-seller, *Así fue el Fraude* (Anatomy of a Fraud). The 1984 electoral fraud marked a resurgence of militarism, in the guise of a new strongman, Manuel Antonio Noriega.

Noriega had been chief of intelligence for more than ten years; his influence was great by virtue of the services he provided to General Torrijos. In the latter's shadow, he was shielded from public scrutiny, not to mention discussion or criticism of his activities. International publicity focused almost exclusively on Torrijos' populism and nationalism, ignoring the regime's repressiveness. There is evidence that Torrijos harbored some fears of his subordinate's power and methods, but he had come to depend on Noriega's services to maintain his own position. This ensured Noriega's long tenure, his accumulation of political, economic and military resources and influence, and thus his triumph over Díaz Herrera in the succession struggle.

On August 12, 1983, Noriega became commander in chief. Twenty-five days later he pulled the rug out from under the presidential candidacy of retired General Paredes. By early January 1984 he had chosen the official presidential candidate and orchestrated the official alliance of parties. On February 13 he substituted President Ricardo de la Espriella with President Jorge Illueca. And by May 30 his chosen candidate, Nicolás Ardito Barletta, had been proclaimed president and

the official parties had been granted a two-thirds majority in the Legislative Assembly.

The Democratic Opposition Alliance, ADO,² obtained a majority of some 50,000 votes, but it was unable to mobilize the country in defense of its victory. The official alliance, National Democratic Union, UNADE,³ managed to have Ardito Barletta, a former vice president of the World Bank, declared the formal winner by 1,713 votes. But it failed to convince the nation that a democratically elected and therefore legitimate government had finally been established.

III

Instead, within nine months after his promotion to commander in chief, General Noriega appeared to be fully in charge of the country. He expanded the military's control by creating the Panamanian Defense Forces, which incorporated the National Guard, the Air Force, the Naval Force, the Canal Defense Force, the Police Force, the Traffic Department, the Department of Investigations and even the Immigration Department. With this came an increase in the number of officers, troops and military units, and the upgrading of both equipment and training for anti-terrorist and low-intensity warfare contingencies. This expansion required more physical installations, particularly in the areas adjacent to the canal, and more financial resources for the military.

There is no effective civilian supervision of the Defense Forces; the commander in chief's power is all-encompassing. To strengthen it even further, according to both General Paredes and Colonel Díaz Herrera, General Noriega has developed, parallel to the institutional line of command, a direct line of command through a group of his closest and most trusted followers, regardless of their specific rank. This group is implicated rather directly in some of the activities of which he is accused. Noriega also uses the intelligence service to keep surveillance over officers, and is said to count for his personal security on a unit trained by a former Israeli intelligence officer. According to reports, he distributes perquisites and

² ADO is composed of three parties: the Authentic Panamanian Party, led by Dr. Arnulfo Arias Madrid; the Christian Democratic Party; and a third party, MOLIRENA.

³ UNADE includes the *torrijista* Democratic Revolutionary Party (PRD), the updated traditional parties—the Labor Party (PALA), the Republican Party and the Liberal Party—and two smaller parties.

funds from unbudgeted sources so as to foster dependency on himself.

General Noriega has also placed active and retired military officers at the head of civilian agencies considered to have national security significance, including Civil Aeronautics, the Port Authority, the railroad between the cities of Panama and Colón, the Bayano Development Corporation (which manages the area surrounding the Bayano hydroelectric dam), the Institute of Renewable Natural Resources, the Office of Student Affairs in the Ministry of Education, the University of Panama security guards, and the office charged with giving administrative support to Panama's representatives in the bilateral organizations created by the canal treaties, DEPAT (Executive Directorate for Treaty Affairs).

This last fact is of special importance. It points in the direction of a new concept of the role of the military regarding the canal. General Torrijos argued that the defense of the canal required only 200-300 "bilingual policemen," and the strategic "umbrella" of the United States from bases located outside Panama.⁴ Moreover, he never suggested anything but civilian administration for the operation of the canal itself. General Noriega, however, has moved in the direction of a growing military establishment for the defense of the canal and even toward military operation of the canal. To predict what such administration of the canal might be like, one need only look at the administration of the country under military rule during these past years.

The next Panamanian government, to be elected in 1989, will have a serious impact on the future of the canal: in 1990 Panama will nominate the chief administrator of the Canal Commission; in 1991 the tri-nation Commission for the Study of the Alternatives for the Canal (composed of Panama, the United States and Japan) must present its conclusions, which may very well require a national referendum in order to be implemented; and through the early years of the coming decade Panama must make decisions on its gradual assumption of the administration of the canal, which is to be concluded by the end of 1999.

General Noriega repeatedly tells the younger officers and troops that he is their guarantee that they will be there to receive the canal in the year 2000, suggesting that the military

⁴ Interview published by *U.S. News & World Report*, Sept. 19, 1977, pp. 20-21.

is in ultimate control of the nation's course and is the final arbiter of its political life and government.

General Noriega has not only expanded the military's role in the political sphere; he has also brought the civilian government under his control. After replacing President De la Espriella in 1984, he forced the resignation of President Ardito Barletta in 1985 when the latter favored an investigation of Dr. Hugo Spadafora's murder. While all cabinet members are careful not to thwart the commander in chief's wishes, some are more beholden to him: for example, at present, the ministers of the Presidency, of Government and Justice, of Education and of Health.

General Noriega has also managed to subordinate more or less directly to himself the judicial branch—both the Supreme Court and the Attorney General's office; the legislative branch, by making the president of the assembly and a group of legislators strictly dependent on him; and the Electoral Court. He has also imposed persons answering to him as presidents or secretaries general of the two largest official parties, PRD and PALA.

One disastrous effect of Noriega's rule has been corruption of unprecedented proportions; it has become endemic in public administration. A scandal involving a \$200 million housing program, financed by the Social Security System, exploded in 1982. Five years later, despite an approximate loss of \$50 million, not one of those considered responsible is in jail, and the government plans to reduce social security benefits and increase the corresponding fees. In this as in other instances, the gross abuse of resources, perquisites and commissions has produced galling contrasts between the flaunted wealth of important officials and the growing economic insecurity of the general population. Furthermore, since 1984, when Colombian narcotics chieftains sought refuge in Panama, the involvement of Panamanian authorities in the narcotics traffic has become an issue. Corruption has thus acquired an ominous, foreign character, beyond the negative aspects of domestic administrative corruption.

Some observers note that the repressiveness of the Panamanian military regime is not comparable to its South or Central American counterparts. Since the founding of the republic in 1903 Panama has been largely free from systematic violence. There are several reasons for this: Panamanian society has historically been more tolerant due to the integration of very

different peoples. Also, the military regime has followed policies of co-opting leftist groups and offering many facilities to regional guerrilla groups. Nevertheless, the current regime has been the most repressive in Panama's experience, and it is from this point of view that the great majority of the population judges and rejects it.

The regime does not shrink from using violence against its opponents. On September 13, 1985, Dr. Spadafora was decapitated after detention by agents of the Panamanian Defense Forces near the Costa Rican border. A former follower of General Torrijos, Spadafora had become a very forceful critic of General Noriega; shortly before his death, he had accused Noriega of participation in the narcotics traffic. The country was horrified by the crime as well as the cover-up, which involved the replacement of a president and the manipulation of the judicial system.

The continuation of the military regime, under a strongman who is himself the object of the gravest unanswered criminal accusations but not subject to investigation by any national authority, has systematically undermined the values of Panama as a civilized community. For the past two years the civic clubs, with the support of the Catholic Church, have conducted a campaign to regenerate civic and moral values.

The extent to which Noriega has violated national laws and values goes beyond anything Panama has previously experienced. The criminal accusations against Noriega at home and abroad have intensified the rejection of him. While General Torrijos' military rule was wrapped in populism and nationalism and his personality exercised a certain attractive power, General Noriega's personality tends to produce distrust more than anything else. Also, the accumulated level of the external debt has not permitted any costly populist measures, and the implementation of the canal treaties has left little rallying ground for nationalistic enthusiasm.

IV

The present crisis has roots in the economic policies of the Torrijos years, which had two basic aims. One was to transfer investment from domestic private enterprise to the state. This was accomplished through a systematic increase in public expenditures fueled by an unchecked external debt, which went

from \$113.8 million at the end of 1968 to \$3.8 billion on May 31, 1987.

The other purpose was to foster the development of the internationally oriented sectors of the economy—the Colón duty-free zone, the banking center, reinsurance activities, registry of vessels, tourism and others—in order to maintain a high level of foreign-exchange earnings, which in Panama have ranged historically from 35 to 40 percent of GNP. This was accomplished by providing an environment relatively free from regulations and taxes. The overarching objective was undisputed military control of public power, without resistance from weakened domestic private sectors and with support from favored international private interests.

The basic flaws of these politically motivated economic policies have become quite apparent. First, despite the dramatic growth in public employment, the trend since 1974 has been toward greater unemployment due to the prolonged stagnation of domestic industrial and agricultural activities. According to independent economists, in 1984 unemployment reached 19 percent of the labor force.⁵ Income distribution has deteriorated accordingly: in 1983 the poorest 22 percent of the population received only 5.5 percent of the total income, whereas the top 18.6 percent received 54.5 percent.⁶

Second, the economy's capacity to generate revenues has diminished, creating severe budgetary strains. When in 1982 Latin America's external debt reached crisis proportions, it became impossible to sustain the *torrijista* model of development, which was based on a high level of public spending, financed by external borrowing, and on Panama's growth as a financial center. Since then Panama's GNP decreased for two consecutive years in 1983 and 1984. Although in 1985 and 1986 the growth rate of GNP was slightly higher than the 2.1 percent growth in population, the per capita GNP in 1986 was still below the 1982 level.

Concurrently, from 1982 until April 1987, the total assets of Panama's banking center decreased from \$49 billion to \$39 billion. Its share of the total foreign deposits in five important international banking centers—the Bahamas, Cayman Islands,

⁵ This figure is estimated on the basis of the historical 60-percent ratio of the labor force to the working-age population.

⁶ *Hacia una Economía más Humana*, Panama, 1985, pp. 26-27, 42-47.

Great Britain, Panama and the United States—diminished from 4.3 percent to 2.6 percent.⁷ As a result, the Panamanian government has had to modify some economic policies to receive World Bank structural adjustment loans. It has rescheduled the commercial portion of its external debt with growing difficulty.

In the judgment of most Panamanian economic decision-makers, the so-called structural adjustments do not fit the unique characteristics of Panama's economy, which relies on the export of services for its foreign exchange earnings to a degree unequalled by any other country in Latin America. These adjustments have therefore generated widespread opposition.

At the beginning of 1987 Panama's economy found itself without new sources of growth and in a very tight fiscal situation. The population, especially the poorer and younger segments and the emerging middle classes, felt marked insecurity, and a large majority had become convinced that the government, under military control, was incapable of charting a new course of development for the nation. Thus economic pressures have converged with the political upheaval, with the government as the target of both.

The principal sectors of the economy have played a decisive role in the protest movement. The new generation of leaders of private enterprise organizations has been in the forefront of the demonstrations and the strikes. The banking area of Panama City has been the scene of major demonstrations and the ensuing repression, with the nearly 6,000 banking employees and executives from the more than 120 banks playing an important part. The labor rank and file has also responded to the Crusade, even though the leadership of most unions has remained under military influence.

Panama's economy is the most open in Latin America. The U.S. dollar is used as currency and two-thirds of GNP are generated by services, while three-fourths of foreign exchange earnings come from exporting services. Consequently, domestic and foreign confidence in the country's stability is of paramount importance to the economy. What has happened since June of this year is a radical loss of precisely such confidence.

⁷"Impacto de la Crisis en el Centro Bancario" by Ing. Luis H. Moreno, in *Impacto de la Crisis Actual en la Economía Nacional*, Panama: National Council of Private Enterprise, Panama, Aug. 11, 1987.

This loss has been exacerbated by the official reactions to the protest movement: on the one hand, brutal, widespread repression (particularly to the extent that it has been directed at many economic decision-makers, their families and their employees); on the other hand, the growing prominence of the more radical, Marxist-oriented elements among the government supporters both as spokesmen on socioeconomic issues and foreign policy and as participants in paramilitary groups.

The first result of this crisis of confidence has been the drainage from banks in Panama of up to 15 percent of their total deposits, greatly reducing banking credit. Construction activity, Colón Free Zone commerce, industrial production for the domestic market, agricultural production of some basic grains, and tourism have all felt the paralyzing effects of the commotion and the credit crunch. Unemployment has begun to rise, and the August CID-Gallup poll reported that 75 percent of the interviewees felt their living conditions have deteriorated since 1986, and 64 percent expect an even worse immediate future.

The government's fiscal situation has also seriously deteriorated: no stand-by agreement with the International Monetary Fund since last December; noncompliance with some of the provisions of the current structural adjustment loan agreement with the World Bank; a growing deficit in an already unbalanced budget, and a dim outlook for servicing the external debt and refinancing the portions due this year and in the coming two years.

One of Panama's leading economists, Dr. Guillermo Chapman, has predicted that as matters now stand Panama's GNP will decrease in the second half of 1987 at an approximate rate of seven percent, the most severe contraction of the Panamanian economy since the end of World War II. He added that the country will face a higher level of unemployment, concentrated mainly among younger people with a relatively high level of education. He concluded that "from the point of view of economic development, the 1980s are a lost decade for Panama." The only solution to the economic crisis, in his view, is "an integral political solution," namely "a truly democratic regime."⁸

For the first time since the beginning of military rule in

⁸"Impacto de la Crisis en la Economía Nacional" in *Impacto de la Crisis Actual en la Economía Nacional*, *ibid.*

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1968, the leading actors of Panama's private sector economy are vitally interested in a change of regime in favor of democratization.

V

As in the case of the Philippines and Haiti, the foreign media have reported Panama's commotion to the international community, and in substantially accurate terms: the Panamanian people versus General Noriega's regime. The impact on foreign political leaders and governments has not been negligible, and it accounts for a significant change in attitudes.

Because of the special historical relationship between Panama and the United States due to the canal, this change has been especially important in the United States. Over the years the U.S. government provided great support to Panama's military regime. Even while pursuing elsewhere a policy in support of democratization, its policy toward Panama has been one of tolerance, if not complicity. The U.S. Agency for International Development provided assistance to the government of Panama at the highest per capita level of any Latin American country in the high middle income category.

Above and beyond canal treaty provisions, the United States organized, within the past four years, the largest joint military operations in Panama's history. A corresponding by-product has been additional financing for the Defense Forces' so-called civic action programs, in direct competition with the civilian government's capacity to respond to the needs of the population. Moreover, the overlap between the intelligence services of both governments reached the point where, according to public statements by William Jordan, former U.S. ambassador to Panama during the period of the treaty negotiations, General Noriega had worked for the CIA, from 1966 onwards.

The underlying rationale for such support has been clear. For the U.S. government—as represented in Panama by its embassy, its Southern Command, its CIA and national security agents, its Drug Enforcement Administration personnel and so on, with their respective and sometimes competing views—the top priority in Panama has been the security of the canal and, as a condition of the same, the stability of Panama's regime. The United States has considered the Panamanian Defense Forces as the most important factor for Panama's stability and thus the domestic agent which could most affect the canal's security. It has sought, therefore, to have a close, positive

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relationship with the military leadership, regardless of other considerations. Human rights and democratization have been at best a secondary priority of U.S. policy toward Panama, competing for such a position with the protection of U.S. private investments in the country, which are the third largest in Latin America, after those in Mexico and Brazil.

Yet since the end of 1985 some change in U.S. policy has been perceptible. The replacement of President Ardito Barletta, in September of that year as part of the cover-up of Dr. Spadafora's murder, was considered a direct affront to U.S. policy. The U.S. government had been willing to forgo democratic substance in Panama, but demanded at least the semblance of civilian rule in order to maintain some degree of coherence in its regional Central American policy.

Doubts began to surface among U.S. policymakers, but no alternative course was adopted. When a new ambassador, Arthur Davis, was appointed in 1986, he expressed explicit concern over the repressive and corrupt aspects of the military regime at his Senate confirmation hearings. Some months later, in an October 23 speech in Panama, Ambassador Davis clearly related the future of the canal to democratization: "Fully functioning democratic institutions in Panama are the best guarantee to Americans and Panamanians alike for success in the turnover of the canal to Panama."

The case of Panama as one of the few remaining exceptions to Latin American democratization began to catch the attention both of important members of Congress and of the U.S. media. Closed hearings on General Noriega's ties to the narcotics traffic and to Spadafora's decapitation were held by a subcommittee of the Senate Foreign Relations Committee. In June 1986 *The New York Times* published two exposés on the accusations against him, including reference to his role as a double agent for the CIA and Fidel Castro.

The unrest in Panama since June finally seems to have led to a new U.S. policy direction. Two bipartisan Senate resolutions have demanded the cutoff of all aid, even the sugar quota, unless the government of Panama takes measures similar to those demanded by the National Civic Crusade. On June 30 Assistant Secretary of State for Inter-American Affairs Elliott Abrams acknowledged that in Panama "the foremost public issue today is quite simply democracy," and placed Panama in the same category as Chile, Haiti, Paraguay and Suriname, countries "where the transition to democracy is in trouble or



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in doubt." He also said: "the old complacency inside and outside Panama over the inevitable dominance of the Panamanian Defense Forces in the nation's politics is gone."

U.S. agencies interested in Panama now seem agreed on the following points: that without effective democratization Panama's stability and, consequently, the canal's security cannot be assured; that the evolution of the Defense Forces toward a professional, nonpolitical organization is required for democratization; and that General Noriega's role as commander in chief is a major obstacle to this evolution and a primary source of the country's turmoil.

To the extent that such agreement exists, official U.S. views on Panama now coincide with the demands of the overwhelming majority of Panamanians for justice and democracy.

VI

Besides repression in its various forms, the regime's response to the Civic Crusade, the economy's performance and the changing international context has been intransigence. Official propaganda has repeatedly shown General Noriega on television surrounded by younger officers clapping while they shouted defiantly: "*Ni un paso atrás*" ("Not one step backward!") The regime's civilian followers in government and the official political parties have been either inactive, in a state of confusion or at odds with each other. Their efforts at counteraction in the streets, in the legislature and through the media have been irregular and quite unsuccessful in gaining support.

General Noriega has attempted to present the Civic Crusade in terms of class struggle and even in terms of race struggle, as a fight of the white middle and upper classes versus the black lower classes. This portrayal was so contrary to the experience of participants and observers and so contrary to the grain of Panama's mixed and pluralistic society that it generated a strong backlash. Even though it received some international attention, it was abandoned as the movement developed.

Longer lasting has been the regime's attempt to counter the protest movement with nationalistic anti-Americanism. It says the movement was created by a conspiracy of U.S. rightist circles and reactionary Panamanian traitors to destabilize General Noriega's regime. The alleged conspirators' motives are supposedly to avoid the transfer of the canal administration to Panama in 1999 and to neutralize Panama's support of Central American peace efforts as a member of Contadora.

While this portrayal has only been fully accepted internationally by the more leftist governments and currents of opinion, it has had some impact in Latin America. It has contributed to the reticence of Latin American political leaders and organizations to address the issue of Panama's commotion. It has also helped the Panamanian government to obtain some support in international organizations.

But Panamanian public opinion has been completely unresponsive to such an explanation, even though 45 percent of those interviewed in the poll mentioned earlier have doubts that the United States will comply with the Torrijos-Carter treaties. University and high school students, who number about 200,000 and tend to be intensely nationalistic, have not once demonstrated in favor of General Noriega; they have repeatedly demonstrated against him.

Among the reasons for the domestic failure of this government tactic are awareness of General Noriega's past record; U.S. reaffirmation by bipartisan spokesmen of its commitment to comply with the canal treaties; and the declaration by the presidents of the five democratic opposition parties of Panama that, for them, "the full nationalization of the canal is irreversible and demands the real preparation of the Panamanian state to assume integral responsibility for its administration and the effective neutrality of the passageway."

General Noriega has sought to reaffirm his control over the Defense Forces. Through meetings and seminars he barrages officers and troops with indoctrinating messages along two lines: the demand for his removal is tantamount to a demand for dismantling the military institution itself; and only the Defense Forces, as they presently function, can assure full and effective sovereignty over the canal, for which purpose they need to exercise control over the country's political life.

But the very efforts displayed by General Noriega to strengthen his control over the Defense Forces reveal that he senses danger from within. For the first time, a commander in chief has faced open challenges from recently retired high officers—first from Colonel Diaz Herrera, then from his predecessor, General Paredes, who has also called for his ouster. There are indications that current members of the General Staff have expressed serious concern at the turn of events. Some officers who are perceived as more professional than political have been charged, beyond their specific functions, with responsibility for repression, as if to implicate them.

Others have been suddenly sent outside the country on prolonged missions. Close relatives of some in the military have taken part in activities of the Civic Crusade, and the families of the military are often exposed to the pressures generated by the protest movement.

Such indications point to the eventuality that some within the Panamanian Defense Forces will act, as other military have acted in the rest of Latin America, to produce changes within their institution and thus make democratization possible without widespread violence. Meanwhile, however, the Defense Forces under Noriega serve as a dam, containing the waters of discontent while they rise higher and higher.

VII

Given their accumulation over ten years, the three basic conditions which now challenge General Noriega's rule—namely, the civic movement for democratization, the vital economic interest in political change and the new critical attitudes in the international community, particularly in the United States—will not cease. On the contrary, their interaction multiplies the pressures.

If the intransigence of the Defense Forces continues, the prognosis is one of national disaster. Whether such a disaster will produce violence of the sort that has existed in some Central American countries is uncertain, given that Panama has been historically a nonconfrontational society. Civilian opposition has been neither led nor supported by Marxist-Leninist groups, with their known willingness and capacity for organized insurrectional endeavors. For these reasons such a development seems precluded, at least in the short run. But intense turmoil will continue, accompanied by more violent incidents, as has already been seen.

As national disaster becomes a reality rather than a predictable eventuality, the regime is becoming more intransigent and escalating its repression of the protest movement. If President Delvalle remains willing to provide token civilian cover, General Noriega will be able to maintain the pretense of constitutionality. If not, another coup d'état could occur, forcing Delvalle out, as happened with his two predecessors.

Could the regime, under General Noriega, revive the strategy of authoritarian democratization, preempting to some extent the demands of the civic movement? The movement's long gestation argues against such a possibility: Panama today is

where it is precisely because General Noriega and what he represents cannot brook progress toward real democracy. The widespread distrust of the regime's key figures also precludes this possibility. General Noriega has said that he will retire after the "free" elections of 1989, but it is generally understood that if he manages to stay until then, he can remain for as long as he wants or retire to run the country through a commander in chief and a president of his own choosing.

Some U.S. observers imagine that President Delvalle could replace General Noriega and thus gain legitimate authority to lead Panama to democratic elections in 1989. This scenario overlooks the fundamental fact that Delvalle does not have the power to replace Noriega.

National disaster is not inevitable. The more professional military, especially those who do not consider themselves part of the activities of which General Noriega is accused, could move the Defense Forces toward changing their command and agreeing to a role compatible with civilian democracy. Some of these officers have studied recently in countries which have democratized successfully and may understand what a similar process can mean for the country and for themselves.

Certain conditions would favor such a positive turn of events. The present interaction among the Civic Crusade, the economic forces and the new international attitudes should be maintained; without these pressures, no transformation will take place. It is also important that a viable democratic alternative be proposed to the whole country and to the actors who have an important part in its future. An alternative has been proposed by the Christian Democratic Party, within the parameters agreed upon by the opposition democratic parties in their July manifesto. It encompasses three basic suggestions:

First, a call to the Panamanian Defense Forces to proceed to an institutional change in their command and take part in a joint civilian-military effort to design a new professional and constitutional role for their institution. This could include the creation of a Ministry of National Defense and Public Order to serve as the institutional link between the military and the president as head of state and supreme chief of the Defense Forces.

Second, the establishment of a three-member civilian junta to assure the rapid, peaceful transition toward a fully democratic government by way of general elections to be held, at the latest, within 18 months. Such a junta would integrate, in

a spirit of national reconciliation, the three basic and diverse components of present-day Panama: the democratic opposition parties which won the 1984 elections and whose foremost leader is Dr. Arnulfo Arias Madrid; the Civic Crusade, which has been coordinating the main civic, professional and economic organizations of the country; and those in the present regime who accept the need for authentic democratization.

Third, once the commitment has been made to proceed with the institutional change in the military command, representatives of the aforementioned components of public life would draw up the specifics of the transitional government and its immediate tasks, which include reconstituting the key state offices, facing the socioeconomic and fiscal paralysis and preparing the country for orderly, democratic elections.

VIII

The people of Panama are living in great anxiety, but also with great hopes. The current attempt at participatory, peaceful democratization has convinced us that there is a Panamanian national will to create a democratic, just and sovereign society. Our efforts have brought a new understanding and some sympathy on the part of the international community. We hope to succeed in the only possible way, that is, under our own initiative. But we also hope that we can count, at long last, on the solidarity of democratic peoples and governments.

What we expect first is that the international community recognize General Noriega's regime for what it is: an anti-democratic, repressive and corrupt regime, which frustrates the Panamanian people's right to self-determination and which violates fundamental human and civil rights. The Civic Crusade should be recognized as expressing the wishes of the vast majority of the Panamanian people for a change in regime. Those who recognize these facts should act accordingly, withdrawing all forms of support from the present regime while respecting any binding treaty provisions, specifically those affecting Panama's sovereignty over the Panama Canal.

The people of Panama seek some additional commitments from the United States. The United States should give some concrete assurances of its determination to work with a democratic Panama, on the basis of mutual respect for the national interests of each, regardless of the differences in power. Specific commitments need to be made now, to be fulfilled once democracy has been effectively established in Panama. Most

helpful would be an agreement to revise Law 96-70, which regulates implementation of the Torrijos-Carter treaties and which has imposed restrictive and even unfair conditions.

The second commitment would be to undertake the widening of the canal's Culebra Cut, which presently limits the canal's usefulness. The revenues received roughly balance the operating costs; these cannot be substantially altered. Thus the Canal Commission is unable by itself to assume financial responsibility for such an undertaking. Widening this part of the canal would be beneficial to all who use it, including the United States, and would also help reactivate Panama's economy.

From the peoples and governments of Latin America, Panamanians have some special expectations. Those who have enjoyed democracy for some years—and those who have recently recovered it—should not forget that they demanded and obtained international solidarity in their efforts to establish democracy and to consolidate it. Reasons of state or unwillingness to parallel U.S. policy do not excuse reticence or indifference when human rights and democracy are at stake.

Also, now that the Esquipulas II agreement among the Central American governments offers, for the first time, some hope for joint democratization and peace in that region, the democratic members of the Contadora Group and its Support Group should make it clear that the government of Panama cannot participate in the International Verification Commission meant to supervise compliance with the agreement's provisions while it violates these provisions with regard to its own people. The Latin American democracies need to strengthen the authority of Contadora, both to help make Esquipulas II work and to establish a positive precedent of a Latin American solution to a Latin American problem. Overlooking the contradiction which the Panamanian government represents weakens Contadora's authority at this crucial moment for the region and renders Latin America less responsible for itself.

We do not want others to do our job for us. We are doing it, and as Panamanians we are proud of that. But we do expect others to show solidarity. We need it and are not ashamed to say so, because no people is an island.

(Mount Clipping in Space Below)

U.S. boosts anti-Noriega sanctions

A Tribune Wire Report

SANTA BARBARA, Calif. — President Reagan tightened the economic screws Friday on Panama's Gen. Manuel Antonio Noriega, invoking emergency powers to choke off the last U.S. dollars trickling into Panamanian government coffers.

Since Panamanian assets were already effectively frozen under an earlier action, the key impact of Friday's order was to prohibit American companies and their Panamanian subsidiaries from making millions of dollars of tax payments to Noriega.

While the declaration stopped short of a trade embargo — for which another executive order would be needed — Reagan's move was intended as a significant step-up in the effort to topple Noriega by economic means.

"It does have a major impact on trade by strangling the financial system," an administration source said. "We believe it will succeed in getting Noriega out of there."

Sources said Secretary of State George P. Shultz and his deputy for Latin affairs, Elliott Abrams, still favor military measures to get rid of Noriega. Last week, they backed a plan to establish a headquarters in the former Canal Zone for Panamanian President Eric Arturo Delvalle and ring it with American troops.

Delvalle, recognized by the U.S. government as Panama's legitimate leader, has been in hiding since he was ousted Feb. 27, and Noriega has ordered his arrest.

Sources said Reagan looks on direct U.S. military action against Noriega only as a measure of last resort.

White House spokesman Marlin Fitzwater, in announcing the new sanctions, said the measures would "increase economic pressure on the Noriega regime" and "provide further support to the efforts of the peo-

(Indicate page, name of newspaper, city and state.)

Date: April 9, 1988
Edition: THE TAMPA TRIBUNE
TAMPA, FLORIDA
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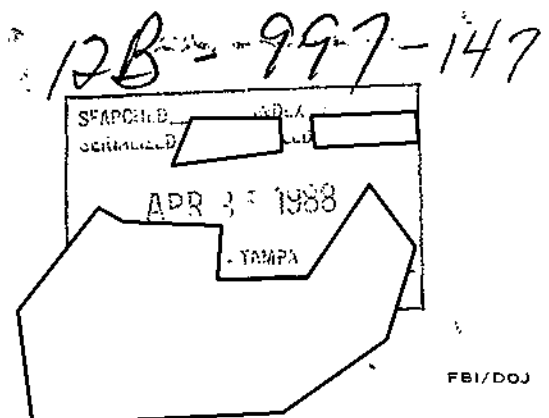
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U.S. businesses forbidden to pay taxes to Panama

■ From Page 1A

ple of Panama and President Eric Delvalle to restore democratic government and constitutional order in Panama."

Reagan issued the order and a letter to Senate Majority Leader Robert C. Byrd, D-W.Va., and House Speaker Jim Wright, D-Tex., informing them of his action after conferring with national security adviser Colin Powell and White House chief of staff Howard H. Baker Jr.

The president acted under the International Emergency Powers Act, passed in 1977 after the seizure of American hostages in Iran. The law gives him broad authority to deal with "an unusual and extraordinary threat to the national security, foreign policy or economy of the United States."

The measure previously was invoked by President Jimmy Carter against Iran and by Reagan against Libya.

Later, in a speech prepared for the World Affairs Council in San Francisco, Baker repeated the administration's determination to restore Delvalle to power.

"I cannot tell you today when law and order will be restored in Panama," Baker said. "I can tell you that it will be restored. And I can promise you that if any attempt is made to close down the Panama Canal, we will exercise our right negotiated by treaty 10 years ago to defend that canal against anyone on earth — including the Panamanians."

Baker, then Senate minority leader, led the fight for ratification of the treaty restoring sovereignty of the canal to Panama. Reagan, then an undeclared candidate for president, opposed the treaty.

Administration sources said the president stopped short of full trade sanctions because these would undermine the Panama economy so severely that it might be difficult to

restore should Noriega depart. Panama sends four-fifths of its exports and receives more than half of its imports from the United States.

But because Panama uses the U.S. dollar as its currency, the practical effect of halting U.S. payments to the government would be to throttle the financial system. This in turn may lead to a revolt or coup against Noriega, administration officials say.

Senior officials, who briefed reporters Friday morning on condition they not be identified, signaled the impending Reagan action and said the secretary of state had authority to make exceptions in "hardship cases."

The new order is expected to make a significant impact on U.S. firms such as Texaco, which has a refinery in Panama, and United Brands, a major fruit exporter, and their subsidiaries. Previous U.S. efforts requesting American companies to withhold tax payments to the Noriega government had not succeeded fully because of Panamanian pressure on the subsidiaries.

The order also gives the administration authority to prosecute any American companies or individuals who violate the order.

In Panama City, meanwhile, the Noriega government Friday failed to carry through an unofficial threat to force open Panama's banking system, closed since March 3 because of a cash shortage. Two government ministers told United Press International that the government would try again next week to get the banks to open, but private and government bankers said they were not prepared to do so.

Also Friday, a prominent opposition leader arrested March 28 was released, opposition sources said. The sources said Carlos Ernesto Gonzalez de la Lastra, a leader of the National Civic Crusade business and professional coalition, was freed late Thursday.

(Indicate page, name of newspaper, city and state.)

(Mount Clipping in Space Below)

U.S. troops begin to land in Panama

By DAVID BALLINGRUD
Times Staff Writer

PANAMA CITY, Panama — As the United States began reinforcing its armed forces here Tuesday, the only response that Gen. Manuel Antonio Noriega could muster was an insult.

U.S. troops carry the AIDS virus, the government charged.

"Knowing their clinical history, we can do no less than exhort the population to abstain from having any intimate contact with the soldiers," the Panamanian Health Ministry said.

The hardware the 1,300 American troops are bringing will present Noriega a larger problem than any viruses they might carry.

The Army's 7th Light Infantry Division from Fort Ord, Calif., is sending 350 men and seven AH-1 Cobra helicopter gunships — a 190 mph, armed-to-the-teeth attack aircraft that carries both guns and rockets.

The 15,000-man Panamanian Defense Forces (PDF) have nothing to match it, said Col. Ronald T. Sconyers, public affairs spokesman for U.S. forces here.

The Pentagon said last week the reinforcements were to improve security of Americans in Panama both on military bases and in the city, where many reside.

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■ Senator denies accusing Carlucci of being a coward — 9-A

■ U.S. looking for ways to alter canal — 21-A

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ST. PETERSBURG, FLORIDA
PAGE 9A

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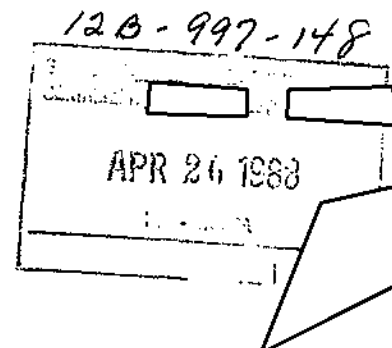
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Panama

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The troops "will go where they are needed to protect Americans," said a U.S. official who asked not to be identified.

Protection of Americans living away from military bases is, at best, difficult and dangerous. If armed U.S. troops were to encounter armed Panamanian troops in the streets of Panama City, the results would be difficult to predict or control.

Other military units due to arrive in the next few days have generally defensive assignments. They include an army battalion of military police, a company of Marines, three Air Force base defense units and two guard dog squads.

The Cobra gunships can be considered defensive weapons, Sconyers said, because the best defense is sometimes a good offense. "Cobras are for rapid reaction in defense of our forces," he said. The PDF have transportation helicopters only.

The first American reinforcement troops and their equipment arrived at Howard Air Force Base just outside the capital aboard a C-141 Starlifter transport at 5:30 p.m. The flights are to continue every hour or so for the next sev-

eral days.

Meanwhile, a U.S. spokesman warned Panama's defiant general that the stakes in the standoff could go higher still. "We continue to examine a full range of diplomatic options, economic options, military options and political options," said Lt. Gen. Colin L. Powell, president Reagan's national security adviser.

In another development Tuesday, several hundred demonstrators danced, waved flags and chanted anti-Noriega slogans outside the headquarters building of the Panama Canal Commission, in what was once called the Panama Canal Zone.

The zone became Panamanian property in 1979, as stipulated in treaties signed in 1977 by President Jimmy Carter and Panamanian leader Omar Torrijos.

With the entrance to the U.S. Southern Command headquarters about a block away, Tuesday's demonstration was staged as comfortably close to American military might as it could get.

Noriega did not try to break up the demonstration on the U.S. Army's doorstep, though a handful of troops showed up at the end to menace a few people with dogs. Noriega may not be so tolerant of another demonstration, scheduled for downtown Panama City today.

(Indicate page, name of newspaper, city and state.)

(Mount Clipping in Space Below)

Church out of Panama negotiations

PANAMA CITY, Panama (AP) — The Roman Catholic Church said Thursday it was suspending its effort to mediate Panama's political crisis as the first major split appeared in the opposition to Gen. Manuel Antonio Noriega.

Marcos G. McGrath, the Catholic archbishop of Panama, said in a statement he was withdrawing his mediation offer for three reasons:

- Opposition groups refused to talk to the government until it showed it was willing to discuss the departure of Noriega.

- The archbishop had not received Noriega's "explicit and personal backing of the initiative" in writing.

- There were no assurances that the four international leaders who proposed the talks could be present.

The breakdown came a day after Noriega ordered the arrests of several leading opponents. The general has defied U.S. efforts to force his resignation.

In another development, banking and diplomatic sources said Panama's banks would not reopen today, and possibly not next week. The government said last week it hoped to have banks functioning again today.

A major rift appeared Thursday in the anti-Noriega opposition, as two parties split from the opposition alliance to form their own anti-government movement.

Their leaders argued that U.S. economic sanctions are hurting Panama's people more than they are damaging Noriega and the civilian government he controls.

Date: April 8, 1988
Edition: THE TAMPA TRIBUNE
TAMPA, FLORIDA
PAGE 10-A

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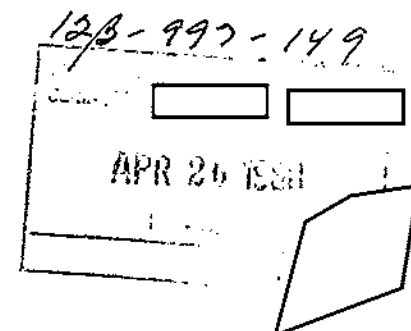
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Associated Press photograph

Soldiers disperse an anti-Noriega demonstration in Panama City on Thursday.

Roberto Arosemena and Mauro Zuniga, leaders of the Popular Action Party, announced formation of the Popular Civic Movement in a break with the National Civic Crusade, an alliance of about 200 organizations that has led the 10-month-old effort to oust Noriega.

They told a news conference their movement also is backed by the Authentic Panamanian Party, the largest opposition political party.

Washington has supported the Civic Crusade in its effort to remove Noriega as chief of the 15,000-member Defense Forces, which include the military and police. Noriega is under indictment in the United States on drug trafficking charges, which he denies.

Zuniga said the new movement rejects any U.S. influence.

"For us, no recipe that comes from Washington has been favorable to the Panamanians," he said. "The people of the world know that the recipes formulated in the imperial capitals, the United States and the Soviet Union, never are favorable to the interests of the people."

Leaders of the two parties have joined demonstrations, strikes and other protests of the Civic Crusade, while differing with some of its policies and generally favoring a harder line.

Popular Action, for example, refused to join the Crusade, Authentic Panamanians and three other parties in agreeing to the proposal for dialogue with the government mediated by the Catholic church.

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Memorandum



To : SAC, TAMPA (12B-997 SUB-NEW)

Date 1/9/90

From : SA [redacted]

b6
b7C

Subject: STARBANK
DRUGS
OO: TAMPA

FBI Headquarters concurs with the utilization of [redacted] OTHER Sealed
[redacted] in order to facilitate this
investigation and a sub-file is being opened as a respository for
[redacted]

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b7C

② - 12B-997 Sub new

(3)

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b7C
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1/9/90

Dr A
Sub new -

done
1-9-90

12B-997 Sub D-1

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SERIALIZED	
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FBI - TAMPA	

12B997 Sub J-2

SEARCHED
SERIALS

INDEXED

JAN 9 1990

TEMA

b6
b7C

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/12/90

On January 2, 1990, Special Agent (SA) [redacted] conducted a drive by surveillance/spot check of [redacted] SA [redacted] was working the [redacted] shift. The observations of the drive bys are as follows:

b6
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At 5:30 p.m., the residence was observed in daylight. In the garage was one red Toyota, and a covered boat. A female wearing [redacted] was walking from the garage to the house.

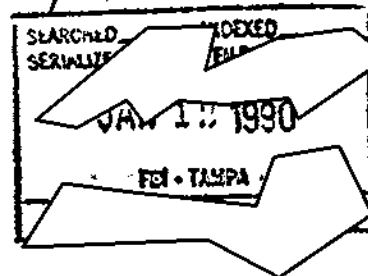
b6
b7C

At 7:30 p.m., the residence was observed at night. In the garage was a red Toyota, a second vehicle which could not be identified because of darkness, a covered motorcycle, and a covered boat. One female was seen inside the house.

At 9:25 p.m., the residence was observed at night. In the garage was a red Toyota, a red truck, a covered motorcycle, and a covered boat. No people were seen.

At 11:15 p.m., the residence was observed at night. In the garage was a red Toyota, a red truck, a covered motorcycle, and a covered boat. No people were seen. All the house lights, except for the garage lights, were off.

At 11:35 p.m., surveillance/spot check ended.

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Investigation on 1/2/90 at Tampa, Florida File # TP 12B-997

by SA [redacted] Date dictated 1/5/90

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12B-997-Sub-D-

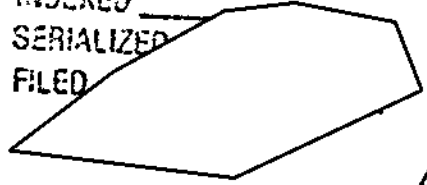
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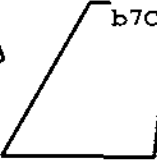
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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/12/90

On January 4, 1990, Special Agent (SA) [redacted] conducted a drive by surveillance/spot check of [redacted] SA [redacted] was working the [redacted] The observations of the drive bys are as follows:

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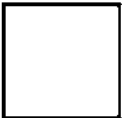
At 5:30 p.m., the residence was observed in daylight. In the garage was one red Toyota, a red truck, a covered motorcycle, a covered boat, and a black Dodge truck with green letters on light background license plate. License was [redacted] The black truck was not a full size truck.

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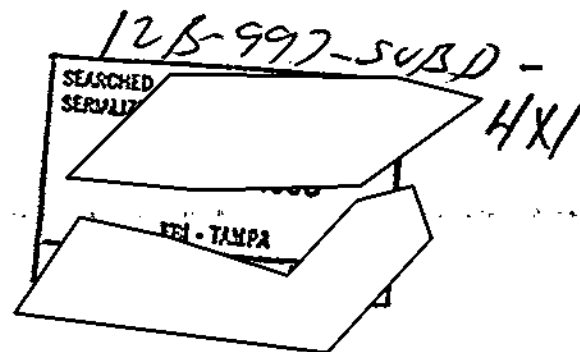
At 7:45 p.m., the residence was observed at night. In the garage and driveway were one red Toyota, one red truck, one covered motorcycle, one covered boat, one red two-door economy car, one black pickup truck, and one black Camaro. No people were seen. Lights were on in the back rooms.

At 9:05 p.m., the residence was observed at night. In the garage was one red Toyota, one red truck, one covered motorcycle, and one covered boat. Lights were on in the house and in the garage.

At 10:45 p.m., the residence was observed at night. In the garage was one red Toyota, one red truck, one covered motorcycle, and one covered boat. Lights were off in the house, except for the garage lights.



At 12:00 a.m., the surveillance/spot check ended.

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b7C

Investigation on 1/4/90 at Brandon, Florida File # TP 12B-997

by SA [redacted] Date dictated 1/5/90

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b7C

Transmit attached by Facsimile

PRECEDENCE:

- ☒ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

- ☐ TOP SECRET
☒ ~~SECRET~~
☐ CONFIDENTIAL
☒ UNCLAS E F T O
☐ UNCLAS

b6

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To: *FDIHQ*From: *SAC, TAMPA (125-997)*Subject: *STANBANK;
BT AL
DRUGS - C/KATO - COCAINE
OO: TAMPA*

Date

1/5/90

- ☐ Fingerprint Photo ☐ Fingerprint Record ☐ Map ☐ Newspaper clipping ☐ Photograph
☐ Artists Conception ☐ Teletype ☒ Other [redacted]

OTHER Sealed

Special handling Instructions:

HAND CARRY IMMEDIATELY TO [redacted]

[redacted]

Approved: [redacted]

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b7C

BY: [redacted]

FBI

TRANSMIT VIA:

- ☒ Teletype
☐ Facsimile
☐ _____

PRECEDENCE:

- ☐ Immediate
☒ Priority
☐ Routine

CLASSIFICATION:

- ☐ TOP SECRET
☒ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 1/8/90

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b7c

1
2 FM FBI TAMPA (12B-997) (SQ.5) (P)

3 TO FBI SAN JUAN/PRIORITY/

4 BT

5 ~~SECRET~~

6 CITE: //3880//

7
8 SUBJECT: STARBANK; OO: TAMPA.

9 THIS COMMUNICATION IS CLASSIFIED "~~SECRET~~" IN ITS
10 ENTIRETY.

11 ON [redacted] A COURT ORDER WAS ISSUED AUTHORIZING [redacted]

12
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14 b6
b7C
OTHER Sealed

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12B-997 Sub A-3
12B-997-232

19 [redacted]
20 [redacted]
21 SEARCHED [redacted]
INDEXED [redacted]
SERIALIZED [redacted]
FILED [redacted]

Approved: [redacted]

Transmitted [redacted]

(Number)

(703)

(Time)

Per [redacted]

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FBI

TRANSMIT VIA:

- ☐ Teletype
☐ Facsimile
☐ _____

PRECEDENCE:

- ☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

- ☐ TOP SECRET
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☐ UNCLAS E F T O
☐ UNCLAS

Date _____

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Approved: _____ Transmitted _____ Per _____
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FM FBI TAMPA (12B-997) (SQ.5) (P)

TO FBI SAN JUAN/PRIORITY/

BT

~~SECRET~~

CITE: //3880//

SUBJECT: STARBANK; OO: TAMPA.

THIS COMMUNICATION IS CLASSIFIED ~~"SECRET"~~ IN ITS
ENTIRETY.

ON [REDACTED] A COURT ORDER WAS ISSUED AUTHORIZING [REDACTED]

[REDACTED]

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12B-997 Sub D-5
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CLASSIFIED BY: G-3, DECLASSIFY ON OADR.

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BY: [redacted]

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TRANSMIT VIA:

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PRECEDENCE:

☐ Immediate
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☐ Routine

CLASSIFICATION:

☐ TOP SECRET
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Date 11/9/90

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2 FM FBI TAMPA (12B-997) (SQ.5) (P)

3 TO FBI ATLANTA/PRIORITY/

4 BT

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6 CITE: //3880//

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8 SUBJECT: STARBANK; OO: TAMPA.

9 ON [redacted]

A COURT ORDER WAS ISSUED AUTHORIZING [redacted]

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12B-997-239
SEARCHED [redacted]

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SERIALIZED [redacted]

FILE [redacted]

12B-997 Sub A-6

20 [redacted]
21 (1)
Approved: [redacted]

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(Number)

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Per [redacted]

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PRECEDENCE:

- ☐ Immediate
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CLASSIFICATION:

- ☐ TOP SECRET
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DE FBITP #0007 0092115

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FM FBI TAMPA (12B-997) (SQ.5) (P)

TO FBI ATLANTA/PRIORITY/

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CITE: //3880//

SUBJECT: STARBANK; OO: TAMPA.

ON [REDACTED]

A COURT ORDER WAS ISSUED AUTHORIZING [REDACTED]

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R 091904Z JAN 90

FM FBI SAN JUAN (12B-TP-997) (SQ-5)

TO FBI TAMPA/ROUTINE/

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CITE: //3800//

SUBJECT: STARBANK; OO: TAMPA.

RE TP TELETYPE TO SJ 1/8/90.

FOR INFORMATION OF TP, IS THAT OF THE DOMINICAN REPUBLIC WHICH IS COVERED BY LIAISON OFFICER BASED OUT OF SAN JUAN. THE LEAD WILL THEREFORE BE COVERED WITHIN THE NEXT FEW WEEKS UPON HIS NEXT TRIP TO THE DOMINICAN REPUBLIC.

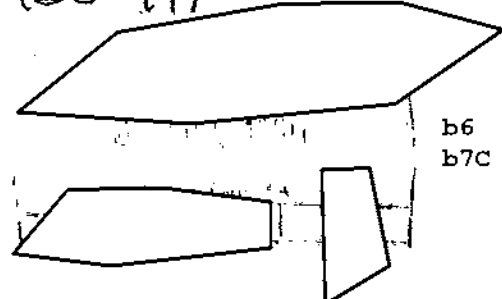
TP SHOULD ALSO BE AWARE THAT TELEPHONE SUBSCRIBER INFORMATION IN THE DOMINICAN REPUBLIC ONLY SHOWS THE OWNER OF THAT NUMBER AND NOT THE USER OR RENTER; THEREFORE THE INFORMATION MAY BE OF LIMITED VALUE.

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12B-997 Sub-D-7

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- ☐ Immediate
☒ Priority
☐ Routine

CLASSIFICATION:

- ☐ TOP SECRET
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Date 11/11/90

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FM FBI TAMPA ((12B-997)) (SQ.5) (P)

TO FBI KANSAS CITY/PRIORITY/

BT

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CITE: //3880//

SUBJECT: STARBANK; GENERAL MANUEL NORIEGA; DRUG MATTER; OO:
TAMPA.

THIS COMMUNICATION IS CLASSIFIED "~~SECRET~~" IN ITS
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Approved: [redacted]

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Per [redacted]

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PRECEDENCE:

- ☐ Immediate
☐ Priority
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CLASSIFICATION:

- ☐ TOP SECRET
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FM FBI TAMPA (12B-997) (SQ.5) (P)

TO FBI KANSAS CITY/PRIORITY/

BT

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CITE: //3880//

SUBJECT: STARBANK; GENERAL MANUEL NORIEGA; DRUG MATTER; OO:
TAMPA.

THIS COMMUNICATION IS CLASSIFIED ~~"SECRET"~~ IN ITS
ENTIRETY.

ON A COURT ORDER WAS ISSUED AUTHORIZING

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- ☐ Immediate
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CLASSIFICATION:

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Date 11-10-90

1 FM FBI TAMPA (12B-997 SUB D) (SQ.5) (P)

2 TO FBI ATLANTA/PRIORITY/
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4 FBI LOS ANGELES/PRIORITY/
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9 ~~SECRET~~

10 CITE: //3880//
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12 SUBJECT: STARBANK; GENERAL MANUEL NORIEGA; DRUG MATTER; OO:
13 TAMPA.

14 THIS COMMUNICATION IS CLASSIFIED "~~SECRET~~" IN ITS
15 ENTIRETY.

16 ON [redacted] A COURT ORDER WAS ISSUED AUTHORIZING [redacted]
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18 INFORMATION LISTED IN REFERENCED TELETYPE IS OF THE
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12B-997 Sub D-9

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21 Approved: [redacted]

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☐ Routine

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UTMOST IMPORTANCE IN THE TAMPA DIVISION AS THIS IS A HIGH
PRIORITY MATTER.

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FM FBI TAMPA (12B-997 SUB D) (SQ.5) (P)

TO FBI ATLANTA/PRIORITY/

FBI LOS ANGELES/PRIORITY/

FBI MIAMI/PRIORITY/

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CITE: //3880//

SUBJECT: STARBANK; GENERAL MANUEL NORIEGA; DRUG MATTER; OO:
TAMPA.

THIS COMMUNICATION IS CLASSIFIED ~~"SECRET"~~ IN ITS
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ON [REDACTED] A COURT ORDER WAS ISSUED AUTHORIZING [REDACTED]

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UTMOST IMPORTANCE IN THE TAMPA DIVISION AS THIS IS A HIGH
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Date 11/16/90

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2 FM FBI TAMPA (12B-997 SUB D) (SQ.5) (P)

3 TO FBI ALBUQUERQUE/PRIORITY/

4 FBI ATLANTA/PRIORITY/

5 FBI CLEVELAND/PRIORITY/

6 FBI DETROIT/PRIORITY/

7 BT

8 ~~SECRET~~

9 CITE: //3880//

10
11 SUBJECT: STARBANK; GENERAL MANUEL NORIEGA; DRUG MATTER; OO:
12 TAMPA.

13 THIS COMMUNICATION IS CLASSIFIED "~~SECRET~~" IN ITS
14 ENTIRETY.

15 ON [redacted] AS COURT ORDER WAS ISSUED AUTHORIZING [redacted]

16 OTHER Sealed

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18 1-Tampa

12B-997 Sub D-10
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21 [redacted]
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Per [redacted]

FBI

TRANSMIT VIA:

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PRECEDENCE:

☐ Immediate☐ Priority☐ Routine

CLASSIFICATION:

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Date _____

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2 ^PAGE TWO DE TP (12B-997 SUB D) ~~SECRET~~3 INFORMATION LISTED IN REFERENCED TELETYPE IS OF THE
4 UTMOST IMPORTANCE IN TAMPA DIVISION AS THIS IS A HIGH
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P 161843Z JAN 90

FM FBI TAMPA (12B-997 SUB D) (SQ.5) (P)

TO FBI ALBUQUERQUE/PRIORITY/

FBI ATLANTA/PRIORITY/

FBI CLEVELAND/PRIORITY/

FBI DETROIT/PRIORITY/

BT

~~SECRET~~

CITE: //3880//

SUBJECT: STARBANK; GENERAL MANUEL NORIEGA; DRUG MATTER; OO:
TAMPA.

THIS COMMUNICATION IS CLASSIFIED "~~SECRET~~" IN ITS
ENTIRETY.

ON [REDACTED] AS COURT ORDER WAS ISSUED AUTHORIZING [REDACTED]
[REDACTED]

OTHER Sealed

12B-997 Sub D-10

SEARCHED
INDEXED
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FILED

PAGE TWO DE FBITP 0005 ~~SECRET~~

INFORMATION LISTED IN REFERENCED TELETYPE IS OF THE
UTMOST IMPORTANCE IN TAMPA DIVISION AS THIS IS A HIGH
PRIORITY MATTER.

OTHER Sealed

~~CLASSIFIED BY: C-3; DECLASSIFY ON OADR.~~

BT

#0005

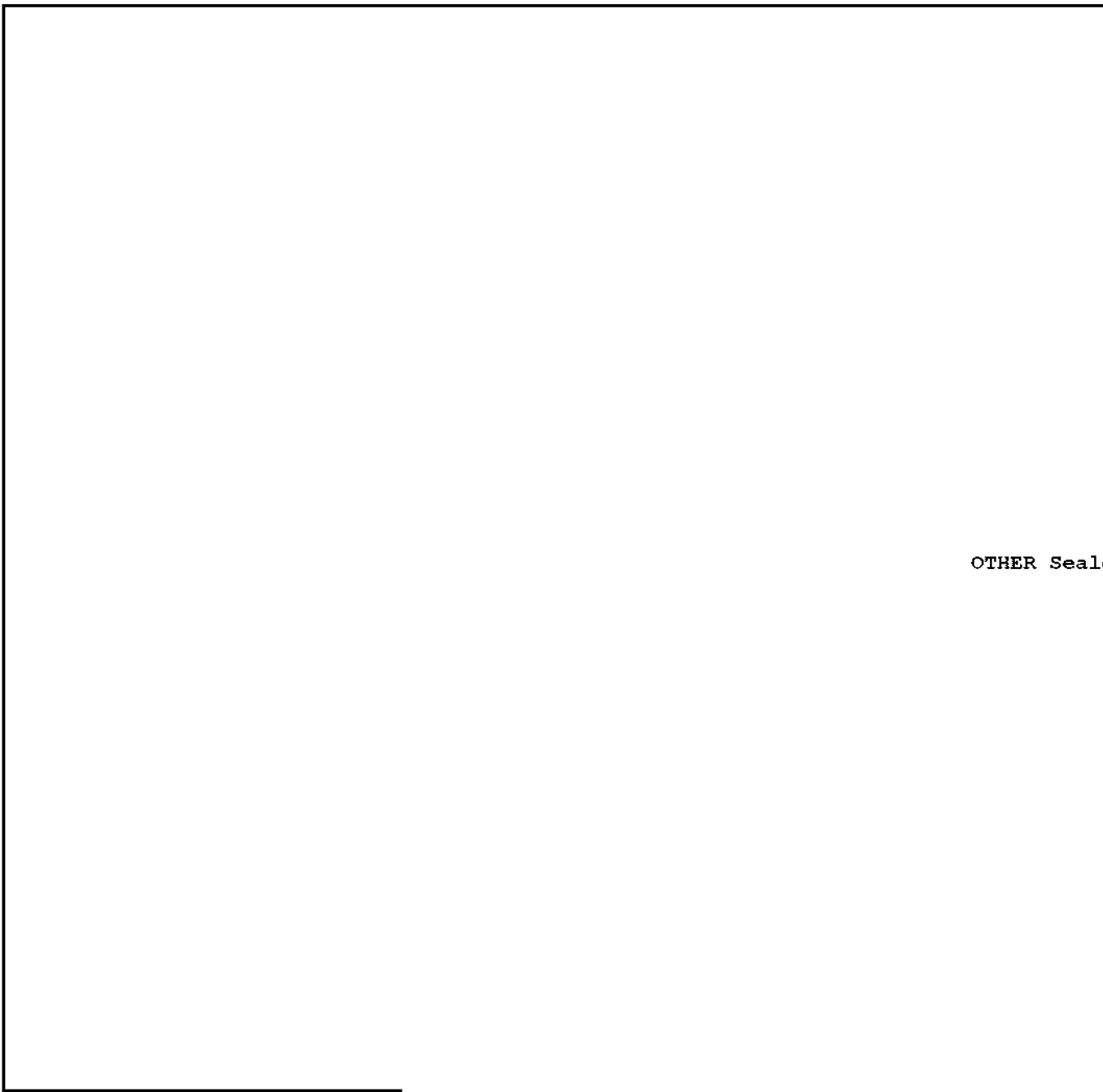
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12B-TP-997-SubD



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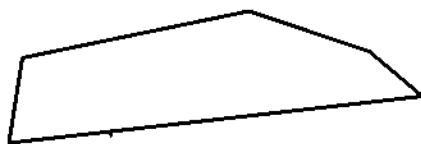
The following investigation was conducted by I.A.
on 1/16/90:



OTHER Sealed



*Entered
FOIMS
1/18/90*



12B-997 Sub D - 11

SEARCHED	INDEXED
SERIALIZED	FILED
JAN 16 1990	
FBI - TAMPA	

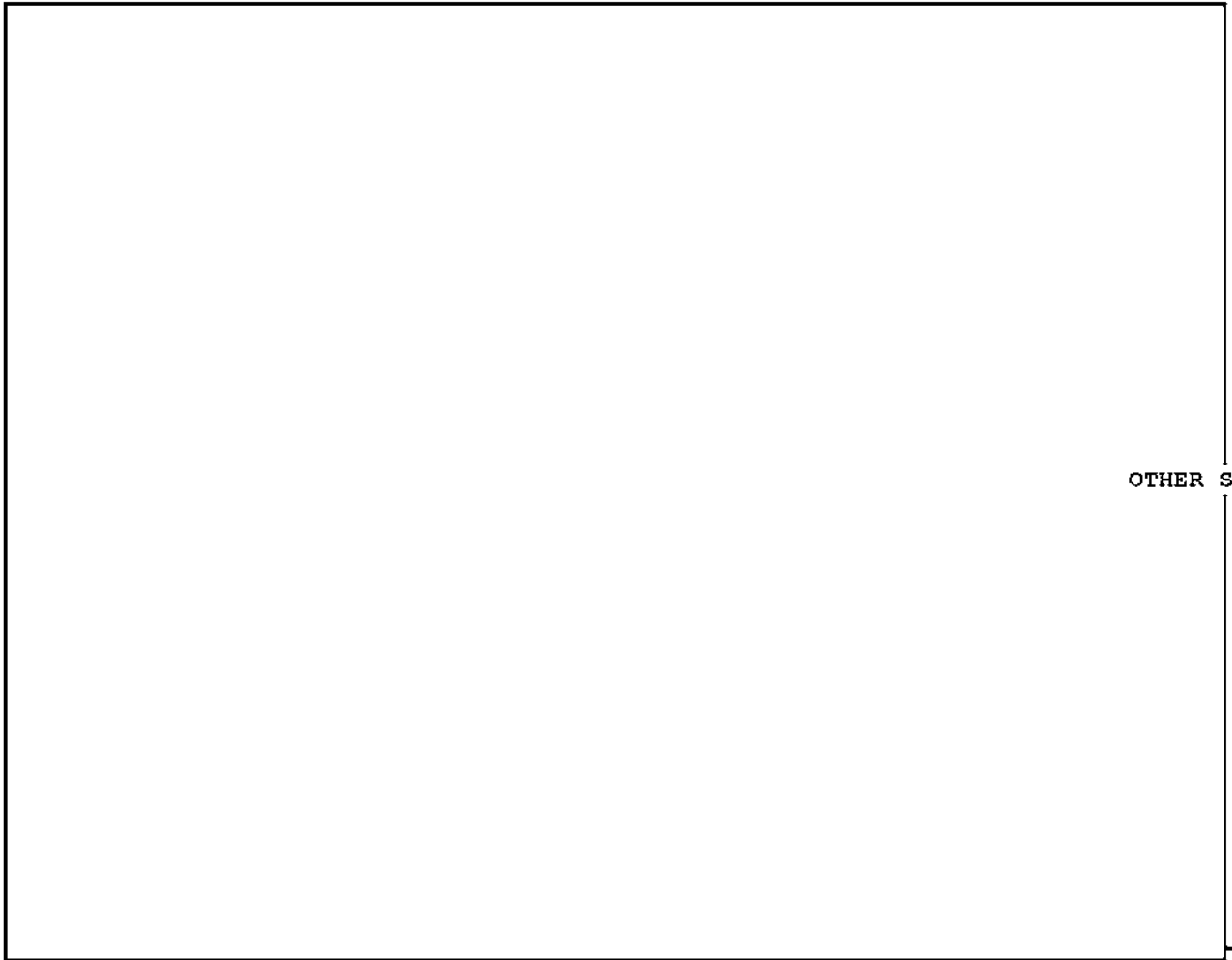
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12B-TP-997

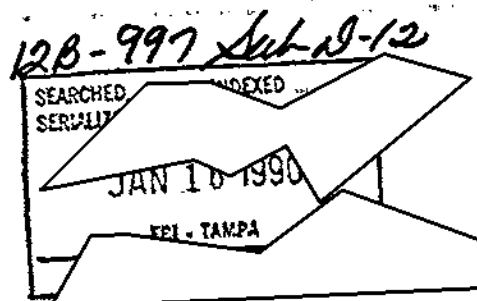


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The following investigation was conducted by I.A.



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FAMS
1/18/90*

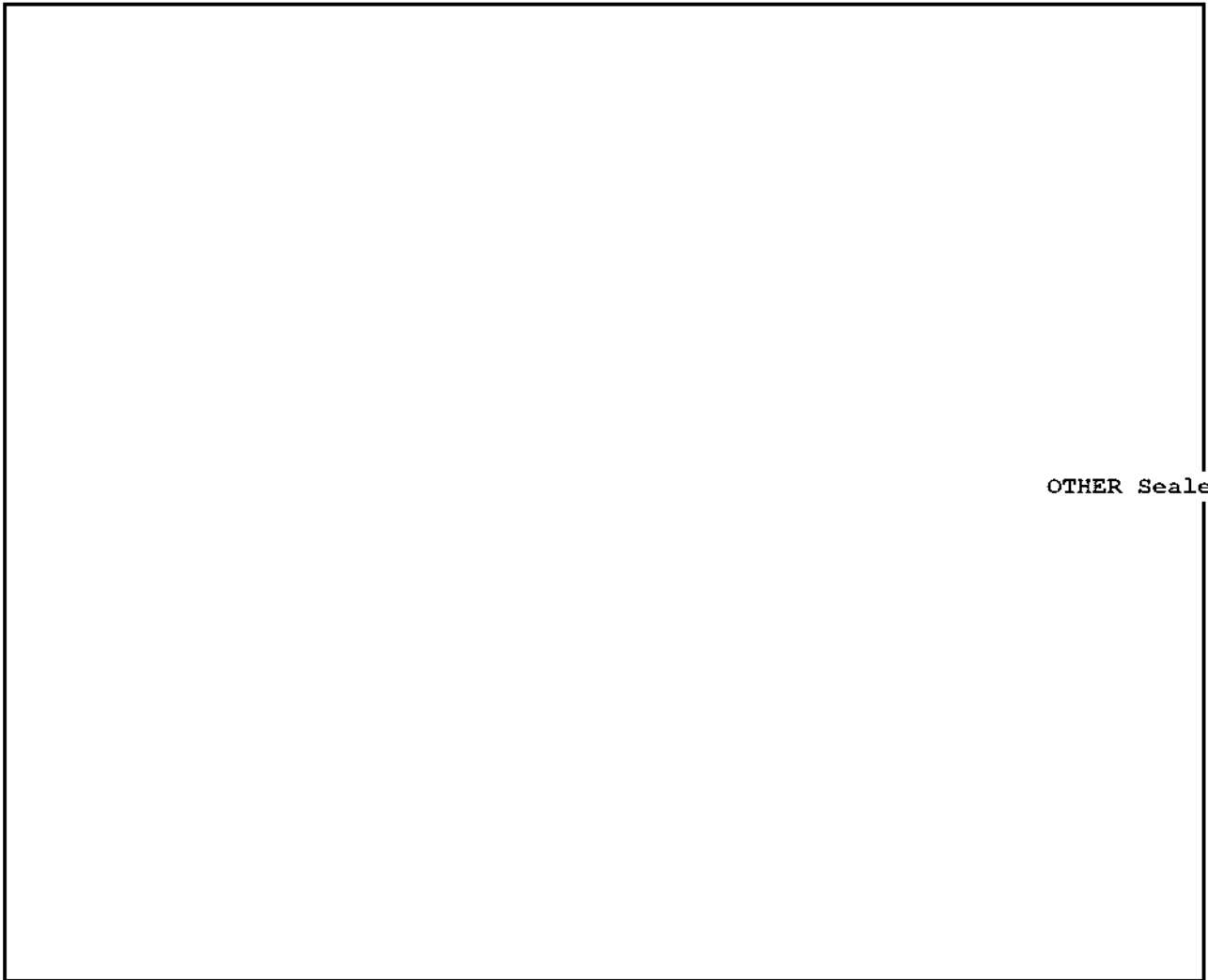


12B-TP-997

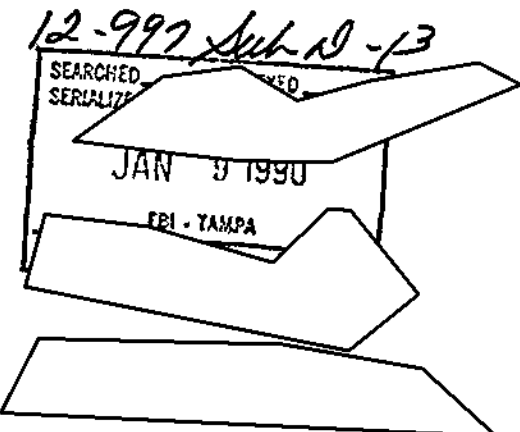


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The following investigation was conducted by I.A.
[redacted] on 1/9/90:

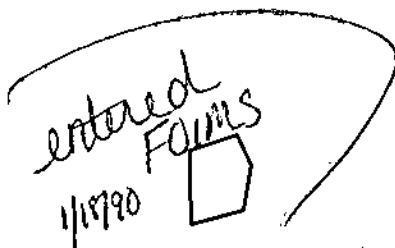


OTHER Sealed

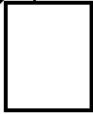


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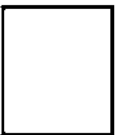
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FAMS
1/17/90



Entered telephone
forms 1-18-90



12-997 Sub A-14



SEARCHED INDEXED
SERIALIZED FILED
JAN 11 1990
FBI - TAMPA

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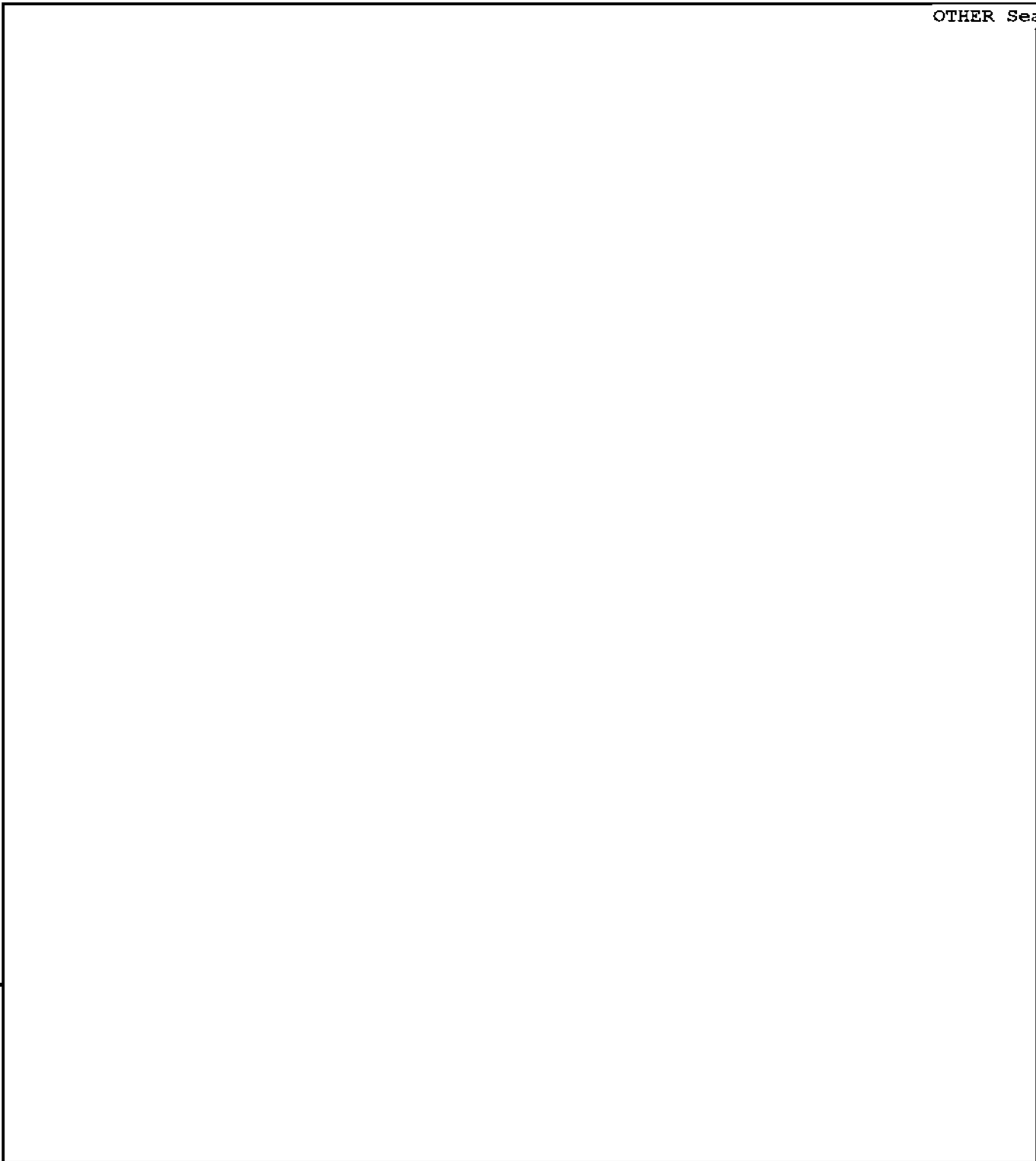
12B-TP-997-Sub D



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The following investigation was conducted by I.A. 
 on 1/11/90:

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12B-TP-997-Sub D



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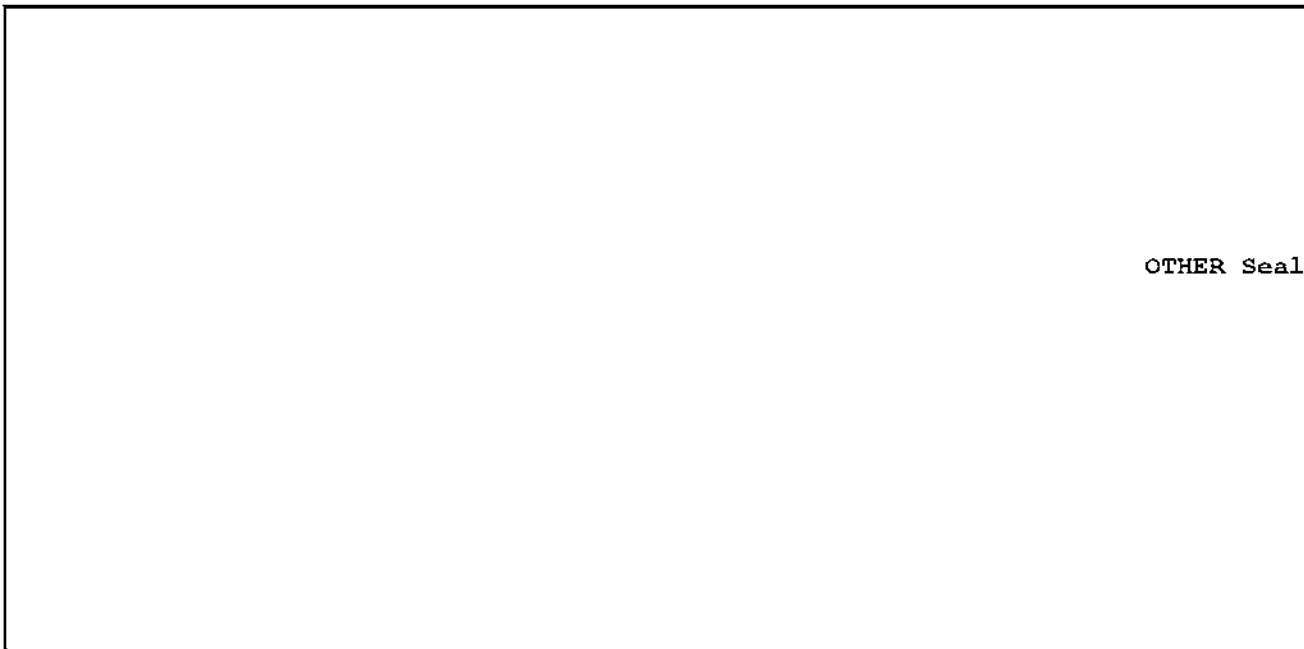
OTHER Sealed

12B-TP-997



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The following investigation was conducted by I.A.
 on 1/11/90:

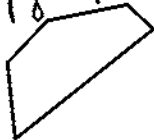


OTHER Sealed

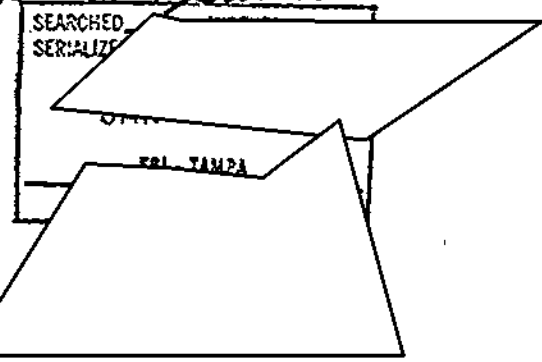


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Entered
forms - telephone
1-18-90



12-997 Sub D-15



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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/12/90

Pursuant to a subpoena served to [redacted]
[redacted] General Telephone Company, Tampa, Florida Dated
January 11, 1990 the following information was provided:

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Subscriber to telephone [redacted]
[redacted] Date
of service [redacted]

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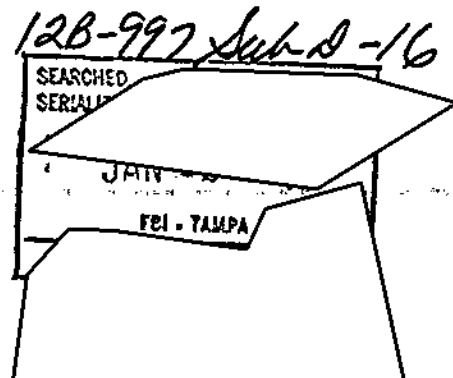
Subscriber to telephone number 813-289-8028 is PRUDENTIAL
INSURANCE CO. 101 Hoover Boulevard S. Tampa, Florida 33609.
Date of Service 3/10/89.

Subscriber to telephone number [redacted] is [redacted]
[redacted] Date of Service [redacted]

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b6
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Entered
FBI Tampa
1-12-90
[redacted]

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Investigation on 1/12/90 at Tampa, Florida File # 12B-997

by T.A. [redacted] Date dictated 1/12/90

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[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

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[Redacted] IS NOT A REGISTERED TELEPHONE

[Redacted]

HOTEL CONTINENTAL

[Redacted]

[Redacted]

[Redacted]

12B-997 Sub I-17

SEARCHED
SERIAL

JAN 21 1992

FBI - TAMPA

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Entered
1/18/90 [Redacted] Forms

0014 MRI 01280

90 JAN 18 AM 10:50

PP FBITP

DE FBIAQ #0003 0181524

ZNR UUUUU

P 181516Z JAN 90

FM FBI ALBUQUERQUE () (RUC)

TO FBI TAMPA (12B-997-SUB D)/PRIORITY/

BT

UNCLAS

CITE: //3020//

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SUBJECT: STARBANK; GENERAL MANUEL NORIEGA; DRUG MATTER; OO:
TAMPA.

RE TAMPA TEL TO AQ, JANUARY 16, 1990.

FOR INFORMATION OF THE TAMPA DIVISION, ON JANUARY 17, 1990,
IT WAS DETERMINED THROUGH THE SECURITY OFFICE OF U.S. WEST
COMMUNICATIONS, ALBUQUERQUE, NEW MEXICO, THAT THE SUBSCRIBER TO
TELEPHONE NUMBER (505) 345-8411 IS THE RUST TRACTOR COMPANY, 4000
OSUNA ROAD N.E., ALBUQUERQUE, NEW MEXICO. RUST TRACTOR COMPANY
IS AN AUTHORIZED DEALER FOR CATERPILLAR EARTH-MOVING EQUIPMENT.

ALBUQUERQUE INDICES REFLECT NEGATIVE FOR RUST TRACTOR

Entered
telephone - 1-24-90
Info: 1/24/90
USCS

12B-997 SUB D-20

SEARCHED	INDEXED
SERIALIZED	FILED
JAN 18 1990	
FBI - TAMPA	

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PAGE TWO DE FBIAQ 0003 UNCLAS
COMPANY.

BT

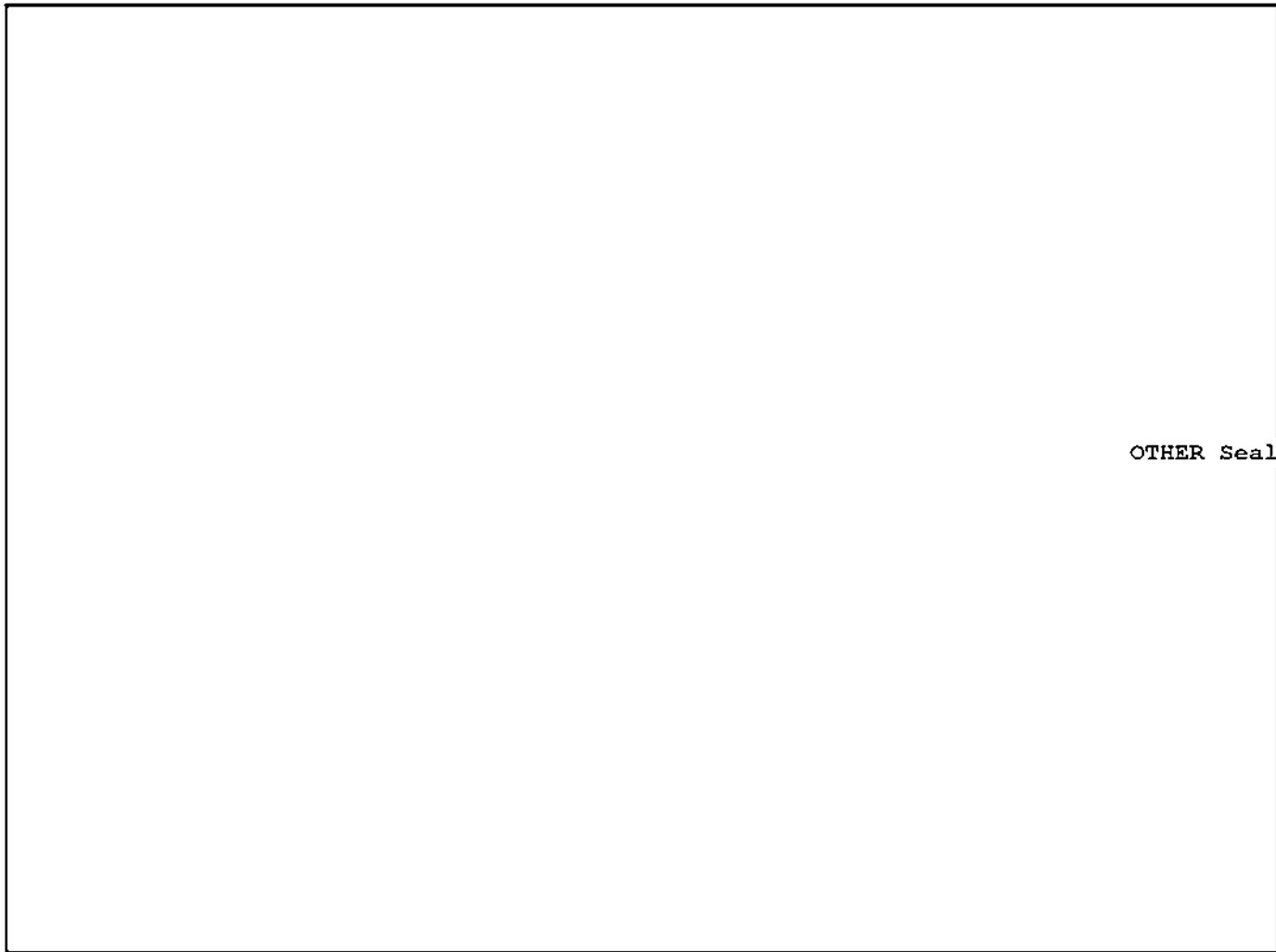
#0003

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12B-TP-997 Sub D

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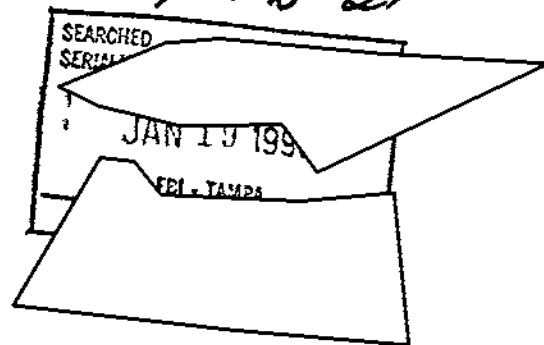
The following investigation was conducted by I.A. []
[] on 1/17/90:



OTHER Sealed

12B-997 Sub D-21

Entered
FORMS []
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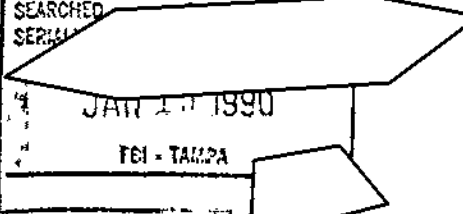


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STAR BANK;
DRUG MATTER;
OO: TAMPA (12B-997)

OTHER Sealed

12B-997 Sub A-22

SEARCHED	
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FBI

[redacted] 00380-010
[redacted] 00380-010
CLASSIFICATION:
☐ TOP SECRET
☒ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS
Date 1/10/90

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TRANSMIT VIA:
☒ Teletype
☐ Facsimile
☐ _____

PRECEDENCE:
☐ Immediate
☒ Priority
☐ Routine

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FM FBI TAMPA (12B-997) (SQ.5) (P)

TO FBI MIAMI/PRIORITY/

BT

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CITE: //3880//

SUB D
[redacted]

SUBJECT: ON [redacted] A COURT ORDER WAS ISSUED AUTHORIZING

[redacted]

OTHER Sealed

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12B-997 Sub D-23
~~12B-997-241~~

SEARCHED [redacted]
INDEXED [redacted]
SERIALIZED [redacted]
FILED [redacted]

Approved: [redacted]

Transmitted 11029/010 1945
(Number) (Time)

Per [redacted]

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[redacted]

0 - 193-749

FBI

TRANSMIT VIA:

- ☐ Teletype
☐ Facsimile
☐ _____

PRECEDENCE:

- ☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

- ☐ TOP SECRET
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☐ CONFIDENTIAL
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Date _____

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CLASSIFIED BY: G-3; DECLASSIFY ON OADR.

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DE FBITP #0009 0101956

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FM FBI TAMPA (12B-997) (SQ.5) (P)

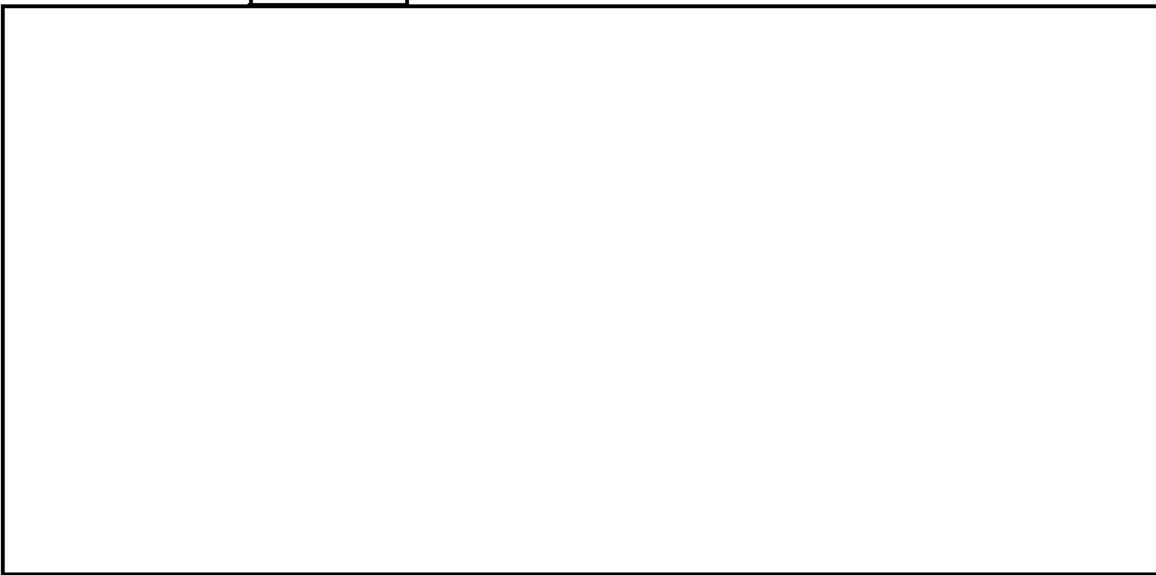
TO FBI MIAMI/PRIORITY/

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CITE: //3880//

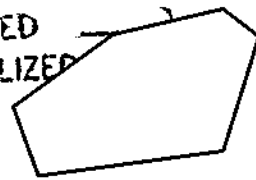
SUBJECT: ON A COURT ORDER WAS ISSUED AUTHORIZING



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12B-997 Sub D-23
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~~CLASSIFIED BY: G-3; DECLASSIFY ON OADR.~~

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TRANSMIT VIA:

- ☒ Teletype
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PRECEDENCE:

- ☐ Immediate
☒ Priority
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CLASSIFICATION:

- ☐ TOP SECRET
☒ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 1/10/90

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FM FBI TAMPA (12B-TP-997) (SQ.5) (P)

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TO FBI SAN JUAN/PRIORITY/

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CITE: //3880//

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SUBJECT: STARBANK; OO: TAMPA.

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OTHER Sealed

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12B-997 Sub D - 24
~~12B-997-246~~
SEARCHED [redacted]

INDEXED [redacted]

SERIALIZED [redacted]

FILED [redacted]

Approved: [redacted]

Transmitted

1626/010 1944
(Number) (Time)

Per [redacted]

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PRECEDENCE:

- ☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

- ☐ TOP SECRET
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Date _____

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OTHER Sealed

11 CLASSIFIED BY: G-3; DECLASSIFY ON OADR.
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Approved: _____ Transmitted _____ Per _____
(Number) (Time)

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FM FBI TAMPA (12B-TP-997) (SQ.5) (P)

TO FBI SAN JUAN/PRIORITY/

BT

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CITE: //3880//

SUBJECT: STARBANK; OO: TAMPA.

ON A COURT ORDER WAS ISSUED AUTHORIZING

OTHER Sealed

12B-997 Sub D-24
~~*12B-997-242*~~
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PRECEDENCE:

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☐ Priority
☐ Routine

CLASSIFICATION:

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☐ UNCLAS E F T O
☐ UNCLAS

Date 1/10/90

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2 FM FBI TAMPA (12B-997) (SQ.5) (P)

3 TO DIRECTOR FBI/IMMEDIATE/

4 FBI SAN JUAN/IMMEDIATE/

5 BT

6 ~~SECRET~~

7 CITE: //3880//

8
9 SUBJECT: STARBANK; GENERAL MANUEL NORIEGA; DRUG MATTER; OO:
10 TAMPA.

11 REFERENCE TAMPA TELETYPES TO SAN JUAN, DATED 1/9/90 *and 1/10/90*,
12 AND SAN JUAN TELETYPE TO TAMPA, DATED 1/9/90.

13 INFORMATION LISTED IN REFERENCED TELETYPES IS OF UTMOST
14 IMPORTANCE IN TAMPA DIVISION AS THIS IS A HIGH PRIORITY
15 MATTER.

16 TAMPA IS ATTEMPTING TO DEVELOP SUFFICIENT PROBABLE
17 CAUSE TO OBTAIN TITLE III COVERAGE ON [redacted]

18 *1-Tampa*

19 [redacted]
20 [redacted]
21 [redacted] (1)
SEARCHED [redacted]
INDEXED [redacted]
SERIALIZED [redacted]
FILED [redacted]

Approved: [redacted]

Transmitted

2266/010 2311
(Number) (Time)

Per [redacted]

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TRANSMIT VIA:

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☐ Facsimile
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PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

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☐ UNCLAS E F T O
☐ UNCLAS

Date _____

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7 SAN JUAN IS REQUESTED TO COORDINATE CLOSELY WITH DEA
8 RELATIVE TO SAME AND HANDLE LEADS EXPEDITIOUSLY.

9 ~~CLASSIFIED BY: G-3; DECLASSIFY ON OADR.~~

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Approved: _____ Transmitted _____ Per _____
(Number) (Time)

0050 MRI 02266

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O 102310Z JAN 90

FM FBI TAMPA (12B-997) (SQ.5) (P)

TO DIRECTOR FBI/IMMEDIATE/

FBI SAN JUAN/IMMEDIATE/

BT

~~SECRET~~

CITE: //3880//

SUBJECT: STARBANK; GENERAL MANUEL NORIEGA; DRUG MATTER; 00:
TAMPA.

REFERENCE TAMPA TELETYPES TO SAN JUAN, DATED 1/9/90 AND
1/10/90,, AND SAN JUAN TELETYPE TO TAMPA, DATED 1/9/90.

INFORMATION LISTED IN REFERENCED TELETYPES IS OF UTMOST
IMPORTANCE IN TAMPA DIVISION AS THIS IS A HIGH PRIORITY
MATTER.

TAMPA IS ATTEMPTING TO DEVELOP SUFFICIENT PROBABLE
CAUSE TO OBTAIN TITLE III COVERAGE ON

12B-992 Sub D-25
12B-997-240
SEARCHED
INDEXED
SERIALIZED
FILED

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PAGE TWO DE FBITP 0017 ~~SECRET~~

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SAN JUAN IS REQUESTED TO COORDINATE CLOSELY WITH DEA
RELATIVE TO SAME AND HANDLE LEADS EXPEDITIOUSLY.

~~CLASSIFIED BY: C-3; DECLASSIFY ON OADR.~~

BT

#0017

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/19/90

Pursuant to a subpoena served to [redacted]
[redacted] General Telephone Company, Tampa, Florida Dated
January 16, 1990 the following information was provided:

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Subscriber to telephone number 813-749-7145 revealed
this is cross referenced to the main number 4DI-0261 which
belongs to MANATEE COUNTY GOVERNMENT Court House Bradenton,
Florida 33505.

Subscriber to telephone number 813-961-5699 is PROCESS
TECHNOLOGIES INC. 15935 Notting Hill Drive Lutz, Florida.
Date of service 11/27/85.

1-800-323-3659 is INDUSTRIAL DIESEL 8705 Harmon Road
Ft. Worth, Texas 76177.

1-800-223-3289 is SOUTHEAST DIESEL 5820 N.W. 84th Avenue
Miami, Florida.

1-800-228-6444 ^{Coleman Engineering} 4130 Senator Drive Memphis, Tennessee.

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Entered
Forms
1/22/90

12B-997 Sub D-26

SEARCHED	INDEXED
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JAN 19 1990	
FBI - TAMPA	

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Investigation on 1/17/90 at Tampa, Florida File # 12B-TP-997 Sub D

by I.A. [redacted] Date dictated 1/19/90

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TP 12B-997 Sub D

[REDACTED]

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The following investigation was conducted by I.A. [REDACTED]
on 1/19/90:

A review of the corporate records Tallahassee, Florida revealed
EQUIPMENT SALES INTERNATIONAL INC. 610 Elaine Drive Brandon, Florida
was dissolved as of 11/4/88. This company was INC. on 4/15/87 and
showed the [REDACTED]
[REDACTED]

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b7C

A review of the Corporate Records regarding ECONOMY SCALES CO.
revealed they were INC on 3/21/69 and are active and current at this
time. Corporate address is shown as 5908 Providence Road Riverview,
Florida 33569. [REDACTED]
[REDACTED]

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[REDACTED] at the corporate address.

12B-997 Sub D-27

SEARCHED	INDEXED
SERIALIZED	FILED
JAN 19 1990	
FBI - TAMPA	

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[REDACTED]

FBI

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TRANSMIT VIA:

☒ Teletype
☐ Facsimile
☐ _____

PRECEDENCE:

☐ Immediate
☒ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☒ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 1/19/90

1 FM FBI TAMPA (12B-997 SUB D) (SQ.5) (P)

2 TO FBI CINCINNATI/PRIORITY/
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4 FBI JACKSONVILLE/PRIORITY/
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6 BT

~~SECRET~~

7 CITE: //3880//
8

9 SUBJECT: STARBANK; GENERAL MANUEL NORIEGA; DRUG MATTER; OO:
10 TAMPA.

11 THIS COMMUNICATION IS CLASSIFIED "~~SECRET~~" IN ITS
12 ENTIRETY.

13 ON [redacted] A COURT ORDER WAS ISSUED AUTHORIZING [redacted]
14 [redacted]
15 [redacted] OTHER Sealed

16 INFORMATION LISTED IN REFERENCED TELETYPE IS OF THE
17 UTMOST IMPORTANCE IN THE TAMPA DIVISION, AS THIS IS A HIGH
18

1-Tampa

12B997 Sub D - 28
SEARCHED _____

INDEXED _____

SERIALIZED _____

FILED _____

21 Approved: [redacted]

Transmitted 1737/99 2020 Per [redacted]

(Number)

(Time)

193-749

FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☐ _____

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date _____

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OTHER Sealed

15 ~~CLASSIFIED BY: G-3; DECLASSIFY ON OADR.~~

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Approved: _____ Transmitted _____ Per _____
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0046 MRI 01737

PP FBITP

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FM FBI TAMPA (12B-997 SUB D) (SQ.5) (P)

TO FBI CINCINNATI/PRIORITY/

FBI JACKSONVILLE/PRIORITY/

BT

~~SECRET~~

CITE: //3880//

SUBJECT: STARBANK; GENERAL MANUEL NORIEGA; DRUG MATTER; OO:
TAMPA.

THIS COMMUNICATION IS CLASSIFIED ~~"SECRET"~~ IN ITS
ENTIRETY.

ON [REDACTED] A COURT ORDER WAS ISSUED AUTHORIZING [REDACTED]

OTHER Sealed

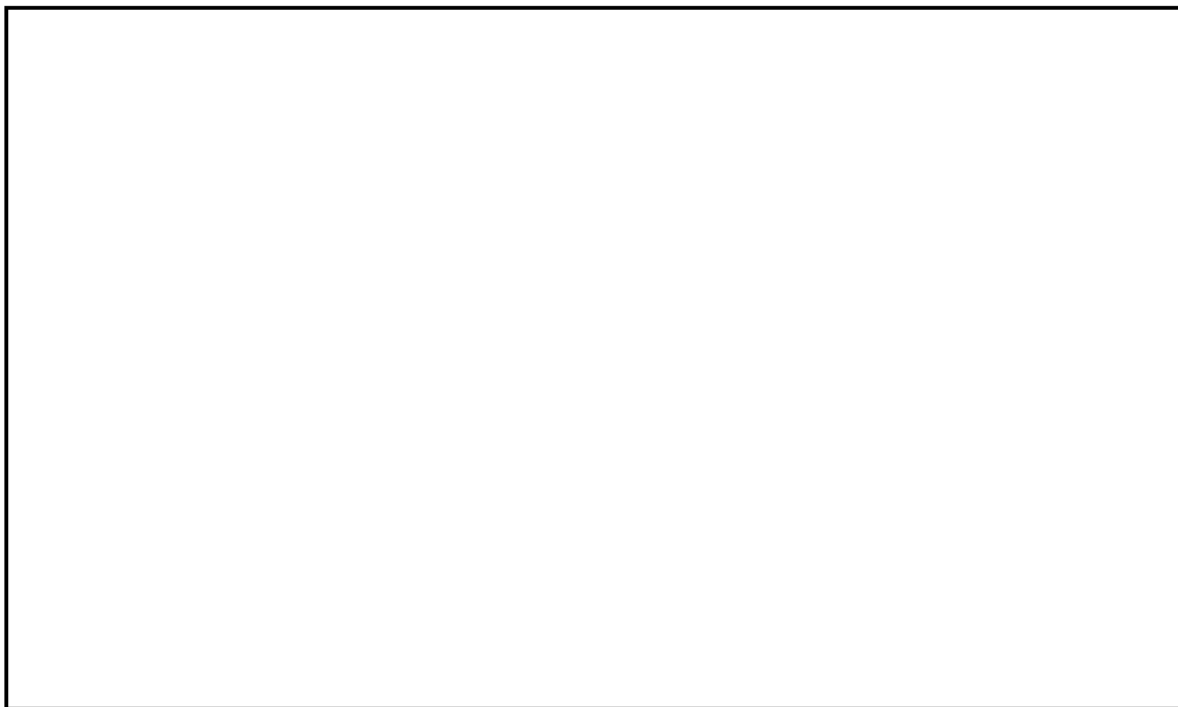
INFORMATION LISTED IN REFERENCED TELETYPE IS OF THE
UTMOST IMPORTANCE IN THE TAMPA DIVISION, AS THIS IS A HIGH

12B997 Sub D-28

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INDEXED
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PRIORITY MATTER.



OTHER Sealed

~~CLASSIFIED BY: G-3; DECLASSIFY ON OADR.~~

BT

#0009

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12B-TP-997

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The following investigation was conducted by I.A.
[redacted] on 1/11/90:

OTHER Sealed

entered
FOMS
[redacted]

DIS [redacted]

12B-997-SUB D-29
[redacted]
JAN 25 1990
[redacted]

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12B-TP-997

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The following investigation was conducted by I.A.
[redacted] on 1/22/90:

OTHER Sealed

12B-997 Sub A - 30

SEARCHED	INDEXED
SERIAL	FILED
JAN 24 1990	
FBI - TAMPA	

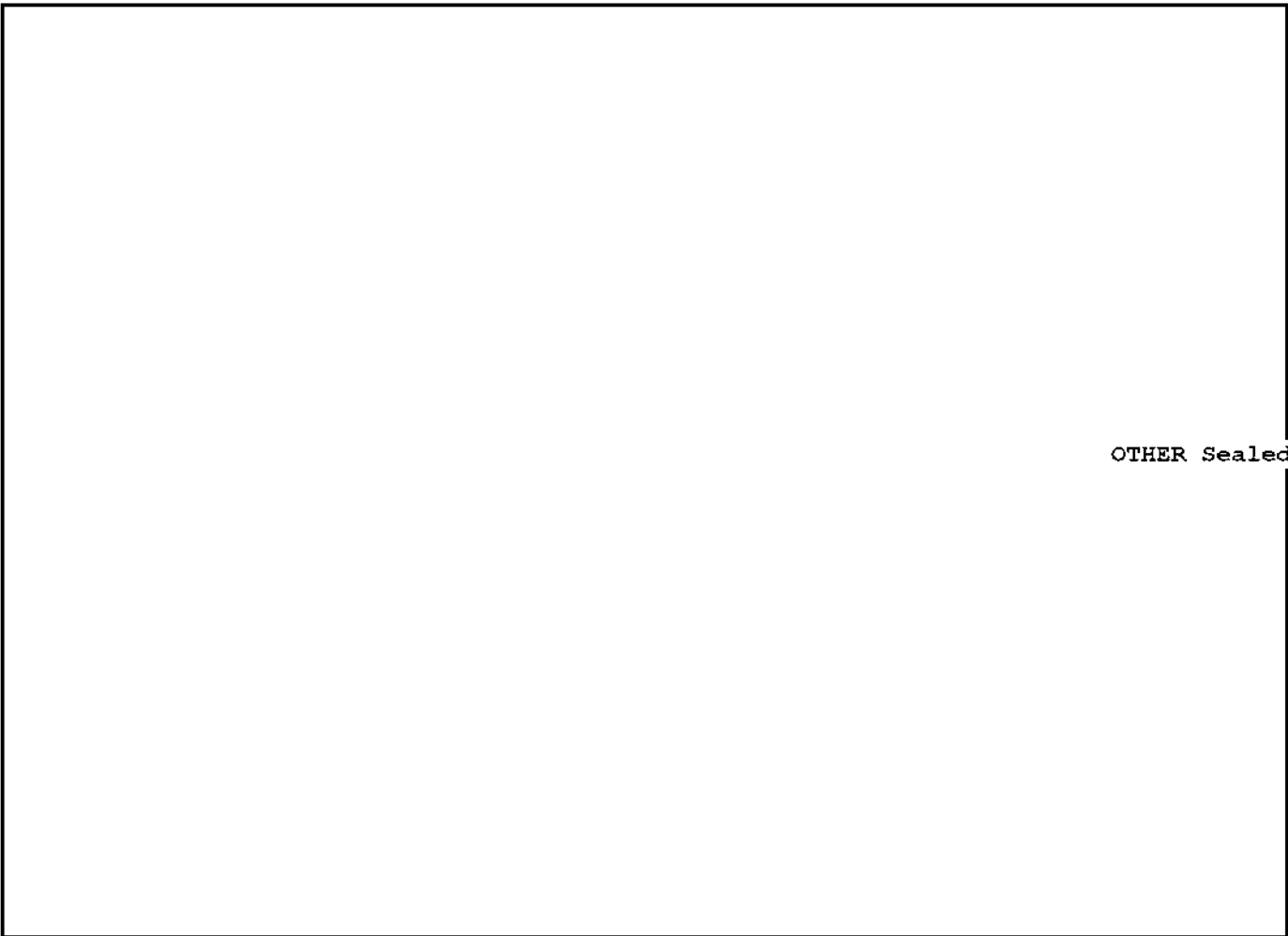
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noted
[redacted]

12B-TP-997 Sub D

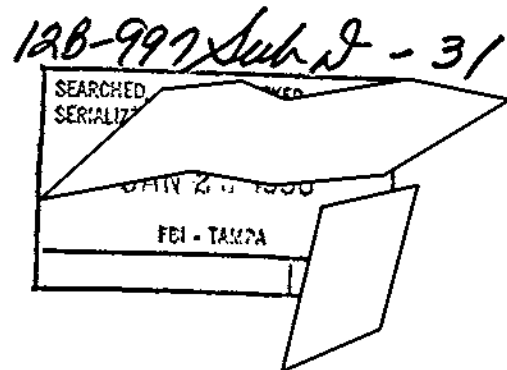
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The following investigation was conducted by I.A. [redacted]
[redacted] on 1/23/90:



OTHER Sealed

Entered
forms - telephone



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12B-997 Sub D

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The following investigation was conducted by I.A.

OTHER Sealed

12B-997 Sub D - 32

SEARCHED	INDEXED
SERIALIZED	
JAN 21 1990	
FBI - TAMPA	

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entered
1/25/90
FOIMS

FBI

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TRANSMIT VIA:

☒ Teletype
☐ Facsimile
☐ _____

PRECEDENCE:

☐ Immediate
☒ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☒ ~~SECRET~~
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 1/22/90

1 FM FBI TAMPA (12B-997 SUB D) (SQ.5) (P)

2 TO FBI JACKSON/PRIORITY/

3 FBI MIAMI/PRIORITY/

4 FBI NEW YORK/PRIORITY/

5 BT

6 ~~SECRET~~

7 CITE: //3880//

8
9
10 SUBJECT: STARBANK; GENERAL MANUEL NORIEGA; DRUG MATTER; OO:
11 TAMPA.

12 THIS COMMUNICATION IS CLASSIFIED ~~"SECRET"~~ IN ITS
13 ENTIRETY.

14 ON [redacted] A COURT ORDER WAS ISSUED AUTHORIZING [redacted]

15 OTHER Sealed

16 INFORMATION LISTED IN THIS TELETYPE IS OF THE UTMOST

17
18 1-Tampa

12B-997-Sub D-33

19 SEARCHED

20 INDEXED

SERIALIZED

21 FILED

Approved: [redacted]

Transmitted

1283/022 2021
(Number) (Time)

Pe [redacted]

FBI

TRANSMIT VIA:

- ☐ Teletype
☐ Facsimile
☐ _____

PRECEDENCE:

- ☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

- ☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date _____

1
2 ^PAGE TWO DE TP (12B-997 SUB D) ~~SECRET~~
3 IMPORTANCE IN TAMPA, AS IT IS A HIGH PRIORITY MATTER.
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OTHER Sealed

Approved: _____ Transmitted _____ Per _____
(Number) (Time)

FBI

TRANSMIT VIA:

- ☐ Teletype
☐ Facsimile
☐ _____

PRECEDENCE:

- ☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

- ☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date _____

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OTHER Sealed

CLASSIFIED BY: G-3, DECLASSIFY ON OADR.

BT

Approved: _____ Transmitted _____ Per _____
(Number) (Time)

0014 MRI 01283

PP FBITP

DE FBITP #0008 0222034

ZNY ~~SSSSS~~

P 222026Z JAN 90

FM FBI TAMPA (12B-997 SUB D) (SQ.5) (P)

TO FBI JACKSON/PRIORITY/

FBI MIAMI/PRIORITY/

FBI NEW YORK/PRIORITY/

BT

~~SECRET~~

CITE: //3880//

SUBJECT: STARBANK; GENERAL MANUEL NORIEGA; DRUG MATTER; OO:
TAMPA.

THIS COMMUNICATION IS CLASSIFIED ~~"SECRET"~~ IN ITS
ENTIRETY.

ON A COURT ORDER WAS ISSUED AUTHORIZING

OTHER Sealed

INFORMATION LISTED IN THIS TELETYPE IS OF THE UTMOST

12B-997 Sub D-33

SEARCHED _____

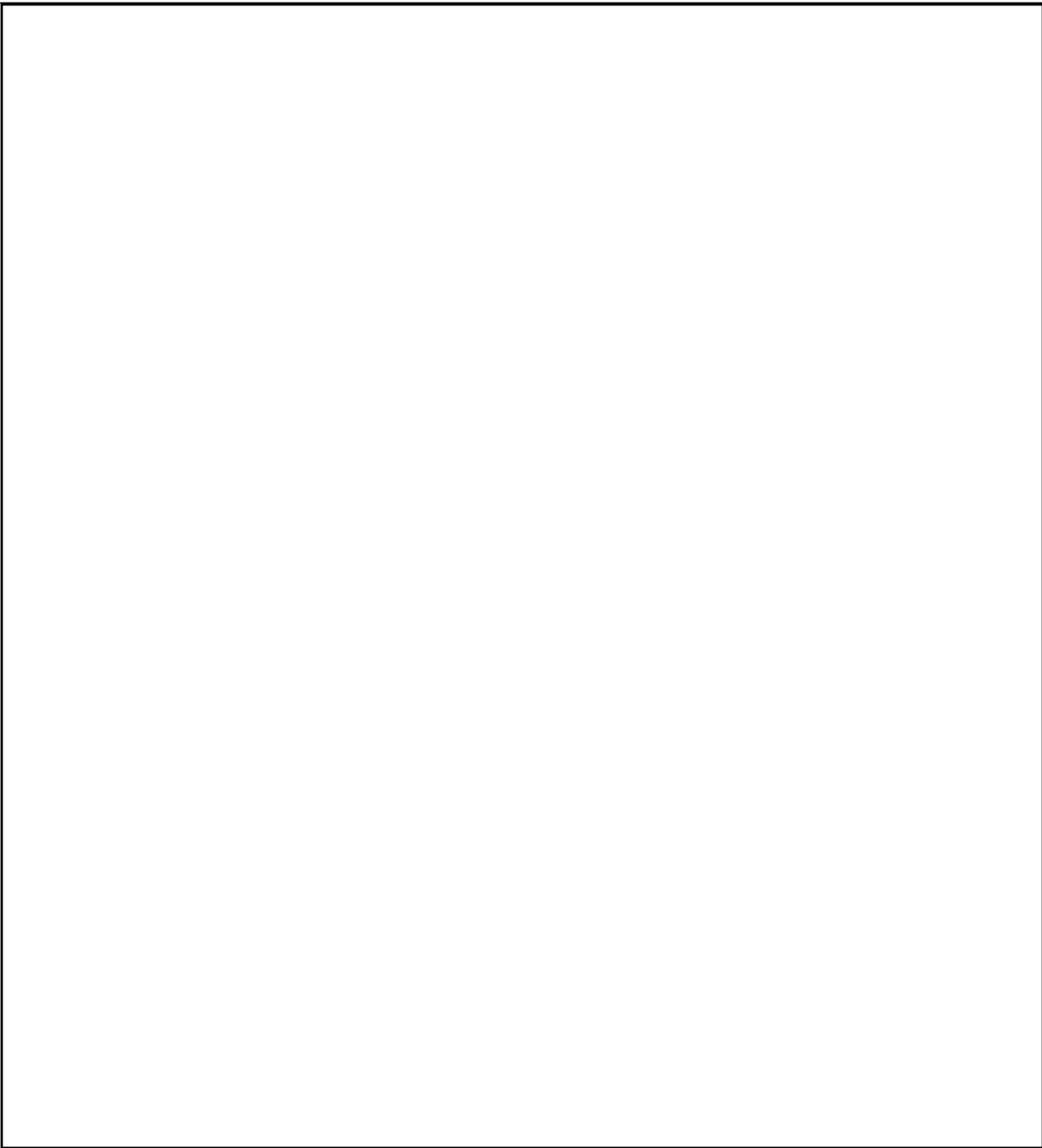
INDEXED _____

SERIALIZED _____

FILED _____

PAGE TWO DE FBITP 0008 ~~SECRET~~

IMPORTANCE IN TAMPA, AS IT IS A HIGH PRIORITY MATTER.



OTHER Sealed

PAGE THREE DE FBITP 0008 ~~SECRET~~

OTHER Sealed

~~CLASSIFIED BY: G-3; DECLASSIFY ON OADR.~~

BT

#0008

NNNN

The following investigation was conducted by Investigative Assistant (IA) [redacted] on January 25, 1990:

Previous investigation was conducted by IA [redacted] regarding corporate records as a result of subscriber information furnished in this matter. Several companies in the Miami area were run through corporate records, and the officials of these companies were noted in an investigative insert.

A review of the motor vehicle records for the State of Florida in an effort to identify officials of the companies that were identified through the subscriber information resulted in the following:

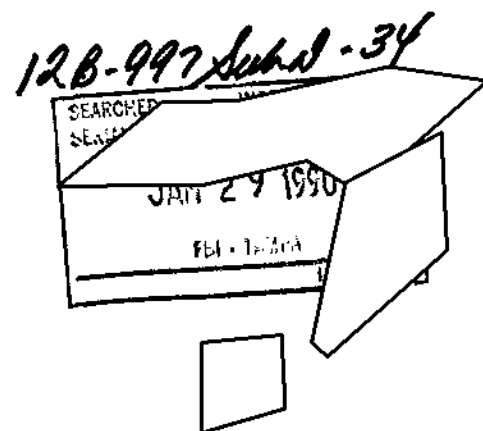
Corporate records were run a COMPUTER SOURCES AND TRAINING located at 1440 Northeast 163rd Street, Miami, Florida. Corporate records showed the only official as a [redacted] by the name of [redacted]

A review of the motor vehicle records revealed Florida title number [redacted] under the name of [redacted] [redacted] Date of birth on registration was [redacted] and the title was issued on [redacted] The vehicle was described as a four-door 1973 Ford with no current Florida tag shown.

Corporate records were reviewed on a company called AMSA, INCORPORATED, (AEROLINEAS MUNDO SA), DGN AIR CARGO SERVICE, at 3100 Northwest 62nd Avenue, Miami, Florida. The corporate records revealed a [redacted]

A review of the motor vehicle records for the State of Florida revealed within the Miami area two Florida titles. The first one, title number [redacted] is on a [redacted] with a date of birth of [redacted] and an address of [redacted] This vehicle was a 1978 Pontiac two-door with Florida tag [redacted] with a title issue date of [redacted]

The other title number was Florida title number [redacted] on [redacted] with a date of birth of [redacted] and an address of [redacted]



This registration is on a 1984 two-door Honda with Florida tag [REDACTED]. This title was issued [REDACTED] and registration activity was last on [REDACTED].

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The motor vehicle records also showed two other individuals in the Miami area, the first being [REDACTED] (no middle name). Florida title number [REDACTED] with a date of birth of [REDACTED] and an address of [REDACTED]. The registration was on a 1981 Ford station wagon with Florida tag [REDACTED] and was issued [REDACTED]. Last registration activity was on [REDACTED].

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Florida title number [REDACTED] was on a [REDACTED] with a date of birth of [REDACTED] and address of [REDACTED]. This vehicle on the registration is a 1965 trailer, homemade, with Florida tag [REDACTED]. Registration activity was shown as [REDACTED].

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Corporate records were reviewed on AEROLINEAS NICARAGUENSEN SA located at 44 West Flagler, Suite 2450, Miami, Florida. The officials were shown as [REDACTED] as the [REDACTED] and [REDACTED].

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Motor vehicle records failed to identify [REDACTED] as this appeared to be too common of a name through the records.

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Motor vehicle records showed an [REDACTED] with a date of birth of [REDACTED] under Florida registration number [REDACTED] on a 1978 four-door Toyota, Florida tag [REDACTED]. This title was issued [REDACTED] and does not currently show registration activity.

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Florida registration information revealed a [REDACTED] date of birth [REDACTED] with an address of [REDACTED]. This was under Florida title number [REDACTED] on a 1988 two-door BMW with Florida tag [REDACTED] with the title issued [REDACTED] and registration activity taking place [REDACTED]. Lien information on this vehicle showed NORTHERN TRUST BANK OF FLORIDA, NAPLES, 530 5th Avenue South, Naples, Florida, and the lien date of [REDACTED].

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Motor vehicle information also revealed a title number 81850062 on MARK VINCENT SILVERIO [REDACTED] 6756 Orchid Drive, Miami Lakes, Florida, with a date of birth of October 8, 1919. This registration is on a 1979 trailer with the

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make showing as ROCK and Florida tag BM951Z with registration activity taking place on September 26, 1989.

Corporate records were reviewed regarding OCEAN J AIR FORWARDING, INCORPORATED, and this was found to be negative through their records.

The corporate records did have OCEAN AIR FORWARDING, INCORPORATED, at 1411 Southwest 124th Court, Suite A, Miami, Florida, and it showed a [redacted] listed as [redacted] with no other officials.

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A review of the motor vehicle records revealed a [redacted] under Florida registration number [redacted] at [redacted] and a date of birth of [redacted]. The registration was on a 1978 Mercury four-door with no current Florida tag shown. This title was issued [redacted] with no current registration activity shown.

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Corporate records were reviewed regarding INTERNATIONAL AIR LEASES, INCORPORATED, 950 Southwest 12th Street, Hialeah, Florida, and it was determined officials were [redacted]

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Florida motor vehicle records were searched for these officials with negative results with the exception of [redacted]. There were two titles on file. The first is number [redacted] showing [redacted] and [redacted] with a date of birth of [redacted]. This vehicle is a 1984 trailer, make shown as SHOR, with a Florida tag of [redacted]. The last registration activity on this is [redacted].

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There was also Florida title number [redacted] under [redacted] and [redacted] at the same address with the same date of birth. This registration is on a 1985 four-door Volvo, Florida tag [redacted] and the title was issued [redacted] and the last registration activity was shown as [redacted].

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Inquiries were made through the NATIONAL CRIME INFORMATION CENTER (NCIC) and the FLORIDA CRIME INFORMATION CENTER (FCIC) regarding all individuals found in the motor vehicle records with their dates of birth. These inquiries were to obtain possible criminal histories for any of these individuals who were identified. The NCIC and FCIC criminal

histories were all negative on individuals listed in the motor vehicle records.

All other individuals who were identified as officials of the companies as a result of the subscriber information are either negative or too numerous to be identified through the motor vehicle records.

0010 MRI 02242

PP FBITP

DE FBIMM #0016 0260217

ZNR UUUUU

P 252303Z JAN 90

FM FBI MIAMI (12B-TP-997) (N-5) (P)

TO FBI TAMPA (12B-TP-997)/PRIORITY/

BT

UNCLAS

CITE: //3460//

SUBJECT: STARBANK; GENERAL MANUEL NORIEGA; DRUG MATTER; OO:
TAMPA.

RE TAMPA TELETYPE TO MIAMI DATED 1/22/90.

THE 1989 MIAMI BRESSER'S REFLECTS TELEPHONE NUMBERS

AND ARE NON-PUBLISHED NUMBERS.

MIAMI HAS ISSUED ADMINISTRATIVE SUBPOENAS TO SOUTHERN BELL
TELEPHONE COMPANY, MIAMI, FLORIDA AND FORT LAUDERDALE. MIAMI
WILL FORWARD RESULTS WHEN OBTAINED.

MIAMI INVESTIGATION CONTINUING.

BT

#0016

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90 JAN 25 PM 11:41

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12B-TP-997-5018

SEARCHED	INDEXED
SERIALIZED	FILED
JAN 25 1990	
FBI - TAMPA	

35

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FBI

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TRANSMIT VIA:

- ☒ Teletype
☐ Facsimile
☐ _____

PRECEDENCE:

- ☐ Immediate
☒ Priority
☐ Routine

CLASSIFICATION:

- ☐ TOP SECRET
☒ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date

1/24/90

1 FM FBI TAMPA (12B-997 SUB D) (SQ.5) (P)

2 TO FBI ATLANTA/PRIORITY/
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4 FBI BIRMINGHAM/PRIORITY/
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6 FBI JACKSON/PRIORITY/
7

8 FBI JACKSONVILLE/PRIORITY/
9

10 FBI MIAMI/PRIORITY/
11

12 BT

13 ~~SECRET~~

14 CITE: //3880//
15

16 SUBJECT: STARBANK; DRUG MATTER; OO: TAMPA.
17

18 THIS COMMUNICATION IS CLASSIFIED "~~SECRET~~" IN ITS
19 ENTIRETY.
20

21 ON [redacted] A COURT ORDER WAS ISSUED AUTHORIZING [redacted]

OTHER Sealed

1-Tampa

(1)

12B-997-SUB D-36
SEARCHED
INDEXED
SERIALIZED
FILED

Approved: [redacted]

Transmitted

1255/025
(Number)

1600
(Time)

FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☐ _____

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date _____

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2 ^PAGE TWO DE TP (12B-997 SUB D) ~~SECRET~~

3 INFORMATION LISTED IN THIS TELETYPE IS OF THE UTMOST
4 IMPORTANCE IN THE TAMPA DIVISION, AS THIS IS A HIGH PRIORITY
5 MATTER.

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OTHER Sealed

Approved: _____ Transmitted _____ Per _____
(Number) (Time)

FBI

TRANSMIT VIA:

- ☐ Teletype
☐ Facsimile
☐ _____

PRECEDENCE:

- ☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

- ☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date _____

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OTHER Sealed~~CLASSIFIED BY: G-3; DECLASSIFY ON OADR.~~

BT

Approved: _____ Transmitted _____ Per _____
(Number) (Time)

0026 MRI 01255

PP FBITP

DE FBITP #0001 0251602

ZNY ~~SSSSS~~

P 251600Z JAN 90

FM FBI TAMPA (12B-997 SUB D) (SQ.5) (P)

TO FBI ATLANTA/PRIORITY/

FBI BIRMINGHAM/PRIORITY/

FBI JACKSON/PRIORITY/

FBI JACKSONVILLE/PRIORITY/

FBI MIAMI/PRIORITY/

BT

~~SECRET~~

CITE: //3880//

SUBJECT: STARBANK; DRUG MATTER; OO: TAMPA.

THIS COMMUNICATION IS CLASSIFIED ~~"SECRET"~~ IN ITS
ENTIRETY.

ON A COURT ORDER WAS ISSUED AUTHORIZING

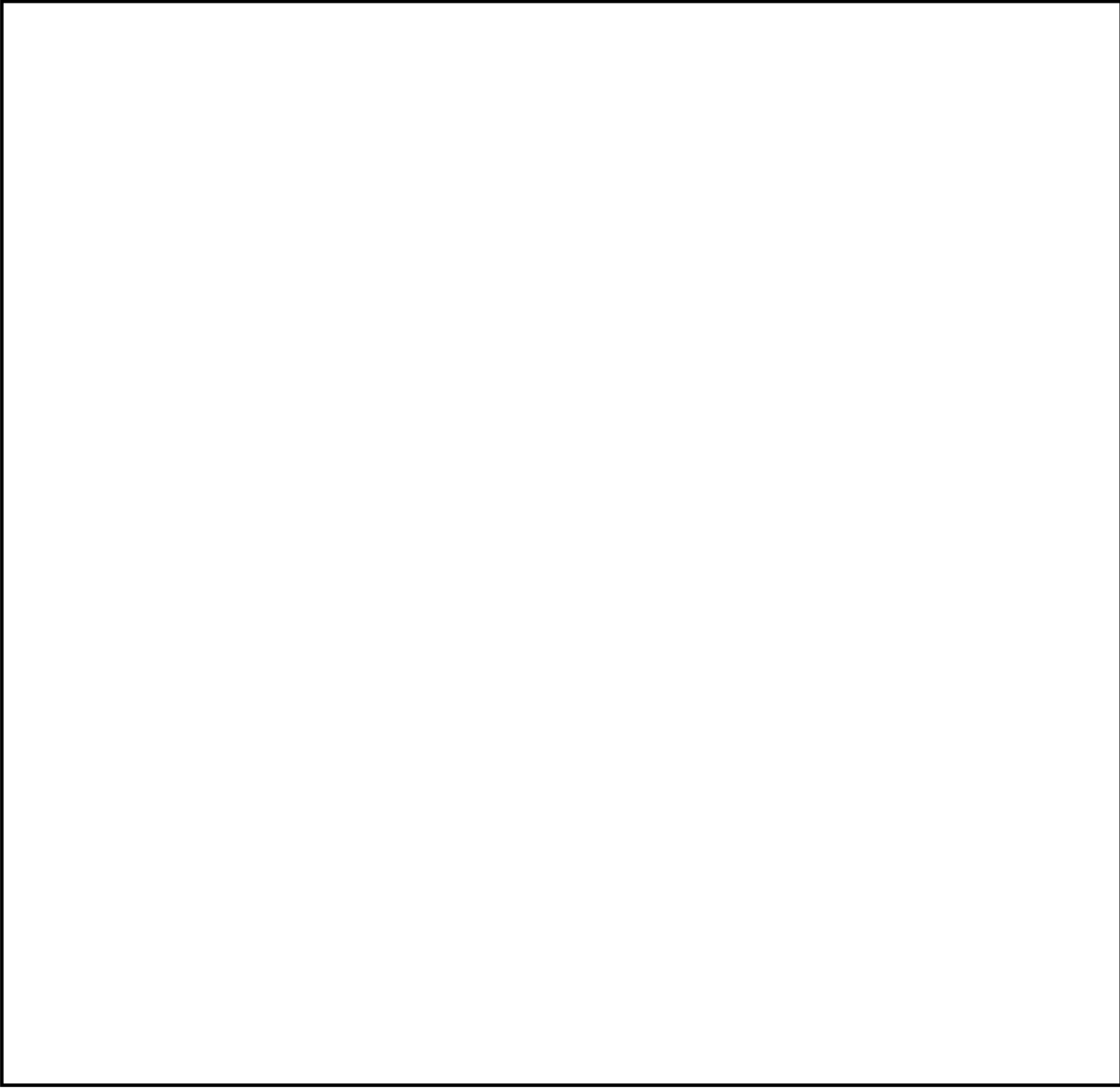
OTHER Sealed

12B-997 Sub D-36

SEARCHED _____
INDEXED _____
SERIAL _____
FILED _____

PAGE TWO DE FBITP 0001 ~~SECRET~~

INFORMATION LISTED IN THIS TELETYPE IS OF THE UTMOST
IMPORTANCE IN THE TAMPA DIVISION, AS THIS IS A HIGH PRIORITY
MATTER.



OTHER Sealed

PAGE THREE DE FBITP 0001 ~~SECRET~~

[REDACTED]

OTHER Sealed

CLASSIFIED BY: G-3; DECLASSIFY ON OADR.

BT

#0001

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FBI

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TRANSMIT VIA:

☒ Teletype
☐ Facsimile
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PRECEDENCE:

☐ Immediate
☒ Priority
☐ Routine

CLASSIFICATION: *D. 12B-997-025*

☐ TOP SECRET
☒ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date *1/25/90*

1 FM FBI TAMPA (12B-997 SUB D) (SQ.5) (P)

2 TO FBI CHARLOTTE/PRIORITY/
3

4 FBI NEW YORK/PRIORITY/
5

6 FBI MIAMI/PRIORITY/
7

8 BT

9 ~~SECRET~~

10 CITE: //3880//
11

12 SUBJECT: STARBANK; GENERAL MANUEL NORIEGA; DRUG MATTER; OO:
13 TAMPA.

14 THIS COMMUNICATION IS CLASSIFIED "~~SECRET~~" IN ITS
15 ENTIRETY.

16 ON [redacted] A COURT ORDER WAS ISSUED AUTHORIZING [redacted]
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18 INFORMATION LISTED IS OF THE UTMOST IMPORTANCE IN THE
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20 *1-Tampa*
21 [redacted]

12B-997-SUB D-37
SEARCHED _____
INDEXED _____
SERIALIZED _____
FILED _____

Approved: [redacted]

Transmitted *2265025* *0314*
(Number) (Time)

Per [redacted]

FBI

TRANSMIT VIA:

- ☐ Teletype
☐ Facsimile
☐ _____

PRECEDENCE:

- ☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

- ☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date _____

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3 TAMPA DIVISION, AS THIS IS A HIGH PRIORITY MATTER.
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OTHER Sealed

17 ~~CLASSIFIED BY: G-3; DECLASSIFY ON OADR.~~
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BT

Approved: _____ Transmitted _____ Per _____
(Number) (Time)

0043 MRI 02265

PP FBITP

DE FBITP #0012 0252319

ZNY ~~SSSS~~

P 252313Z JAN 90

FM FBI TAMPA (12B-997 SUB D) (SQ.5) (P)

TO FBI CHARLOTTE/PRIORITY/

FBI NEW YORK/PRIORITY/

FBI MIAMI/PRIORITY/

BT

~~SECRET~~

CITE: //3880//

SUBJECT: STARBANK; GENERAL MANUEL NORIEGA; DRUG MATTER; OO:
TAMPA.

THIS COMMUNICATION IS CLASSIFIED ~~"SECRET"~~ IN ITS
ENTIRETY.

ON [REDACTED] A COURT ORDER WAS ISSUED AUTHORIZING [REDACTED]

OTHER Sealed

INFORMATION LISTED IS OF THE UTMOST IMPORTANCE IN THE

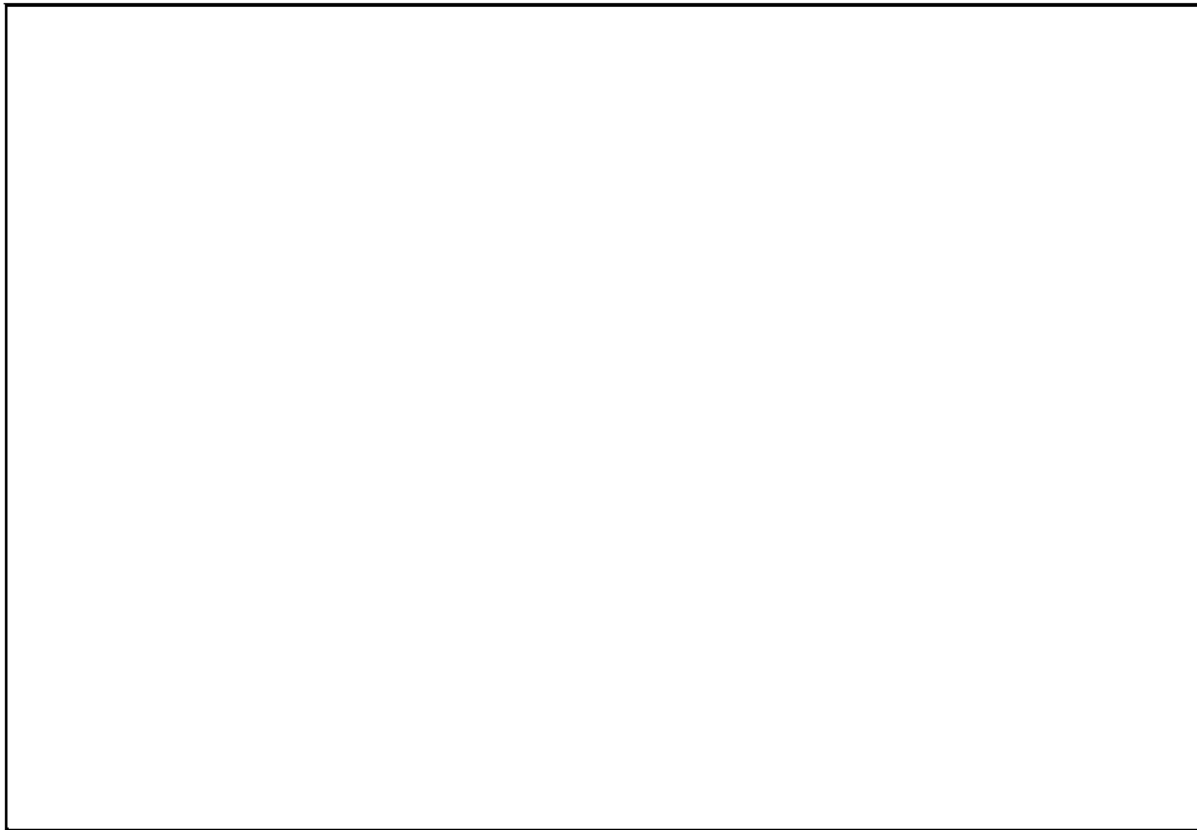
12B-997 Sub D-37

SEARCHED
INDEXED
SERIALIZED
FILED

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PAGE TWO DE FBITP 0012 ~~SECRET~~

TAMPA DIVISION, AS THIS IS A HIGH PRIORITY MATTER.



OTHER Sealed

CLASSIFIED BY: G-3; DECLASSIFY ON OADR.

BT

#0012

NNNN

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/29/90

[redacted] Southern Bell
Telephone 26JJ1 Southern Bell Tower, 301 W. Bay Street,
Jacksonville, Florida pursuant to the issuance of a Subpoena
Dated January 18, 1990 provided the following information:

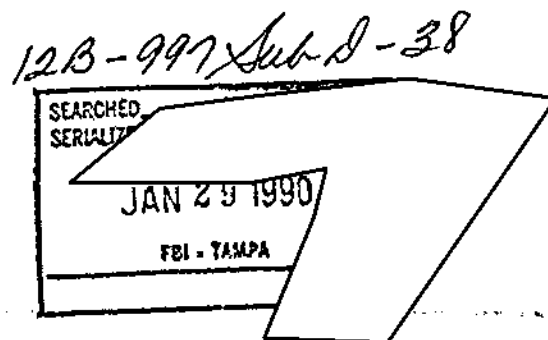
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b7C

[redacted] is subscribed to by [redacted]
[redacted] Bill is mailed to
[redacted]
SOC account information on this account was shown as
[redacted]

b6
b7C

[Handwritten mark]
b6
b7C

*entered
FAMS
1/30/90*

b6
b7C

Investigation on 1/25/90 at Jacksonville, Florida File # 12B-997 Sub D
by I.A. [redacted] Date dictated 1/29/90

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Entered
FOIMS
1/30/90 ☐

12B-997 Sub J-39

SEARCHED	INDEXED
SERIALIZED	FILED
JAN 30 1990	
FBI - TAMPA	

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12B-997-Sub D

b6
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The following investigation was conducted by I.A.

OTHER Sealed

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 11-11-01 BY 1043
1043

12B-997- Sub D

[REDACTED]

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[REDACTED] OTHER Sealed

12B-997 Sub D

b6
b7C

The following investigation was conducted by I.A.

OTHER Sealed

Entered
Joins - Telephone

12B-997 Sub D - 90

SEARCHED
SERIAL

31 1990

FBI - TAMPA

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12B-997 Sub D



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OTHER Sealed

0063 MRI 02373

90 JAN 27 AM 7:07

PP FBITP

DE FBICI #0011 0262351

ZNY ~~SSSSS~~

P 262324Z JAN 90

FM FBI CINCINNATI (12B-TP-997) (RUC) (CRA)

TO FBI TAMPA (12B-TP-997 SUB D) (SQ. 5)/PRIORITY/

BT

~~SECRET~~

CITE: //3160:3930//

SUBJECT: STARBANK; GENERAL MANUEL NORIEGA; DRUG MATTER.

OO:TAMPA.

THIS COMMUNICATION IS CLASSIFIED "~~SECRET~~" IN ITS ENTIRETY.

RE TAMPA TELETYPE TO CINCINNATI, JANUARY 22, 1990.

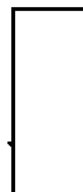
ON JANUARY 25, 1990, A REVIEW OF THE HAINES CRISS-CROSS
DIRECTORY FOR 1989-1990 WAS MADE AND THE FOLLOWING SUBSCRIBER
DETERMINED:

TELEPHONE 614-278-3700, CONSOLIDATED STORES CORPORATION, 300
PHILLIPI ROAD, COLUMBUS, OHIO.

CINCINNATI INDICES WERE NEGATIVE REGARDING SUBSCRIBER.

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*entered
FOIMS*


DIS 

12B-997-SUB D-41
 b6
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PAGE TWO DE FBICI 0011 ~~SECRET~~

~~C&E C-3, DRD OADR~~

BT

#0011

NNNN

0027 MRI 01053

PP FBITP

90 JAN 26 AM 6:57

DE FBIJK #0009 0261128

ZNY ~~SSSSS~~

P 261110Z JAN 90

FM FBI JACKSONVILLE (12B-TP-997) (P)

TO FBI TAMPA (12B-TP-997 SUB D) (SQUAD 5)/PRIORITY/

BT

~~SECRET~~

CITE: //3330//

SUBJECT: STARBANK; GENERAL MANUEL NORIEGA; DRUG MATTER; OO: TP.

THIS COMMUNICATION IS CLASSIFIED ~~"SECRET"~~ IN ITS ENTIRETY.

RE TP TELETYPE TO CI, DATED 1-19-90.

PURSUANT TO AN ADMINISTRATIVE SUBPOENA, CENTRAL
TELEPHONE COMPANY, TALLAHASSEE, FLORIDA, ADVISED TELEPHONE
904/574-6684 IS A NONPUBLISHED NUMBER LISTED TO TADIRAN, 1720 WEST
PAUL DIRAC DRIVE, TALLAHASSEE, FLORIDA 32310, SERVICE SINCE
10-30-88, AND THE PRIMARY CARRIER IS SOUTHERN NET.

JK INDICES NEGATIVE RE SUBSCRIBER, TADIRAN.

~~C BY C-3; DRD: OADR.~~

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12B-997-SUB D-42

SEARCHED
SERIAL

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entered
EDMS

DIS

PAGE TWO DE FBIJK 0009 ~~SECRET~~

BT

#0009

NNNN

0014 MRI 00522

PP FBITP

DE FBIJN #0007 0270651

ZNY ~~SSSSS~~

P 270603Z JAN 90

FM FBI JACKSON (12B-TP-997) (RUC)

TO FBI TAMPA (12B-TP-997-SUB-D)/PRIORITY/

BT

~~SECRET~~

CITE: //3320:SQ 5//

PASS: SQUAD 5.

SUBJECT: STARBANK; DRUG MATTER; OO: TAMPA.

THIS COMMUNICATION IS CLASSIFIED "~~SECRET~~" IN ITS ENTIRETY.

RE TAMPA TELETYPE TO JACKSON, DATED 1/25/90.

THE FOLLOWING INVESTIGATION WAS CONDUCTED BY SA

ON 1/26/90:

INQUIRY WITH SOUTH CENTRAL BELL (SCB) TELEPHONE, JACKSON,
MS., ON 1/26/90, DETERMINED THAT TELEPHONE NUMBER IS
LISTED TO

b6
b7C

b6
b7C

1,2,3

Noted
1/27/90
entered
FOIMS

DIS

12B-997-43
FBI - TAMPA

b6
b7C

A REVIEW OF THE 1988 JACKSON, MISSISSIPPI, SUBURBAN

DIRECTORY LISTED ON [REDACTED]

[REDACTED] WITH NO EMPLOYMENT. INQUIRY WITH MISSISSIPPI DEPARTMENT
OF MOTOR VEHICLE (DMV) SHOWS A MISSISSIPPI DRIVER'S LICENSE
LISTED TO [REDACTED]

OPERATING LICENSE NUMBER [REDACTED] (THIS COULD BE

[REDACTED] SSAN), [REDACTED]

[REDACTED] DRIVER'S LICENSE SUSPENDED
BECAUSE OF MULTIPLE VIOLATIONS. FROM [REDACTED] UNTIL [REDACTED]

[REDACTED] CCH FOR [REDACTED]

NEGATIVE.

MS. DMV REFLECTS A MS. DRIVER'S LICENSE FOR [REDACTED]

[REDACTED] OPERATING

LICENSE NUMBER [REDACTED] (COULD BE SSAN NUMBER), DOB [REDACTED]

[REDACTED] HAS NO RECORD IN CCH.

FURTHER INQUIRY OF MS. DMV REFLECTED THREE VEHICLES
REGISTERED TO [REDACTED] A 1977 FORD LTD, A 1983
CHEVROLET CELEBRITY AND A 1988 MERCURY. DMV REFLECTS NO VEHICLES
REGISTERED TO [REDACTED]

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JACKSON INDICES AS REVIEWD ON 1/26/90, ARE NEGATIVE FOR BOTH

b6
b7C

[REDACTED]
[REDACTED] INTELLIGENCE ANALYST, MS. BUREAU OF

NARCOTICS (MBN), JACKSON, MS. ADVISED THAT IN JULY, 1988, AN

INDIVIDUAL IDENTIFYING [REDACTED] TELEPHONICALLY

CONTACTED MBN TO ADVISE [REDACTED]

b6
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b7D

[REDACTED] MBN THEREAFTER CHECKED WITH U.S. CUSTOMS, WHO

ADVISED [REDACTED]

[REDACTED] MBN ALSO CHECKED AND DETERMINED THAT AS OF JULY,

PAGE FOUR DE FBIJN 0007 ~~SECRET~~

1988, [REDACTED] MBN INTELLIGENCE DIVISION
WAS NEGATIVE REGARDING [REDACTED]

A CHECK OF THE 1987, AND 1988, JACKSON SUBURBAN DIRECTORY
SHOWS NO LISTING FOR [REDACTED] THE 1990
JACKSON TELEPHONE BOOK SHOW [REDACTED] TO
BE LOCATED AT [REDACTED]

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[REDACTED]
BT

#0007

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0001 MRI 00010

90 JAN 27 AM 7:07

PP FBITP

DE FBIBH #0001 0270150

ZNR UUUUU

P 270003Z JAN 90

FM FBI BIRMINGHAM (RUC)

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b7E

TO FBI TAMPA (12B-997-SUB D) (SQ F)/PRIORITY/

BT

UNCLAS

CITE: //3070//

SUBJECT: STARBANK; DRUG MATTER; OO:TP.

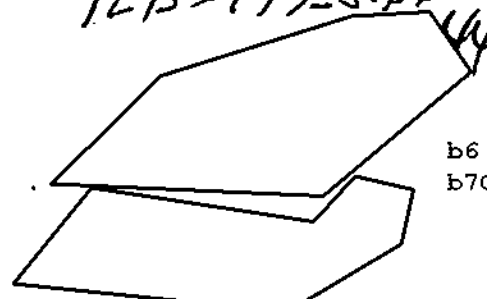
RE TAMPA TELETYPE TO ATLANTA, JANUARY 25, 1990.

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FOIMS

DIS



12B-997-SUB D-144



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b7C

PAGE TWO DE FBIBH 0001 UNCLAS

CONTACT WITH SECURITY DEPARTMENT, SOUTH CENTRAL BELL

TELEPHONE COMPANY PROVIDED THE FOLLOWING SUBSCRIBER INFO:

TELEPHONE NUMBER

[REDACTED]

IS SUBSCRIBED TO BY

[REDACTED]

b6
b7C

[REDACTED]

TELEPHONE

NUMBER

[REDACTED]

IS SUBSCRIBED TO BY

[REDACTED]

[REDACTED]

[REDACTED]

A REVIEW OF THE BIRMINGHAM INDICES WAS NEGATIVE RE

SUBSCRIBERS AND TELEPHONE NUMBERS.

ANY FURTHER INVESTIGATION BEING LEFT TO DISCRETION OF OO.

BT

PAGE THREE DE FBIBH 0001 UNCLAS

#0001

NNNN

0010 MRI 00288

PP FBITP

DE FBIKC #0017 0300426

90 JAN 30 AM 2:29

ZNY ~~SSSSS~~

P 300319Z JAN 90

FM FBI KANSAS CITY (12B-TP-997) (SQ5) (P)

TO FBI TAMPA/PRIORITY/

BT

~~SECRET~~

CITE: //3350: SQ5//

SUBJECT: STARBANK; GENERAL MANUEL NORIEGA; DRUG MATTER; OO:
TAMPA.

RE TAMPA TELETYPE TO KANSAS CITY, DATED JAN. 12, 1990.

PURSUANT TO ISSUANCE OF ADMINISTRATIVE SUBPOENA, FBI,

SOUTHWESTERN BELL TELEPHONE
COMPANY, 500 E. 8TH, KANSAS CITY, MISSOURI, ON JAN. 26,
1990, MADE AVAILABLE SUBSCRIBER INFORMATION FOR THE BELOW
LISTED TELEPHONE NUMBER:

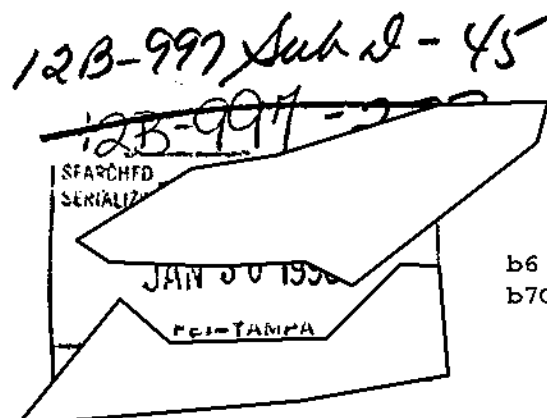
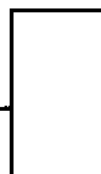
TELEPHONE NUMBER (314) 378-5457 SUBSCRIBED TO BY MARTIN
MACHINERY, MORGAN COUNTY, ROUTE 1, BOX 166, VERSAILLES,

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b7C

*Entered
FOIMS*



D/S



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PAGE TWO DE FBIKC 0017 ~~SECRET~~

MISSOURI. BILLED TO [REDACTED]

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[REDACTED] (ESTABLISHED SERVICE JULY 21, 1986).

KANSAS CITY GENERAL INDICES AND FOIMS NEGATIVE RE

[REDACTED] GENERAL INDICES NEGATIVE RE MARTIN

MACHINERY, AND FOIMS CONTAINS ONE REFERENCE TO MARTIN
MACHINERY IN KANSAS CITY FILE 87F-33815, ENTITLED, "UNSUB;
THEFT OF CATERPILLAR, D6 BULLDOZER, VIN 10K0886, ENGINE
NUMBER 00645, HARRISON, MISSOURI, ITSP, OO: LITTLE ROCK",
WHICH CONTAIN NO PERTINENT INFORMATION.

KANSAS CITY WILL FORWARD ORIGINAL ADMINISTRATIVE FD-
302, ETC. TO TAMPA AT LATER DATE.

BT

#0017

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2D-997 Sub D

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The following investigation was conducted by I.A. [redacted]
[redacted] on 1/31/90:

OTHER Sealed

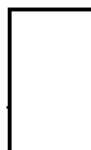
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12D-997 Sub D-86

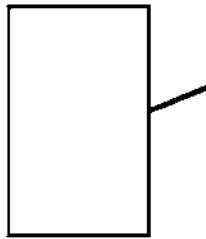
SEARCHED	[redacted]
SERIALIZED	[redacted]
JAN 31 1990	
FBI - TAMPA	

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DIS



DIS



12-997 Sub D-47

SEARCHED	_____
SERIAL	_____
FEB 2 1990	
FBI - TAMPA	

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12B-997 Sub D

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b7C

The following investigation was conducted by I.A.

OTHER Sealed

12B-997 Sub D

[REDACTED]

2

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[REDACTED]

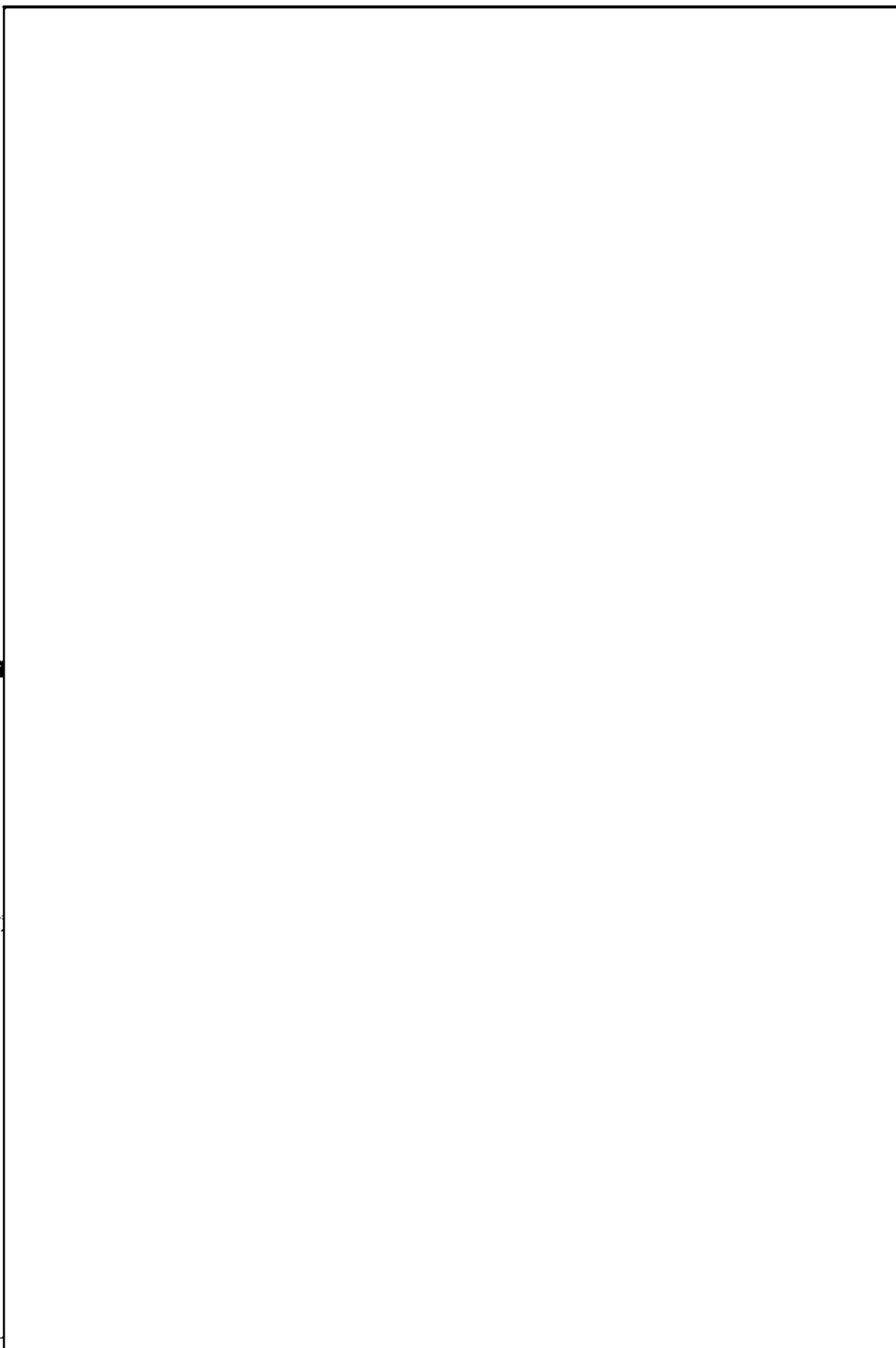
OTHER Sealed

128-997 Sub D

[REDACTED]

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OTHER Sealed

12B-997 Sub D



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OTHER Sealed

12B-997 Sub D

[REDACTED]

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[REDACTED]

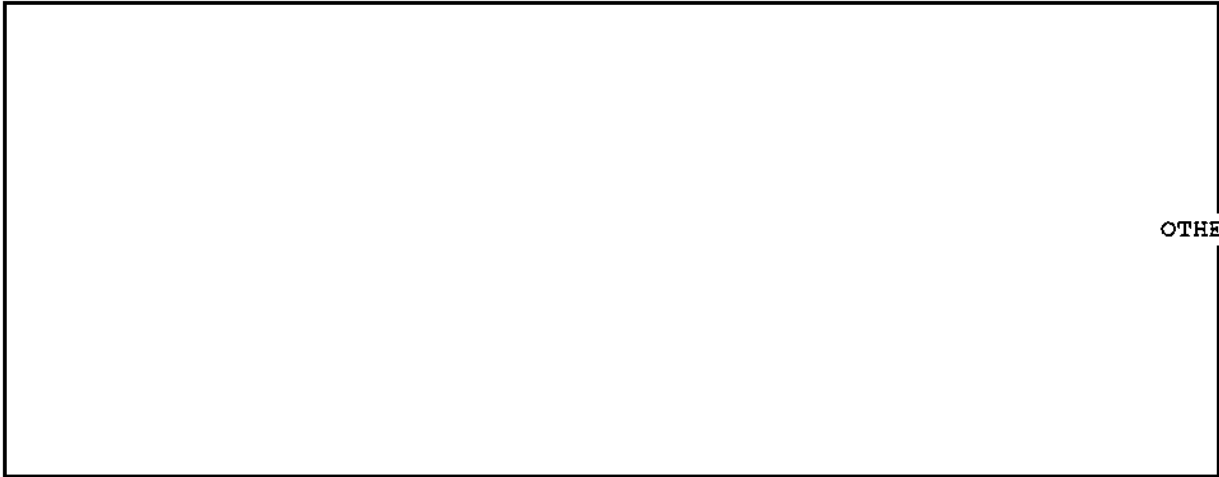
[REDACTED]

OTHER Sealed

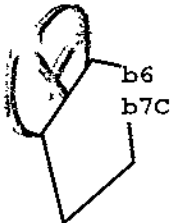
12B-997 Sub D

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The following investigation was conducted by I.A.



OTHER Sealed



12B-997 Sub D-48

SEARCHED
SERIALIZED
FEB 2 1990
FBI - TAMPA

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FOIMS

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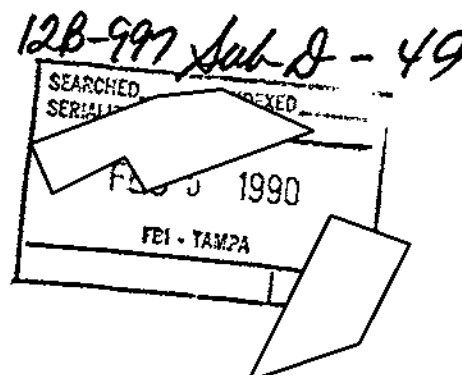


12-B-997 Sub D

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The following investigation was conducted by I.A.

OTHER Sealed



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edited
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0038 MRI 01464

PP FBITP

DE FBICE #0003 0321648

ZNR UUUUU

P 011639Z FEB 90

FM FBI CHARLOTTE (245B-TP-148) (P)

TO FBI TAMPA (12B-997 SUB D) (SQ. 5)/PRIORITY/

BT

UNCLAS

CITE: //3140//

SUBJECT: STARBANK; GENERAL MANUEL NORIEGA; DRUG MATTER; OO:
TAMPA.

REFERENCE TAMPA TELETYPE TO CHARLOTTE, JANUARY 25, 1990.

A REPRESENTATIVE OF THE SOUTHERN BELL TELEPHONE COMPANY,
CHARLOTTE, NORTH CAROLINA, ON JANUARY 31, 1990, ADVISED
TELEPHONE NUMBER 704-588-1091 IS A BUSINESS LISTING TO HPH
USA CORPORATION, 10701 SOUTH COMMERCE BOULEVARD, COMMERCE
BUSINESS PARK, CHARLOTTE, NORTH CAROLINA.

CHARLOTTE INDICES AND FOIMS NEGATIVE.

BT

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12B-997 SUB D - 50

SEARCHED	INDEXED
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PAGE TWO DE FBICE 0003 UNCLAS

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0049 MRI 01895

90 FEB -1 PH 4:08

PP FBITP

DE FBICV #0009 0322029

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P 012010Z FEB 90

FM FBI CLEVELAND (245B-TP-273) (SQ 4) (P)

TO FBI TAMPA (12B-997 SUB D) (SQ 5)/PRIORITY/

BT

~~SECRET~~

CITE: //3170//

SUBJECT: STAR BANK; GENERAL MANUEL NORIEGA; DRUG MATTER,

OO: TAMPA.

THIS COMMUNICATION IS CLASSIFIED ~~"SECRET"~~ IN ITS
ENTIRETY.

RE TAMPA TEL TO ALBUQUERQUE, 1/16/90.

CANTON, OHIO TELEPHONE NUMBER (216) 456-0206,
SUBSCRIBED TO BY ADELMANS TRUCK SALES AND PARTS, 2000
WAYNESBURG DRIVE, CANTON.

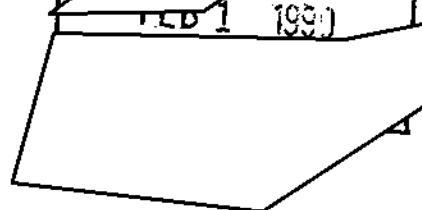
TOLEDO, OHIO TELEPHONE NUMBER (419) 248-3321,
SUBSCRIBED TO BY BEN'S TRUCK PARTS, 958 WALLSTREET, TOLEDO.

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12B-997 SUB D - 51

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PAGE TWO DE FBICV 0009 ~~SECRET~~

CLEVELAND INDICES NEGATIVE RE ADELMANS.

CLEVELAND INDICES REFLECT ONE REFERENCE FOR BEN'S TRUCK
PARTS, INDICATING THAT IT WAS A CHOP SHOP OPERATION.

~~C BY G-3; DECL:QADR~~

BT

#0009

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004 MRI 01141

DECLASSIFICATION AUTHORITY DERIVED FROM:
FBI AUTOMATIC DECLASSIFICATION GUIDE
DATE 07-01-2024 BY:

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PP FBITP

DE FBIJK #0007 0362129

ZNY ~~SSSSS~~

P 052112Z FEB 90

FM FBI JACKSONVILLE (12B-TP-997) (P)

TO FBI TAMPA (12B-TP-997 SUB D)/PRIORITY/

BT

~~SECRET~~

CITE: //3330//

PASS: SQUAD 5.

SUBJECT: STARBANK; DRUG MATTER; OO: TP.

THIS COMMUNICATION IS CLASSIFIED "~~SECRET~~" IN ITS ENTIRETY.

RE TAMPA TEL TO ATLANTA 1/25/90.

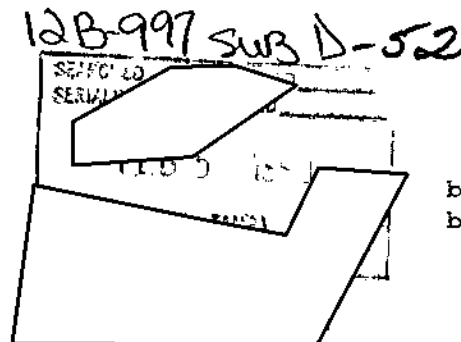
ON 2/2/90 UNITED TELEPHONE COMPANY OF FLORIDA,
LEESBURG, FLORIDA, ADVISED TELEPHONE NUMBER 904/793-6511 LISTED
TO KENNEDY CONCRETE, INC., EAST HIGHWAY 48, BUSHNELL, FLORIDA.

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JACKSONVILLE INDICES NEGATIVE REGARDING KENNEDY CONCRETE,
INC.

CORPORATION RECORDS, STATE OF FLORIDA, DISCLOSE KENNEDY

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forms*



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AGE TWO DE FBIJK 0007 ~~SECRET~~

CONCRETE, INC., INCORPORATED IN THE STATE OF FLORIDA ON 6-7-78
UNDER CHARTER NO. 574-978. CORPORATION IS ACTIVE. FEDERAL TAX
NO. 59-1826520. REGISTERED AGENT LISTED AS A. G. C. COMPANY,
ORLANDO, FLORIDA. [REDACTED]

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[REDACTED]

NO FURTHER INVESTIGATION BEING CONDUCTED BY JACKSONVILLE.

~~C G-3; DRD; OADR.~~

BT

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BY: [redacted]

FBI

[redacted]

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TRANSMIT VIA:

- ☒ Teletype
☐ Facsimile
☐ _____

PRECEDENCE:

- ☐ Immediate
☒ Priority
☐ Routine

CLASSIFICATION:

- ☐ TOP SECRET
☒ ~~SECRET~~ SO.
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 2/2/90

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FM FBI TAMPA ((12B-997 SUB D)) (SQ.5) (P)

TO FBI ATLANTA/PRIORITY/

FBI MIAMI/PRIORITY/

BT

~~SECRET~~

CITE: //3880//

SUBJECT: STARBANK; GENERAL MANUEL NORIEGA; DRUG MATTER; OO:
TAMPA.

THIS COMMUNICATION IS CLASSIFIED "~~SECRET~~" IN ITS
ENTIRETY.

ON [redacted] A COURT ORDER WAS ISSUED AUTHORIZING [redacted]

OTHER Sealed

1-Tampa

12B997 Sub D-53

SEARCHED
INDEXED
SERIALIZED
FILED

(1)

Approved: [redacted]

Transmitted 2281/033 2253
(Number) (Time)

entire forms

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: 1987 O - 193-749 b6
b7C

FBI

TRANSMIT VIA:

- ☐ Teletype
☐ Facsimile
☐ _____

PRECEDENCE:

- ☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

- ☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date _____

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2 ^PAGE TWO DE TP (12B-997 SUB D) ~~SECRET~~
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12 INFORMATION LISTED IN TELETYPE IS OF UTMOST IMPORTANCE
13 IN THE TAMPA DIVISION, AS THIS IS A HIGH PRIORITY MATTER.
14 RECIPIENT OFFICES ARE REQUESTED TO HANDLE THIS MATTER AS
15 EXPEDITIOUSLY AS POSSIBLE.

16 ~~CLASSIFIED BY: G-3; DECLASSIFY ON OADR.~~

17 BT
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Approved: _____ Transmitted _____ Per _____
(Number) (Time)

0063 MRI 02281

PP FBITP

DE FBITP #0023 0332306

ZNY ~~SSSSS~~

P 022252Z FEB 90

FM FBI TAMPA (12B-997 SUB D) (SQ.5) (P)

TO FBI ATLANTA/PRIORITY/

FBI MIAMI/PRIORITY/

BT

~~SECRET~~

CITE: //3880//

SUBJECT: STARBANK; GENERAL MANUEL NORIEGA; DRUG MATTER; OO:
TAMPA.

THIS COMMUNICATION IS CLASSIFIED ~~"SECRET"~~ IN ITS
ENTIRETY.

ON A COURT ORDER WAS ISSUED AUTHORIZING

OTHER Sealed

12-997 Sub D-53

SEARCHED
INDEXED
SERIALIZED
FILED

PAGE TWO DE FBITP 0023 ~~SECRET~~

OTHER Sealed

INFORMATION LISTED IN TELETYPE IS OF UTMOST IMPORTANCE
IN THE TAMPA DIVISION, AS THIS IS A HIGH PRIORITY MATTER.
RECIPIENT OFFICES ARE REQUESTED TO HANDLE THIS MATTER AS
EXPEDITIOUSLY AS POSSIBLE.

CLASSIFIED BY: C-3; DECLASSIFY ON OADR.

BT

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90 FEB -8 PH 4: 34

0028 MRI 02006

PP FBITP

DE FBIKC #0002 0392131

ZNY ~~SSSSS~~

P 082128Z FEB 90

FM FBI KANSAS CITY (12B-TP-997) (SQ5) (P)

TO FBI TAMPA/PRIORITY/

BT

~~SECRET~~

CITE: //3350: SQ5//

SUBJECT: STARBANK; GENERAL MANUEL NORIEGA; DRUG MATTER; OO:
TAMPA.

THIS COMMUNICATION IS CLASSIFIED ~~"SECRET"~~ IN ITS
ENTIRETY.

RE TAMPA TEL TO KC, DATED JAN. 31, 1990.

PURSUANT TO ISSUANCE OF ADMINISTRATIVE SUBPOENA, [REDACTED]

[REDACTED] SOUTHWESTERN BELL TELEPHONE

COMPANY, 500 E. 8TH, KANSAS CITY, MISSOURI, ON FEB. 7, 1990,

MADE AVAILABLE SUBSCRIBER INFORMATION FOR BELOW LISTED

TELEPHONE NUMBER: TELEPHONE NUMBER 913/266-0618 SUBSCRIBED

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Handwritten: ~~SECRET~~ *FAMS*

Handwritten: DIS [REDACTED]

Handwritten: 12B-997 Sub D-54

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SERIALIZED
FEB 8 1990
FBI - TAMPA

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PAGE TWO DE FBIKC 0002 ~~SECRET~~

TO BY MARTIN TRACTOR COMPANY, 1737 SW 42ND ST., TOPEKA,
KANSAS. (NON-PUBLISHED.) (ESTABLISHED SERVICE MAR. 13,
1989.) (BILLED ONTO TELEPHONE NUMBER)

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KANSAS CITY FOIMS NEGATIVE AND GENERAL INDICES CONTAINS
NO PERTINENT INFORMATION.

~~C BY G-3, D ON OADR.~~

BT

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12B-997Sub D.

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The following investigation was conducted by I.A. ;
[redacted] on 2/8/90:

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SERIALIZED

FEB 16 1991

FBI - TAMPA

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12-997Sub D-55

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OTHER Sealed

12B-997 Sub D

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The following investigation was conducted by I.A.
[redacted] on 2/9/90:

OTHER Sealed

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12-997 Sub D-56

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FBI - TAMPA	

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TRANSMIT VIA:

☒ Teletype
☐ Facsimile
☐ _____

FBI

PRECEDENCE:

☐ Immediate
☒ Priority
☐ Routine

CLASSIFICATION: *80*

☐ TOP SECRET
☒ ~~SECRET~~
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date *1/30/90*

1 FM FBI TAMPA (*12B-997 SUB D*) (SQ.5) (P)

2 TO FBI BOSTON/PRIORITY/
3

4 FBI CHARLOTTE/PRIORITY/
5

6 FBI CINCINNATI/PRIORITY/
7

8 FBI CLEVELAND/PRIORITY/
9

10 FBI DALLAS/PRIORITY/
11

12 FBI KANSAS CITY/PRIORITY/
13

14 FBI MIAMI/PRIORITY/
15

16 FBI NEW YORK/PRIORITY/
17

18 BT

19 ~~SECRET~~

20 CITE: //3880//
21

SUBJECT: STARBANK; GENERAL MANUEL NORIEGA; DRUG MATTER; OO:
TAMPA.

THIS COMMUNICATION IS CLASSIFIED ~~"SECRET"~~ IN ITS

1-Tampa

12B-997 SUB D-57

SEARCHED ☒
INDEXED ☒
SERIALIZED ☒
FILED ☒

Approved: [redacted]

Transmitted *1345/031*

(Number)

1653
(Time)

Per [redacted]

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FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☐ _____

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date _____

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2 ^PAGE TWO DE TP (12B-997 SUB D) ~~SECRET~~

3 ENTIRETY.

4 ON [REDACTED]

A COURT ORDER WAS ISSUED AUTHORIZING [REDACTED]

12 OTHER Sealed

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Approved: _____ Transmitted _____ Per _____
(Number) (Time)

FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☐ _____

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date _____

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OTHER Sealed

9 ~~CLASSIFIED BY: G-3; DECLASSIFY ON OADR.~~
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Approved: _____ Transmitted _____ Per _____
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0031 MRI 01345

PP FBITP

DE FBITP #0001 0311659

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P 311652Z JAN 90

FM FBI TAMPA (12B-997 SUB D) (SQ.5) (P)

TO FBI BOSTON/PRIORITY/

FBI CHARLOTTE/PRIORITY/

FBI CINCINNATI/PRIORITY/

FBI CLEVELAND/PRIORITY/

FBI DALLAS/PRIORITY/

FBI KANSAS CITY/PRIORITY/

FBI MIAMI/PRIORITY/

FBI NEW YORK/PRIORITY/

BT

~~SECRET~~

CITE: //3880//

SUBJECT: STARBANK; GENERAL MANUEL NORIEGA; DRUG MATTER; OO:

TAMPA.

THIS COMMUNICATION IS CLASSIFIED ~~"SECRET"~~ IN ITS

12B-997 Sub D - 57

SEARCHED ☒
INDEXED ☒
SERIALIZED ☒
FILED ☒

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PAGE TWO DE FBITP 0001 ~~SECRET~~

ENTIRETY.

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A COURT ORDER WAS ISSUED AUTHORIZING

OTHER Sealed

PAGE THREE DE FBITP 0001 ~~SECRET~~

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~~CLASSIFIED BY: C-3; DECLASSIFY ON OADR.~~

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0006 MRI 02180

90 JAN 32 AM 12:05

RR FBITP

DE FBIDE #0023 0320220

ZNY EEEEE

R 312256Z JAN 90

FM FBI DETROIT (12B-TP-997) (C-10) (P)

TO FBI TAMPA/ROUTINE/

BT

UNCLAS ~~E F T O~~

CITE: //3220//

SUBJECT: STARBANK; GENERAL MANUEL NORIEGA; DRUG MATTER; OO:
TAMPA.

RE TAMPA TELETYPE DATED JANUARY 16, 1990.

PURSUANT TO AN ADMINISTRATIVE SUBPOENA, MICHIGAN BELL
TELEPHONE COMPANY, DETROIT, MICHIGAN, CAUSED SUBSCRIBER
INFORMATION TO BE MADE AVAILABLE FOR THE FOLLOWING TELEPHONE
NUMBER:

(313) 476-7875; G.S.E. INC.; 23640 RESEARCH DRIVE,
FARMINGTON HILLS, MICHIGAN.

NO INFORMATION OF VALUE WAS OBTAINED AS A RESULT OF



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12B-997-SUB D-57

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INDICES CHECKS ON SUBSCRIBER.

BT

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R 010248Z FEB 90

FM FBI LOS ANGELES (12B-TP-997) (RUC)

TO FBI TAMPA/ROUTINE/

BT

UNCLAS ~~E F T O~~

CITE: //3410:0656:D-2//

SUBJECT: *Auto* [REDACTED] *Auto* 12B-997-Fug
2450-147-4
STARBANK; GENERAL MANUEL NORIEGA; DRUG MATTER; OO:
TAMPA.

RE TAMPA TELETYPE TO LOS ANGELES, JANUARY 16, 1990.

ON JANUARY 18, 1990, A SOURCE AT [REDACTED] ADVISED

LOS ANGELES INDICES NEGATIVE.

BT

#0018

NNNN

DIS

☒ AUTOMATED INDEX SEARCH

MANUAL SEARCH _____

*entered
FOIMS*

90 FEB -1 AM 2:04

b3
b7E

b6
b7C
b7D

b6
b7C

12B-997-SUB-59

SEARCHED
SERIAL

FEB 1 1990

b6
b7C

FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☒ AIRTEL

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 1/30/89

1 TO: SAC, TAMPA

2 FROM: SAC, DETROIT (12B-TP-997) (PUC) (C-10)

3 ✓ STARBANK

4 MANUEL NORIEGA;

5 DRUG MATTER;

6 OO: TAMPA

Re Tampa teletype dated 1/16/90.

7 Enclosed for Tampa is an executed administrative
 8 subpoena (FD-617) used to obtain subscriber information from
 9 MICHIGAN BELL TELEPHONE COMPANY, Detroit, Michigan.

10 ~~In view of the fact no investigation remains,~~
 11 ~~this matter is PUC.~~

12 ② - Tampa (Enc. 1)

13 1 - Detroit

14 (3)

15 12-997 Sub-D-60
 16 ~~12-997-308~~

17 Approved: _____ Transmitted _____

(Number)

(Time)

18 AUTOMATED INDEX SEARCH _____

19 MANUAL SEARCH _____

FBI/DOJ

b3
 b6
 b7C
 b7E

b6
 b7C

b6
 b7C

90 FEB -7 AM 2:09

0002 MRI 02150

PP FBITP

DE FBINY #0072 0380309

ZNY ~~SSSSS~~

P 062303Z FEB 90

FM FBI NEW YORK (12B-TP-R997) (P)

TO FBI TAMPA (12B-TP-997 SUB D)/PRIORITY/

BT

~~SECRET~~

CITE: //3540:3613//

PASS: .

SUBJECT: STARBANK; GENERAL MANUEL NORIEGA; DRUG MATTER; OO:TP.

THIS COMMUNICATION IS CLASSIFIED "~~SECRET~~" IN ITS ENTIRETY.

REFERENCE TAMPA TELETYPES TO NEW YORK, DATED JANUARY 22, 1990
AND JANUARY 25, 1990.

A REVIEW OF THE COLES DIRECTORIES REFLECTED THAT TELEPHONE
NUMBERS [REDACTED] ARE NON-PUBLISHED
TELEPHONE NUMBERS. AN ADMINISTRATIVE SUBPOENA HAS BEEN FURNISHED TO
THE NEW YORK TELEPHONE COMPANY AND SUBSCRIBER INFORMATION WILL BE
FURNISHED AS SOON AS IT IS MADE AVAILABLE.

b6
b7C

b6
b7C

DIS - [REDACTED]

entered
FAMS

12-997 Sub D - 61
~~12-997-305~~

b6
b7C

PAGE TWO DE FBINY 0072 ~~SECRET~~

A REVIEW OF THE COLES DIRECTORIES REFLECTED THAT TELEPHONE
NUMBER [REDACTED] IS LISTED TO A [REDACTED]
[REDACTED]

A REVIEW OF NEW YORK INDICES FAILED TO REFLECT ANY REFERENCES
CONCERNING [REDACTED]

b6
b7c

~~C BY G-3; D ON OADR.~~

BT

#0072

NNNN

90 FEB 12 AM 9:41

0002 MRI 00554

OO FBITP

DE FBICI #0001 0431442

ZNY ~~SSSSS~~

O 121353Z FEB 90

FM FBI CINCINNATI (12B-TP-997) (CRA) (P)

TO FBI TAMPA (12B-TP-997 SUB D) (SQ. 5)/IMMEDIATE/

BT

~~SECRET~~

CITE: //3160//

SUBJECT: STARBANK; GENERAL MANUEL NOREIGA; DRUG MATTER.

OO:TAMPA.

THIS COMMUNICATION IS CLASSIFIED ~~"SECRET"~~ IN ITS ENTIRETY.

RE TAMPA TELETYPE TO BOSTON, JANUARY 31, 1990.

ON FEBRUARY 8, 1990, A REVIEW OF THE HAINES CRISS-CROSS
DIRECTORY FOR 1989 WAS MADE AND THE FOLLOWING SUBSCRIBER
DETERMINED:

NUMBER 614-272-1016 IS ONE OF MANY NUMBERS FOR ENGINE
REBUILDER SUPPLY CORPORATION, 1525 HARRISBURG PIKE, COLUMBUS,
OHIO. THE MAIN NUMBER FOR THIS CORPORATION IS 614-272-1525.

*entered
FAMS*

DIS

12-997 Sub J-62

SEARCHED
SERIALIZED
FEB 17 1990
FBI - TAMPA

PAGE TWO DE FBICI 0001 ~~SECRET~~

CINCINNATI INDICES WAS NEGATIVE REGARDING ENGINE REBUILDER
SUPPLY CORPORATION.

INVESTIGATION CONTINUING AT CINCINNATI.

~~C&E G-3, DRD OADR~~

BT

#0001

NNNN

90 FEB 12 PM 6:42

0041 MRI 01651

PP FBI TP

DE FBIMM #0027 0432354

ZNY ~~SSSSS~~

P 122326Z FEB 90

FM FBI MIAMI (12B-TP-997) (N-5) (P)

TO FBI TAMPA (12B-TP-997 SUB D) (SQUAD 5)/PRIORITY/

BT

~~SECRET~~

CITE: //3460//

SUBJECT: STARBANK; GENERAL MANUEL NORIEGA; DRUG MATTER; OO:
TAMPA.

RE TAMPA TELETYPE TO ATLANTA, 2/2/90.

A REVIEW OF THE 1988 HILL-DONNELLY CROSS REFERENCE DIRECTORY
REFLECTS TELEPHONE (305) 852-9222 IS SUBSCRIBED TO BY KEYS
HOSPITAL FOUNDATION, PLANTATION KEY, KEY LARGO, FLORIDA.

DUE TO THE NATURE OF THE SUBSCRIBER NO FURTHER BACKGROUND
INVESTIGATION IS BEING CONDUCTED BY MIAMI.

INVESTIGATION CONTINUING AT MIAMI.

BT

#0027

NNNN

*entered
FOIMS*

DIS



12B-997-SUBD-63

SEARCHED	INDEXED
SERIALIZED	FILED

[REDACTED]

12-997 Sub-D-64

SEARCHED	_____
SERIAL	_____
OCT 1963	

b6
b7C

entered
Forms

DIS- []

12B-997 Sub D

b6
b7C

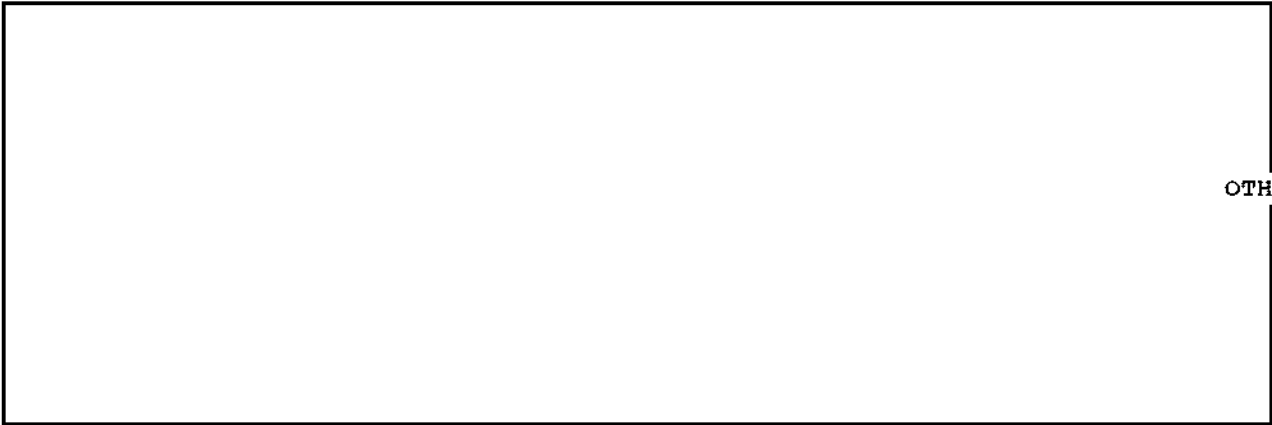
The following investigation was conducted by I.A.

OTHER Sealed

12B-997 Sub D


2

b6
b7C

 OTHER Sealed

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 2/13/90

Pursuant to subpoenas served to [redacted]
[redacted] GENERAL TELEPHONE COMPANY, Tampa, Florida
Dated January 17, 1990, January 24, 1990, January 25, 1990,
January 30, 1990 and January 31, 1990 the following information
was furnished:

b6
b7C

813-680-3677	Cross referenced to main # 3DI-0780 to FMC CORP Fairway Avenue Lakeland, Florida. 33801 Date of Service 6/27/88
1-800- 228-3407	BURDEN SALES 1000 W. O Street Lincoln, Nebraska 68528
1-800-321-1077	IBI 1775 Air Ways Memphis, Tennessee 38114
1-800-826-9119	SUNCOAST CONTROLS 2829 East Highway 92 Lakeland, Florida 33801
1-800-869-7577	This number -is assigned to U.S. SPRINT (Separate Subpoena needed)
229-9311	Cross referenced to main # 223-2341 TORQUE QUIP CORP. 216 12th Street S. Tampa, Florida 33602 Date of service 4/24/73
228-7702	DIXIE BEARINGS INC. 626 13th Street N. Tampa, Florida 33602 Date of service 1/10/74

[redacted] No account found

b6
b7C

Investigation on 2/12/90 at Tampa, Florida File # 12B-997 Sub D-65
by F.A. [redacted] Date dictated 2/13/90

b6
b7C

Continuation of interview of

Page 2

b6
b7C

1-800- 243-8160

INFO 800
12 Roosevelt Avenue
Stonington Ct. 06355

1-800-251-9012

JEFFREY CHAIN
2307 Maden Drive
Morristown, Tn. 37813-2894

1-800-742-0044

NONFERROUS BOLT & MANUFACTURING
4085 Nevso Avenue
Las Vegas, Nv. 89103

1-800-328-4323

UNITED BEARING
1031 Maderia Avenue
Minneapolis, Minn. 55405

1-800-556-7690

MULE BATTERY MANUFACTURING
325 Valley Street
Providence, RI 02908

1-800-645-5088

BEARING LIMITED
20 DAVIDS DRIVE
Hauppauge, N.Y. 11788

1-800-433-5502

TANDY CORP
200 Throckmorton
Ft. Worth, Tx 76102

1-800-669-1669

U.S. SPRINT (Separate
Subpoena needed to determine
subscriber)

1-800-669-1919

U.S. SPRINT (separate Subpoena)

No account found

b6
b7C

1-800-334-5191

ENGINE REGUILDERS SUPPLY
2575 Harrisburg Pike
Columbus, Ohio 43223

1-800-433-7380

AMERICAN AIRLINES RESERVATIONS
4700 American Boulevard E.
Ft. Worth, Texas

Continuation of interview of [REDACTED]

Page 3

b6
b7C

1-800-433-7300

AMERICAN AIRLINES RESERVATIONS
4700 American Boulevard E.
Ft. Worth, Texas

1-800-686-6708

NOT GTE

1-800-669-1669

U.S. SPRINT
(separate Subpoena)

1-800-669-1919

NOT GTE

1-800-826-9119

SUNCOAST CONTROLS
2829 E. Highway 92
Lakeland, Florida

1-813-247-4999

TAYLOR INDUSTRIAL SALES CO
2810 Long
Tampa, Florida 33605
Date of service 8/28/89

[REDACTED]

[REDACTED]

b6
b7C

[REDACTED]

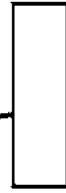
[REDACTED]

1-813-248-3877

JAMES W. KNIGHT ELECTRIC INC
3810 50th Street S.
Tampa, Florida 33619
Date of service 3/28/85.

Entered
FOIMS

DIS



12-997 Sub J-65

SEARCHED	INDEXED
SERIAL	FILED
FEB 20 1993	
FBI - TAMPA	

b6
b7c

90 FEB 14 AM 11:05

0017 MRI 01317

PP FBITP

DE FBINY #0021 0451559

ZNR UUUUU

P 141535Z FEB 90

FM FBI NEW YORK (BQ 12B-R997) (P)

TO FBI TAMPA (12B-997)/PRIORITY/

BT

UNCLAS

CITE: //3540:3613//

SUBJECT: STARBANK; GENERAL MANUEL NORIEGA; DRUG MATTER; 00:TAMPA;
(C-13).

THIS COMMUNICATION IS CLASSIFIED ~~"SECRET"~~ IN ITS ENTIRETY.

RE TAMPA TELETYPE TO NEW YORK, DATED JANUARY 31, 1990.

A REVIEW OF THE 1990 COLES DIRECTORIES REFLECTED THE FOLLOWING
SUBSCRIBER INFORMATION CONCERNING TELEPHONE NUMBERS IN REFERENCED
TELETYPE:

212-304-1212

BUSINESS LISTING

ASOCIACION POPULAR DE AHORROS

Y PRESTAMOS

CP
b6
b7C

*entered
FOIMS*

DIS

12-997 Sub D-66

SEARCHED	INDEXED
SERIALIZED	FILED

1990

b6
b7C

PAGE TWO DE FBINY 0021 UNCLAS

207 DYCKMAN STREET

NEW YORK, NEW YORK

NON-PUBLISHED

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

NON-PUBLISHED

b6
b7C

SUBSCRIBER INFORMATION CONCERNING NON-PUBLISHED TELEPHONE
NUMBERS WILL BE OBTAINED THROUGH THE ISSUANCE OF AN ADMINISTRATIVE
SUBPOENA AND WILL BE FURNISHED AS EXPEDITIOUSLY AS POSSIBLE.

NY INDICES WILL BE SEARCHED CONCERNING SUBSCRIBERS AND ANY
PERTINENT INFORMATION WILL BE FURNISHED.

~~C BY G-3; D ON OADR.~~

BT

#0021

NNNN

12B-997 Sub D

b6
b7C

The following investigation was conducted by I.A.
[redacted] on 2/14/90

OTHER Sealed

Entered
FOIMS

DIS

12-997 Sub-D-07

SEARCHED
SERIALIZED

FBI - TAMPA

b6
b7C

12B-997 Sub D



b6
b7c

OTHER Sealed

0021 MRI 01757

90 FEB 15 PM 4:09

RR FBITP

DE FBIMM #0011 0462104

ZNR UUUUU

R 152042Z FEB 90

FM FBI MIAMI (12B-TP-997) (N-5) (P)

TO FBI TAMPA (12B-TP-997)/ROUTINE/

BT

UNCLAS

CITE: //3460//

SUBJECT: ✓ STARBANK; GENERAL MANUEL NORIEGA; DRUG MATTER; OO:
TAMPA.

RE TAMPA TELETYPE TO MIAMI DATED FEBRUARY 9, 1990.

THE 1989 MIAMI BRESSER'S REFLECTS THE FOLLOWING SUBSCRIBER
INFORMATION: (305) 592-8685 - CANNON EXPRESS, INC., 8016
NORTHWEST 66TH STREET, MIAMI, FLORIDA; (305) 825-0098 - OCEAN AIR
FORWARD, 5319 WEST 20TH AVENUE, HIALEAH, FLORIDA.

b6
b7C

MIAMI HAS ISSUED AN ADMINISTRATIVE SUBPOENA TO SOUTHERN BELL
TELEPHONE COMPANY, MIAMI, FLORIDA, FOR NON-PUBLISHED NUMBERS.
MIAMI WILL FORWARD RESULTS WHEN OBTAINED.

AUTOMATED INDEX SEARCH

MANUAL SEARCH

Entered
FOIMS

DIS

12B-TP-997-500 D-69

SEARCHED
SERIALIZED
15 1990

b6
b7C

PAGE TWO DE FBIMM 0011 UNCLAS

MIAMI INVESTIGATION CONTINUING.

BT

#0011

NNNN

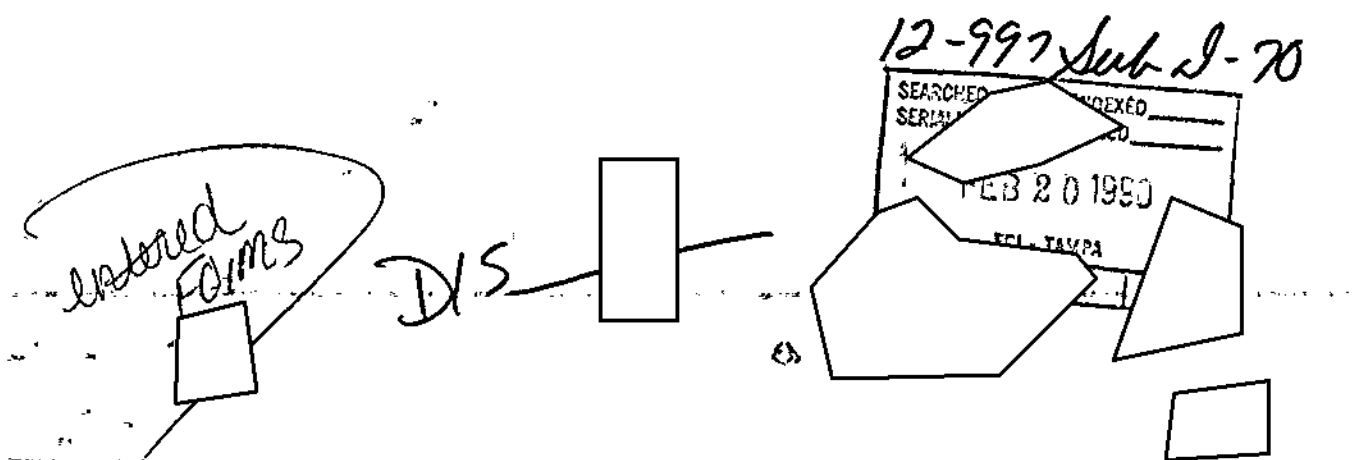
FEDERAL BUREAU OF INVESTIGATION

Date of transcription 2/20/90

Pursuant to a subpoena served to [redacted]
[redacted] General Telephone Company, Tampa, Florida Dated
February 9, 1990 the following information was provided:

b6
b7C

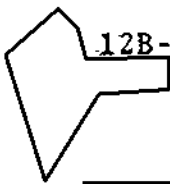
Subscriber information regarding telephone number 813-272-4096
is a cross referenced number to 1DI-0129 (main switchboard)
the main number for HILLSBOROUGH COUNTY 901 Kennedy Boulevard
East Tampa, Florida 33602.

b6
b7Cb6
b7C

Investigation on 2/15/90 at Tampa, Florida File # 12B-997 Sub D

by I.A. [redacted] Date dictated 2/20/90

b6
b7C



12B-997 Sub D

b6
b7C

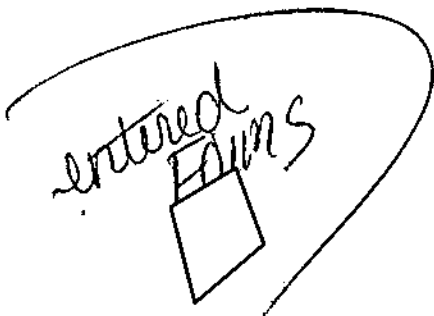
The following investigation was conducted by I.A.
[redacted] on 2/16/90:



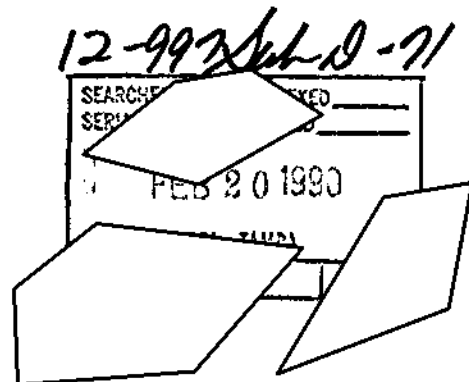
OTHER Sealed



b6
b7C



DIS-



b6
b7C

0036 MRI 01720

PP FBITP

DE FBINY #0071 0472244

ZNY ~~SSSSS~~

P 162040Z FEB 90

FM FBI NEW YORK (BQ 12B-TP-R997) (P)

TO FBI TAMPA (12B-TP-997)/PRIORITY/

BT

~~SECRET~~

CITE: //3540:3613//

SUBJECT: STARBANK; GENERAL MANUEL NORIEGA; DRUG MATTER; 00:TP.

THIS COMMUNICATION IS CLASSIFIED "~~SECRET~~" IN ITS ENTIRETY.

REFERENCE TAMPA TELETYPE TO NEW YORK, DATED JANUARY 25, 1990
AND NEW YORK (BROOKLYN-QUEENS) TELETYPE TO TAMPA, DATED FEBRUARY 7,
1990.

RECORDS OF NEW YORK TELEPHONE COMPANY AS OBTAINED THROUGH THE
ISSUANCE OF AN ADMINISTRATIVE SUBPOENA REFLECT THAT THE SUBSCRIBER
TO TELEPHONE NUMBER [REDACTED]

b6
b7C

IT SHOULD BE NOTED THAT UTILITY RECORDS REFLECT THAT [REDACTED]

*Entered
FOIMS*
*Noted
2/16/90*

AUTOMATED INDEX SEARCH _____
MANUAL SEARCH _____

DIS [REDACTED]

12B-997-SUBD-72
SEARCHED _____
SERIALIZED _____
INDEXED _____
FILED _____
FEB 1990
FBI TAMPA

b6
b7C

PAGE TWO DE FBINY 0071 ~~SECRET~~

[REDACTED] IS OCCUPIED BY

b6
b7c

[REDACTED]
NEW YORK INDICES WERE CHECKED UNDER BOTH SPELLINGS WITH
NEGATIVE RESULTS.

~~C BY G-3; D ON OADR.~~

BT

#0071

NNNN

0050 MRI 02238

90 FEB 16 PM 6:15

PP FBITP

DE FBINK #0011 0472346

ZNR UUUUU

P 162316Z FEB 90

FM FBI NEWARK (245B-TP-273) (RUC)

TO FBI TAMPA (12B-997 SUB D)/PRIORITY/

BT

UNCLAS

CITE: //3510:SQ C-6//

SUBJECT: STARBANK; GENERAL MANUEL NORIEGA; DRUG MATTER; OO: TP.

RE: TAMPA TELETYPE TO NEWARK, DATED 2/9/90.

FOR INFORMATION OF TAMPA, INVESTIGATION AT NJ BELL SECURITY DIVISION INDICATES TELEPHONE NUMBER (201) 885-1800 (ADDITIONAL LINE), SUBSCRIBED TO BY DAIDO CORPORATION, 885 CENTENNIAL AVENUE, PISCATAWAY, NJ. MAIN TELEPHONE NUMBER OF DAIDO CORPORATION, 885 CENTENNIAL AVENUE, PISCATAWAY, NJ, LISTED AS 201-885-1700.

b6
b7C

NEWARK DIVISION IN 1989 INVESTIGATION, MIDDLESEX COUNTY,

PAGE TWO, NK 245B-TP-273, UNCLAS

NEW JERSEY, STREET ADDRESS DIRECTORY AND CITY GUIDE IDENTIFIES

AUTOMATED INDEX SEARCH

MANUAL SEARCH

Entered
FOIMS

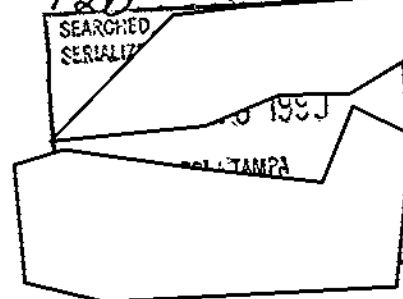
2/16/90

DIS

12B-997 Sub D-73

SEARCHED
SERIALIZED

b6
b7C



PAGE TWO DE FBINK 0011 UNCLAS

THE FOLLOWING NAMES WITH TELEPHONE NUMBER 201-885-1700:

STEELCRAFT TOOL, DIVISION OF DAIDO CORPORATION, 885 CENTENNIAL AVENUE, PISCATAWAY, NEW JERSEY (LISTED SINCE 1981); CORP-ROLLER CHAIN DIVISION, 885 CENTENNIAL AVENUE, PISCATAWAY, NJ (LISTED SINCE 1983). TRUECRAFT TOOL, DIVISION OF DAIDO CORP., 885 CENTENNIAL AVENUE, PISCATAWAY, NJ (LISTED SINCE 1981) TELEPHONE NUMBER LISTED AS 201-885-1850.

NEWARK INDICES SEARCHES SHOWS FILE NUMBER 87-22453 INDICATES THEFT OF GIL-FLEX TRAILER CONTAINING \$44,000 WORTH OF ASSORTED HAND TOOLS FROM STEEL CRAFTS TOOL COMPANY, EAST RUTHERFORD, NJ, IN JANUARY 1971; FILE NUMBER 87-23352 INDICATES THEFT OF 22 SOLID COPPER WELDING EQUIPMENT ARMS FROM STEEL CRAFT COMPANY, 191 MURRAY STREET, NEWARK, NJ, ON 10/14/71; FILE NUMBER 87-23395 INDICATES THEFT OF SOLID COPPER ARMS WELDING EQUIPMENT VALUED AT \$5,000 FROM STEEL CRAFT, 191 MURRAY STREET, NEWARK, NJ, ON 10/25/71; FILE NUMBER 183-1661-7, VOLUME 2, SERIAL 83, PAGE 7, INDICATES TELEPHONE NUMBER 201-885-1700, LISTED TO DAIDO CORP., 885 CENTENNIAL AVENUE, PISCATAWAY, NJ, IDENTIFIED IN TELEPHONE PAGE THREE, NK 245B-TP-273, UNCLAS
RECORD CHECK OF HOWARD'S EXPRESS, 185 STATE HIGHWAY 17, EAST RUTHERFORD, NJ, TELEPHONE NUMBER 201-935-4110. NK 183-1661-7

PAGE THREE DE FBINK 0011 UNCLAS

PERTAINS TO INVESTIGATIVE LEADS INTO [REDACTED] AND
HOWARD'S EXPRESS RE: RICO-MURDER INVESTIGATION, JANUARY 1983.
NEWARK INDICES SEARCHES ON CORP-ROLLER CHAIN DIVISION AND
TRUECRAFT TOOL, 885 CENTENNIAL AVENUE, PISCATAWAY, NJ, WERE
NEGATIVE.

b6
b7C

TELEPHONE NUMBER 201-805-1900 (NONPUBLISHED, MAIN LINE)
SUBSCRIBED TO BY DAIDO CORPORATION, 1100 COTTONTAIL LANE,
SOMERSET, NJ. FRANKLIN TOWNSHIP, NJ RA INVESTIGATION IN 1989
SOMERSET COUNTY, NJ, STREET ADDRESS DIRECTORY AND CITY GUIDE
NEGATIVE ON DAIDO CORPORATION, 1100 COTTONTAIL LANE, SOMERSET,
NJ. NEWARK INDICES SEARCHES ON DAIDO CORPORATION, 1100
COTTONTAIL LANE, SOMERSET, NJ, WERE NEGATIVE.

TELEPHONE NUMBER 201-805-0122 (NONPUBLISHED, ADDITIONAL
LINE) SUBSCRIBED TO BY DAIDO CORPORATION, 1100 COTTONTAIL
LANE/615 PIERCE, SOMERSET, NJ. FRANKLIN TOWNSHIP, NJ RA
INVESTIGATION IN 1989 SOMERSET COUNTY, NJ, STREET ADDRESS
DIRECTORY AND CITY GUIDE SHOWS DAIDO CORPORATION, 615 PIERCE,
PAGE FOUR, NK 245B-TP-273, UNCLAS
SOMERSET, NJ, TELEPHONE NUMBER 201-805-1900 (LISTED SINCE 1989).
NEWARK INDICES SEARCHES ON DAIDO CORPORATION, 615 PIERCE,

PAGE FOUR DE FBINK 0011 UNCLAS

SOMERSET, NJ, WERE NEGATIVE.

AS NEWARK DIVISION DOES NOT ANTICIPATE ANY FURTHER
INVESTIGATION AT THIS TIME, THIS MATTER IS CONSIDERED RUC.

BT

#0011

NNNN

0006 MRI 00330

90FEB17 AM 2:16

PP FBITP

DE FBISU #0008 0480544

ZNY ~~SSSSS~~

P 170258Z FEB 90

FM FBI SALT LAKE CITY (12B-TP-997) (RUC)

TO FBI TAMPA (12B-TP-997 SUB D)/PRIORITY/

BT

~~SECRET~~

CITE: //3750//

PASS: SQUAD 5.

SUBJECT: STARBANK; GENERAL MANUEL NORIEGA; DRUG MATTER; OO:TP.

RE TAMPA TELETYPE TO MIAMI AND SALT LAKE CITY, 2/12/90.

ON 2/13/90, A REPRESENTATIVE OF U.S. WEST COMMUNICATIONS,
SALT LAKE CITY, UTAH, ADVISED THAT TELEPHONE NUMBER (801)
379-2929 IS LISTED TO TEL SOURCE, INC., 334 EAST CENTER STREET,
PROVO, UTAH. THIS COMPANY IS A TELEPHONE ANSWERING SERVICE.

b6
b7C

SALT LAKE CITY INDICES WERE NEGATIVE REGARDING SAME.

~~C BY 2335, D ON OADR.~~

BT

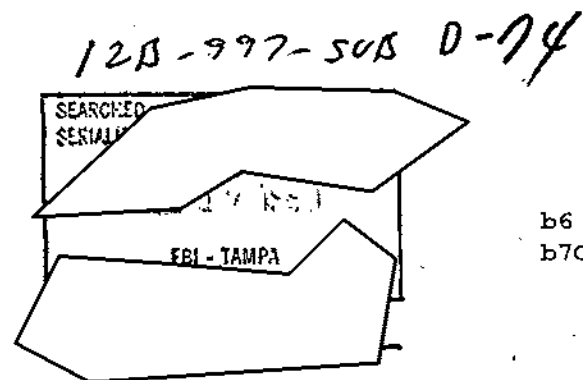
#0008

NNNN

Noted
2/17/90

entire
FOIMS

DS



b6
b7C

FEDERAL BUREAU OF INVESTIGATION

- 1 -

Date of transcription 2/13/90

An administrative subpoena was issued on February 8, 1990, by Assistant Special Agent in Charge (ASAC) [redacted] FEDERAL BUREAU OF INVESTIGATION (FBI), Miami, Florida, directed to [redacted] SOUTHERN BELL TELEPHONE COMPANY, Miami, Florida, calling for production of telephone company records to an Investigative Assistant (IA).

b6
b7C

Pursuant to this subpoena, records to the SOUTHERN BELL TELEPHONE COMPANY were reviewed and the following subscriber information was obtained for the following telephone numbers:

(305) 635-1123
635-1339

Star Sale International Corporation
2333 Northwest 7th Place
Miami, Florida 33127

SOUTHERN BELL TELEPHONE COMPANY records furnished by [redacted] on February 13, 1990 to IA [redacted]

b6
b7C

⑦ [redacted]

b6
b7C

12-997 Sub A-75

SEARCHED
SERIALIZED
FEB 21 1990

b6
b7C

Entered
FAMS

DIS-

Investigation on 2/13/90 at Miami, Florida File # 12B-TP-997

by IA [redacted] Date dictated 2/13/90

b6
b7C

FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☒ AIRTEL

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 2/13/90

1 TO : SAC, TAMPA (12B-997 SUB D)
 2 FROM : SAC, MIAMI (12B-TP-997) (P)
 3 SUBJECT: STARBANK;
 4 GENERAL MANUEL NORIEGA;
 5 DRUG MATTER;
 6 OO: TAMPA

7 Re Tampa teletype to Miami dated January 31, 1990.

8 Enclosed for Tampa are the following:

9 1) Original executed administrative subpoena served
 10 on SOUTHERN BELL TELEPHONE COMPANY, Miami, Florida.

11 2) Original and one copy of an FD-302 re the service
 12 of an administrative subpoena served on SOUTHERN BELL TELEPHONE
 13 COMPANY, Miami.

14 The 1989 Miami Bressers reflects the following
 15 subscriber information:

16 (305) 541-4410

17 Consolidated National
 18 2195 Southwest 8th Street
 19 Miami, Florida

20 Miami indices checks were conducted regarding
 21 subscribers with negative results.

Miami investigation continuing.

② - Tampa (Enc. 3)
 1 - Miami

(3)

1A23

D15

12-997 Sub A-76

SERIAL
 FEB 16 1990

Entered
 Approved: [Signature]

Transmitted

(Number) (Time)

b6
 b7C

b6
 b7C

12B-997 Sub D

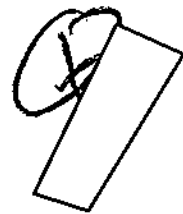


b6
b7C

The following investigation was conducted by I. A. 
 2/21/90:

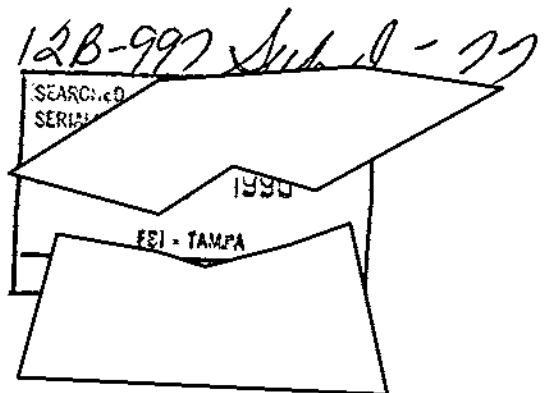
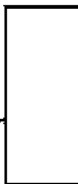


OTHER Sealed



b6
b7C

DIS-



b6
b7C

12B-997 Sub D

b6
b7C

The following investigation was conducted by I.A.
[redacted] on 1/20/90 :

OTHER Sealed

12B997 Sub D - 28

SEARCHED
SERIALIZED
FEB 21 1990
FBI - TAMPA

b6
b7C

Entered
FOIMS
[redacted]

DIS [redacted]

FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 1/30/90

Pursuant to issuance of Administrative Subpoena, FEDERAL BUREAU OF INVESTIGATION (FBI), [REDACTED] SOUTHWESTERN BELL TELEPHONE COMPANY, 500 E. 8th Street, Kansas City, Missouri, made available subscriber information for the below-listed telephone number:

b6
b7C

Telephone number (314) 378-5457 subscribed to by MARTIN MACHINERY, Morgan County, Route 1, Box 166, Versailles, Missouri. Billed to [REDACTED]

b6
b7C

[REDACTED] (Established service 7/21/86)

Investigation on 1/26/90at Kansas City, Missouri

Kansas City

File # 12B-TP-997Sub D-79

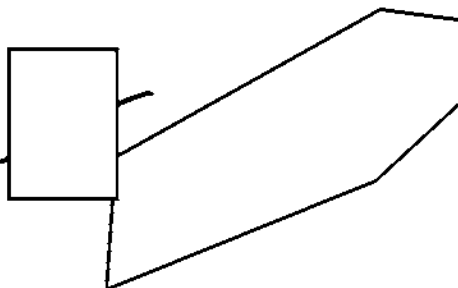
by

IA [REDACTED]

Date dictated 1/29/90b6
b7C

entered
FOIMS

DIS-



12B-TP-997 Sub D-79

SEARCHED	INDEXED
SERIALIZED	FILED
JUN 8 1989	
FBI - TAMPA	

b6
b7C

SECRET

FBI

b6
b7C

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☒ AIRTEL

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 1/30/90

TO SAC, TAMPA

FROM SAC, KANSAS CITY (12B-TP-997) (RUG)

SUBJECT: STARBANK;
GENERAL MANUEL NORIEGA;
DRUG MATTER;
OO: TAMPA

b6
b7C

This communication is classified ~~Secret~~ in its entirety.

Re Tampa teletype to Kansas City, dated 1/12/90; and
Kansas City teletype to Tampa, dated 1/29/90.

Enclosed for Tampa are the original and one copy of an
FD-302 re the original Administrative Subpoena and
telephone subscriber information.

b6
b7C

Kansas City division is conducting no further
investigation unless advised by office of origin.

b6
b7C

(2) - Tampa (Encs. 4)
1 - Kansas City

AUTOMATED INDEX SEARCH MANUAL SEARCH ^{1*} SEARCHED
SERIALIZED

FEB 08 1990

b3
b6
b7C
b7EApproved:

Transmitted

(Number) (Time)

CLASSIFIED BY G-3
DECLASSIFY ON: OADR

SECRET

FEDERAL BUREAU OF INVESTIGATION

- 1 -

Date of transcription 1/31/90

An administrative subpoena was issued on January 18, 1990, by [redacted] Assistant Special Agent in Charge, directed to [redacted] SOUTHERN BELL TELEPHONE COMPANY (SBTC), Fort Lauderdale, Florida, calling for production of telephone company records to an Investigative Assistant (IA).

Pursuant to this subpoena, a representative of SBTC furnished subscriber information as reflected on the attached customer service record.

b6
b7Cb6
b7C

Entered
FOIMS
[redacted]

DTS-[redacted]

[redacted]

12B-997 Sub A-81
[redacted]
[redacted]
[redacted]

b6
b7C

Investigation on 1/30/90 at Miami, Florida File # 12B-TP-997

by IA [redacted] Date dictated 1/30/90

b6
b7C

FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☒ AIRTEL

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 1/31/90

1 [redacted] SAC, TAMPA (12B-997 SUB D)
 2 [redacted] : SAC, MIAMI (12B-TP-997) (P)
 3 SUBJECT: STARBANK;
 4 GENERAL MANUEL NORIEGA;
 5 DRUG MATTER;
 6 (OO: TAMPA)

7 Re Tampa teletype, dated 1/16/90.

8 Enclosed for Tampa are the following:

9 1. Original executed Administrative subpoena directed
 10 to [redacted] SOUTHERN BELL TELEPHONE COMPANY (SBTC),
 11 Fort Lauderdale, Florida, along with subscriber information
 12 attached thereto.

13 2. Original and one copy of an FD-302 reflecting
 14 subscriber information obtained pursuant to above subpoena.

15 Miami indices contain numerous references to
 16 subscriber. Without further background information, Miami unable
 17 to identify.

18 Investigation continuing.

19 2 - Tampa (Enc. 3)

20 2 - Miami

21 (4)

12B-997-SUB D-82

FEB 12 1990

Approved: _____

Transmitted _____

(Number) (Time)

b6
b7Cb6
b7Cb6
b7Cb6
b7C

0026 MRI 01110

PP FBITP

DE FBITP #0001 0401715

ZNY ~~SSSSS~~

P 091709Z FEB 90

FM FBI TAMPA (12B-997, SUB D) (SQ. 5) (P)

TO FBI ATLANTA/PRIORITY/

FBI MIAMI/PRIORITY/

FBI NEWARK/PRIORITY/

BT

~~SECRET~~

CITE: //3880//

SUBJECT: STARBANK; GENERAL MANUEL NORIEGA; DRUG MATTER;

OO:TP.

THIS COMMUNICATION IS CLASSIFIED ~~"SECRET"~~ IN ITS
ENTIRETY.

ON [REDACTED] A COURT ORDER WAS ISSUED AUTHORIZING [REDACTED]

OTHER Sealed

12B997 Sub D-83

SEARCHED [REDACTED]
INDEXED [REDACTED]
SERIALIZED [REDACTED]
FILED [REDACTED]

2 
PAGE TWO DE FBITP 0001 ~~SECRET~~

OTHER Sealed

PAGE THREE DE FBITP 0001 ~~SECRET~~

[REDACTED]

INFORMATION LISTED IN THIS TELETYPE IS OF THE UTMOST
IMPORTANCE IN THE TAMPA DIVISION AS THIS IS A HIGH PRIORITY
MATTER.

OTHER Sealed

[REDACTED]

CLASSIFIED BY G-3; DECLASSIFY ON OADR.

BT

#0001

NNNN

FBI

D. [redacted] 0014.040
CLASSIFICATION:
☐ TOP SECRET
☒ ~~SECRET~~
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS
Date 2-9-90

b6
b7C

TRANSMIT VIA:

☒ Teletype
☐ Facsimile
☐ _____

PRECEDENCE:

☐ Immediate
☒ Priority
☐ Routine

1
2 FM FBI TAMPA (12B-997, SUB D) (SQ. 5) (P)

3 TO FBI ATLANTA/PRIORITY/

4 FBI MIAMI/PRIORITY/

5 FBI NEWARK/PRIORITY/

6 BT

7 ~~SECRET~~

8 CITE: //3880//

9
10 SUBJECT: STARBANK; GENERAL MANUEL NORIEGA; DRUG MATTER;

11 OO:TP.

12 THIS COMMUNICATION IS CLASSIFIED "~~SECRET~~" IN ITS
13 ENTIRETY.

14 ON [redacted] A COURT ORDER WAS ISSUED AUTHORIZING [redacted]

15
16 OTHER Sealed

17 1-Tampa
18 [redacted]
19 (1)

12B997 Sub D-83

SEARCHED [redacted]
INDEXED [redacted]
SERIALIZED [redacted]
FILED [redacted]

21
Approved: [redacted]

Transmitted

1110/040
(Number)

1710
(Time)

Per [redacted]

93-749

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b7C

FBI

TRANSMIT VIA:

- ☐ Teletype
☐ Facsimile
☐ _____

PRECEDENCE:

- ☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

- ☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date _____

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OTHER Sealed

Approved: _____ Transmitted _____ Per _____
(Number) (Time)

FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☐ _____

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date _____

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2 ^PAGE THREE DE TP (12B-997, SUB D) ~~SECRET~~

OTHER Sealed

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8 INFORMATION LISTED IN THIS TELETYPE IS OF THE UTMOST
9 IMPORTANCE IN THE TAMPA DIVISION AS THIS IS A HIGH PRIORITY
10 MATTER.

OTHER Sealed

11
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14 ~~CLASSIFIED BY G-3; DECLASSIFY ON OADR.~~

15 BT
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Approved: _____ Transmitted _____ Per _____
(Number) (Time)

0014 MRI 00987

PP FBITP

DE FBITP #0007 0431915

ZNY ~~SSSSS~~

P 121907Z FEB 90

FM FBI TAMPA (12B-997, SUB D) (SQ. 5) (P)

TO FBI MIAMI/PRIORITY/

FBI SALT LAKE CITY/PRIORITY/

BT

~~SECRET~~

CITE: //3880//

SUBJECT: STARRANK; GENERAL MANUEL NORIEGA; DRUG MATTER;

OO:TP.

ON A COURT ORDER WAS ISSUED AUTHORIZING

OTHER Sealed

12B 997 Sub D-84
SEARCHED
INDEXED
SERIALIZED
FILED

b6
b7C

~~DIS~~

PAGE TWO DE FBITP 0007 ~~SECRET~~

OTHER Sealed

INFORMATION LISTED IN TELETYPE IS OF UTMOST IMPORTANCE
IN THE TAMPA DIVISION AS THIS IS A HIGH PRIORITY MATTER.

OTHER Sealed

CLASSIFIED BY G-3; DECLASSIFY ON OADR.

BT

#0007

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FBI

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b7C

TRANSMIT VIA:

☒ Teletype☐ Facsimile☐ _____

PRECEDENCE:

☐ Immediate☒ Priority☐ Routine

CLASSIFICATION:

☐ TOP SECRET☒ ~~SECRET~~☐ CONFIDENTIAL☐ UNCLAS E F T O☐ UNCLASDate 2-12-901
2 FM FBI TAMPA (12B-997, SUB D) (SQ. 5) (P)

3 TO FBI MIAMI/PRIORITY/

4 FBI SALT LAKE CITY/PRIORITY/

5 BT

6 ~~SECRET~~

7 CITE: //3880//

8
9 SUBJECT: STARBANK; GENERAL MANUEL NORIEGA; DRUG MATTER;

10 OO:TP.

11 ON [REDACTED] A COURT ORDER WAS ISSUED AUTHORIZING [REDACTED]

12 [REDACTED]

13 [REDACTED]

14 [REDACTED]

15 [REDACTED]

16 [REDACTED]

17 [REDACTED]

18 [REDACTED]

19 [REDACTED]

20 [REDACTED]

21 [REDACTED]

OTHER Sealed

1 - Tampa

(1)

12B 997 Sub A - 84
SEARCHED
INDEXED
SERIALIZED
FILED

Approved: [REDACTED]

Transmitted

987/043 1908
(Number) (Time)

Per [REDACTED]

GPO : 1987

FBI

TRANSMIT VIA:

- ☐ Teletype
☐ Facsimile
☐ _____

PRECEDENCE:

- ☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

- ☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date _____

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OTHER Sealed

8 INFORMATION LISTED IN TELETYPE IS OF UTMOST IMPORTANCE
9 IN THE TAMPA DIVISION AS THIS IS A HIGH PRIORITY MATTER.
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11

OTHER Sealed

12
13 CLASSIFIED BY G-3; DECLASSIFY ON OADR.
14

15 BT
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Approved: _____ Transmitted _____ Per _____
(Number) (Time)

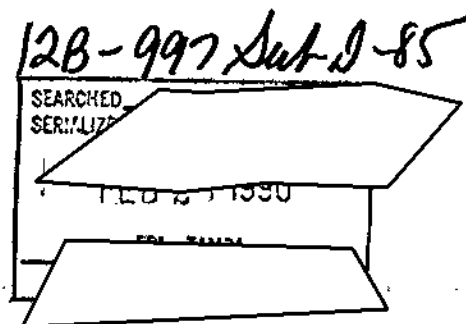
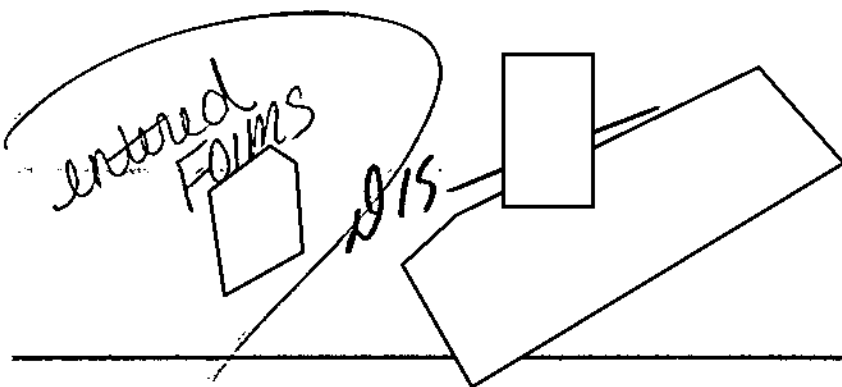
FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 2/13/90

Pursuant to issuance of an Administrative Subpoena, FEDERAL BUREAU OF INVESTIGATION, [REDACTED] SOUTHWESTERN BELL TELEPHONE COMPANY, 500 East 8th, Kansas City, Missouri, made available subscriber information for the below listed telephone number:

b6
b7C

Telephone number (913) 266-0618, subscribed to by MARTIN TRACTOR COMPANY, 1737 Southwest 42nd Street, Topeka, Kansas. (Non-published). (Billed on to telephone number [REDACTED]. (Established service March 13, 1989).

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b7Cb6
b7Cb6
b7C

Investigation on 2/7/90 at Kansas City, Missouri File # 12B-TP-997

by IA [REDACTED] Date dictated 2/8/90

b6
b7C

FBI

b6
b7C

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☒ AIRTEL

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

~~SECRET~~Date 2/13/90

1 TO  SAC, TAMPA
 2 FROM  KANSAS CITY (12B-TP-997) (SQ5) (RUC)
 3 SUBJECT: STARBANK;
 4 GENERAL MANUEL NORIEGA;
 5 DRUG MATTER;
 6 OO:TAMPA

b6
b7C

7 This communication is classified ~~"SECRET"~~ in its
 8 entirety.

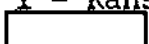
9 Re Tampa teletype to Kansas City, dated 1/31/90, and
 10 Kansas City teletype to Tampa, dated 2/8/90.

11 Enclosed for Tampa are the original and one copy of an
 12 FD-302 re  an original Administrative Subpoena and
 13 telephone subscriber information.

b6
b7C

14 Kansas City Division is conducting no further investiga-
 15 tion unless advised by office of origin.

~~SECRET~~
 CLASSIFIED BY G-3
 DECLASSIFIED ON: OADR

16
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 18
 19 (2) - Tampa (Encls. 4)
 20 1 - Kansas City
 21 
 (3)

1*

12B-997 Sub A-86

AUTOMATED INDEX SEARCH

MANUAL SEARCH 

Approved: _____

Transmitted _____

(Number)

(Time)

b6
b7C

0026 MRI 01792

PP FBITP

DE FBITP #0006 0462109

ZNY ~~SSSSS~~

P 152100Z FEB 90

FM FBI TAMPA (12B-997, SUB D) (SQ. 5) (P)

TO FBI NEW YORK/PRIORITY/

FBI MIAMI/PRIORITY/

BT

~~SECRET~~

CITE: //3880//

SUBJECT: STARBANK; GENERAL MANUEL NORIEGA; DRUG MATTER;

OO:TP.

THIS COMMUNICATION IS CLASSIFIED ~~"SECRET"~~ IN ITS
ENTIRETY.

ON A COURT ORDER WAS ISSUED AUTHORIZING

OTHER Sealed

12B997 Sub D-87

SEARCHED

INDEXED

SERIALIZED

FILED

PAGE TWO DE FBITP 0006 ~~SECRET~~

OTHER Sealed

~~CLASSIFIED BY G-E; DECLASSIFY ON OADR.~~

BT

#0006

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FBI

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TRANSMIT VIA:

- ☒ Teletype
☐ Facsimile
☐ _____

PRECEDENCE:

- ☐ Immediate
☒ Priority
☐ Routine

CLASSIFICATION:

- ☐ TOP SECRET
☒ ~~SECRET~~
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 2-15-901
2 FM FBI TAMPA ((12B-997, SUB D)) (SQ. 5) (P)3 TO ^{FBI}NEW YORK/PRIORITY/

4 FBI MIAMI/PRIORITY/

5 BT

6 ~~SECRET~~

7 CITE: //3880//

8
9 SUBJECT: STARBANK; GENERAL MANUEL NORIEGA; DRUG MATTER;

10 OO:TP.

11 THIS COMMUNICATION IS CLASSIFIED "~~SECRET~~" IN ITS
12 ENTIRETY.

13 ON [REDACTED] A COURT ORDER WAS ISSUED AUTHORIZING [REDACTED]

14
15 OTHER Sealed16
17
18 1-Tampa

19 [REDACTED]

20 (11)

21 SEARCHED [REDACTED]

INDEXED

SERIALIZED

FILED

Approved: [REDACTED]

Transmitted

1792/046

(Number)

2100

(Time)

Per [REDACTED]

193-749

FBI

TRANSMIT VIA:

- ☐ Teletype
☐ Facsimile
☐ _____

PRECEDENCE:

- ☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

- ☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
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Date _____

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^PAGE TWO (12B-997, SUB D) ~~SECRET~~

OTHER Sealed

~~CLASSIFIED BY G-2, DECLASSIFY ON OADR.~~

BT

Approved: _____ Transmitted _____ Per _____
(Number) (Time)

FBI

00310.047

b6
b7C

TRANSMIT VIA:

☒ Teletype
☐ Facsimile
☐ _____

PRECEDENCE:

☐ Immediate
☒ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☒ ~~SECRET~~
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 2-16-90

1
2 FM FBI TAMPA ((12B-997, SUB D)) (SQ. 5) (P)

3 TO DIRECTOR FBI/PRIORITY/

4 BT

5 ~~SECRET~~

6 CITE: //3880//

7 PASS: OLIA.

8
9 SUBJECT: STARBANK; DRUG MATTER; OO:TP.

10 THIS COMMUNICATION IS CLASSIFIED "~~SECRET~~" IN ITS
11 ENTIRETY.

12 ON [redacted] A COURT ORDER WAS ISSUED AUTHORIZING [redacted]

b6
b7C

OTHER Sealed

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17 1 - Tampa

18 [redacted]

19 (1)

12B997 Sub D - 88
SEARCHED [redacted]

INDEXED

SERIALIZED

FILED [redacted]

b6
b7C

20
21
Approved: [redacted]

Transmitted

1469/047
(Number)

1857
(Time)

Per [redacted]

GPO

3-749

FBI

TRANSMIT VIA:

- ☐ Teletype
☐ Facsimile
☐ _____

PRECEDENCE:

- ☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

- ☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date _____

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OTHER Sealed

Approved: _____ Transmitted _____ Per _____
(Number) (Time)

FBI

TRANSMIT VIA:

- ☐ Teletype
☐ Facsimile
☐ _____

PRECEDENCE:

- ☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

- ☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date _____

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OTHER Sealed

Approved: _____ Transmitted _____ Per _____
(Number) (Time)

FBI

TRANSMIT VIA:

- ☐ Teletype
☐ Facsimile
☐ _____

PRECEDENCE:

- ☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

- ☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date _____

1
2 ^PAGE FOUR DE TP (12B-997, SUB D) ~~SECRET~~

3 INFORMATION LISTED IN TELETYPE IS OF THE UTMOST
4 IMPORTANCE IN THE TAMPA DIVISION AS THIS IS A HIGH PRIORITY
5 MATTER.

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OTHER Sealed

~~CLASSIFIED BY G-3; DECLASSIFY ON OADR.~~

BT

Approved: _____ Transmitted _____ Per _____
(Number) (Time)

0026 MRI 01469

PP FBITP

DE FBITP #0004 0471902

ZNY ~~SSSSS~~

P 161856Z FEB 90

FM FBI TAMPA (12B-997, SUB D) (SQ. 5) (P)

TO DIRECTOR FBI/PRIORITY/

BT

~~SECRET~~

CITE: //3880//

PASS: OLIA.

SUBJECT: STARBANK; DRUG MATTER; OO:TP.

THIS COMMUNICATION IS CLASSIFIED "~~SECRET~~" IN ITS
ENTIRETY.

ON A COURT ORDER WAS ISSUED AUTHORIZING

OTHER Sealed

12B997 Sub D-88

SEARCHED
INDEXED
SERIALIZED
FILED



PAGE TWO DE FBITP 0004 ~~SECRET~~

OTHER Sealed

b6
b7C

PAGE THREE DE FBITP 0004 ~~SECRET~~

OTHER Sealed

INFORMATION LISTED IN TELETYPE IS OF THE UTMOST
IMPORTANCE IN THE TAMPA DIVISION AS THIS IS A HIGH PRIORITY
MATTER.

PAGE FOUR DE FBITP 0004 ~~SECRET~~

OTHER Sealed

~~CLASSIFIED BY G-3; DECLASSIFY ON OADR.~~

BT

#0004

NNNN

FBI

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b7C

TRANSMIT VIA:

☒ Teletype
☐ Facsimile
☐ _____

PRECEDENCE:

☐ Immediate
☒ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☒ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 2-20-90

1
2 FM FBI TAMPA ((12B-997, SUB D)) (SQ. 5) (P)

3 TO FBI CHICAGO/PRIORITY/

4 BT

5 ~~SECRET~~

6 CITE: //3880//

7
8 SUBJECT: STARBANK; OO:TP.

9 ON [redacted]

A COURT ORDER WAS ISSUED

10 AUTHORIZING [redacted]

11
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13 OTHER Sealed

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18 1 - Tampa

19 [redacted]
20 (1)

12B997 Sub D-89
SEARCHED
INDEXED
SERIALIZED
FILED

21
Approved: [redacted]

Transmitted

1030/051 1954
(Number) (Time)

Per [redacted]

GPO :

249

FBI

TRANSMIT VIA:

- ☐ Teletype
☐ Facsimile
☐ _____

PRECEDENCE:

- ☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

- ☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date _____

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OTHER Sealed

CLASSIFIED BY G-3; DECLASSIFY ON OADR.

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Approved: _____ Transmitted _____ Per _____
(Number) (Time)

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PP FBITP

DE FBITP #0005 0511938

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P 201954Z FEB 90

FM FBI TAMPA (12B-997, SUB D) (SQ. 5) (P)

TO FBI CHICAGO/PRIORITY/

BT

~~SECRET~~

CITE: //3880//

SUBJECT: STARBANK; OO:TP.

ON [REDACTED]

A COURT ORDER WAS ISSUED

AUTHORIZING [REDACTED]

OTHER Sealed

12B997 Sub D-89

SEARCHED [REDACTED]
INDEXED
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FILED

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OTHER Sealed

CLASSIFIED BY C-3; DECLASSIFY ON OADR.

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TRANSMIT VIA:

☒ Teletype
☐ Facsimile
☐ _____

PRECEDENCE:

☐ Immediate
☒ Priority
☐ Routine

CLASSIFICATION: *07-05-2024*

☐ TOP SECRET
☒ ~~SECRET~~
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 2-21-90

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2 FM FBI TAMPA (12B-997, SUB D) (SQ. 5) (P)

3 TO FBI ATLANTA/PRIORITY/

4 BT

5 ~~SECRET~~

6 CITE: //3880//

7
8 SUBJECT: STARBANK; GENERAL MANUEL NORIEGA; DRUG MATTER;

9 OO:TP.

10 ON [redacted] A COURT ORDER WAS ISSUED AUTHORIZING [redacted]

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OTHER Sealed

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SEARCHED _____
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FILED _____

Approved: [redacted]

Transmitted

1301052
(Number)

1731
(Time)

P [redacted]

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FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☐ _____

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
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Date _____

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Approved: _____ Transmitted _____ Per _____
(Number) (Time)

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DE FBITP #0006 0521734

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P 211730Z FEB 90

FM FBI TAMPA (12B-997, SUB D) (SQ. 5) (P)

TO FBI ATLANTA/PRIORITY/

BT

~~SECRET~~

CITE: //3880//

SUBJECT: STARBANK; GENERAL MANUEL NORIEGA; DRUG MATTER;

OO:TP.

ON [REDACTED] A COURT ORDER WAS ISSUED AUTHORIZING [REDACTED]

OTHER Sealed

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#0006

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1990 FEB 22 PM 4:30

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DE FBINY #0052 0532110

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FM FBI NEW YORK (BQ 12B-TP-R997) (P)

TO FBI TAMPA (12B-TP-997)/PRIORITY/

BT

~~SECRET~~

CITE: //3540:3613//

SUBJECT: STARBANK; GENERAL MANUEL NORIEGA; DRUG MATTER; OO:TP.

THIS COMMUNICATION IS CLASSIFIED "SECRET" IN ITS ENTIRETY.

REFERENCE TAMPA TELETYPE TO NEW YORK, DATED JANUARY 31, 1990,
AND NEW YORK TELETYPE TO TAMPA, DATED FEBRUARY 13, 1990.

A REVIEW OF NEW YORK INDICES CONCERNING ASOCIACION POPULAR DE
AHORROS Y PRSSTAMOS, 207 DYCKMAN STREET, NEW YORK, NEW YORK,

SUBSCRIBER TO TELEPHONE NUMBER (212) 304-1212 AND [REDACTED]

[REDACTED] SUBSCRIBER TO TELEPHONE NUMBER

[REDACTED] WAS MADE WITH NEGATIVE RESULTS.

LEAD:

*entered
FOIMS*
[REDACTED] DIS - [REDACTED]

12B-997 - SUBD

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FBI - TAMPA	

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NEW YORK DIVISION

AT NEW YORK, NEW YORK. NEW YORK WILL FURNISH SUBSCRIBER
INFORMATION CONCERNING TELEPHONE NUMBERS [REDACTED] AND [REDACTED]

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[REDACTED] AS SOON AS IT IS MADE AVAILABLE.

~~C BY G-3, D ON OADR.~~

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1990 FEB 22 PM 10:43

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DE FRIAT #0004 0540307

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FM FPI ATLANTA (12F-997) (P)

TO FBI TAMPA (12B-997 SUB D)/PRIORITY/

BT

~~SECRET~~

CITE: //3040:SQ 6//

SUBJECT: STARFRANK; GENERAL MANUEL NORIEGA; DRUG MATTER; OO:
TAMPA.

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THIS COMMUNICATION IS CLASSIFIED "~~SECRET~~" IN ITS ENTIRETY.
REFERENCE TAMPA TELETYPE TO ATLANTA DATED FEBRUARY 2, 1990.
ON FEBRUARY 20, 1990, INVESTIGATION AT ATLANTA REVEALED THE
FOLLOWING INFORMATION:

TELEPHONE NUMBER [REDACTED] IS SUBSCRIBED TO BY [REDACTED]

[REDACTED]

ATLANTA DIVISION INDICES INDICATE SEVERAL REFERENCES TO THE
NAME [REDACTED] BUT REVEAL NOTHING THAT WOULD BE IDENTICAL

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TO ABOVE SUBSCRIBER.

CLASSIFIED BY: G-3; DECLASSIFY ON: OADR.

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DE FBIAT #0007 0581628

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P 271551Z FEB 90

FM FBI ATLANTA. (12B-TP-997) (P)

TO FBI TAMPA (12B-TP-997)/PRIORITY/

BT

~~SECRET~~

CITE: //3040:SQ 6//

SUBJECT: STARBANK; GENERAL MANUEL NORIEGA; DRUG MATTER; OO:
TAMPA.

THIS COMMUNICATION IS CLASSIFIED ~~SECRET~~ IN ITS ENTIRETY.

REFERENCE TAMPA TELETYPE TO ATLANTA DATED JANUARY 9, 1990
AND JANUARY 16, 1990; TAMPA TELETYPE TO ALBUQUERQUE DATED JANUARY
16, 1990.

ON JANUARY 22, 1990, INVESTIGATION AT ATLANTA REVEALED THE
FOLLOWING INFORMATION:

TELEPHONE NUMBER [REDACTED] IS SUBSCRIBED TO BY [REDACTED]

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NUMBER [] IS SUBSCRIBED TO BY []

ATLANTA INDICES NEGATIVE REGARDING ABOVE SUBSCRIBERS.

~~CLASSIFIED BY: G-3; DECLASSIFY ON: OADR.~~

BT

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