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SUBJECT Drug Smuggling and the Contras

J JANE WALLACE: Good evening. Welcome to "West 57th."

Our first story tonight contains new and startling information that indicates the American government got involved in smuggling drugs to supply the Nicaraguan contras. That's right, drug smuggling, organized by the CIA to support the contras.

Congress is already investigating the covert network set up by the White House and the CIA to secretly supply the contras with guns and money. But tonight you'll hear from three men who say as incredible as it sounds, that the government, through the sale of marijuana and cocaine, helped fund that secret war. The basic scheme, confirmed in three dozen interviews, was simple. Fly weapons down to the contras. Using the same planes and pilots, secretly fly drugs back to the United States. Then sell the drugs and use the proceeds to buy more weapons for the contras.

To keep the contras armed and fighting, according to the Tower Commission, the White House started the secret weapons' network in 1984. Those organizing the gun shipments included former and current CIA operatives. But what wasn't in the Tower Commission report is that among those recruited to fly weapons to Central America were known drug traffickers.

p MIKE TOLLIVER: We're talking about millions and millions of dollars.

WALLACE: Do you really believe the government decided to get into the drug business in order to pay for the contras? The American government?

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TOLLIVER: As incredulous as it may sound, I believe that they not only decided to get into it, I think they orchestrated the whole thing.

WALLACE: Mike Tolliver is a pilot whose principal occupation has been smuggling drugs. He's currently serving a 3 1/2 year sentence in a federal prison in Miami for a conviction unrelated to the secret flights he made for the contras. He says he was approached in 1985 by longtime CIA operatives to run what they called supplies.

TOLLIVER: It was military supplies. And I didn't have to be a real dummy not to figure out what that was.

WALLACE: What did you think it was?

TOLLIVER: Guns, ammunition for the contras. And as an extra added bonus, we could -- I could freelance on the way back....

WALLACE: Meaning what?

TOLLIVER: Well, I mean we could -- we could bring back our own cargo. And they would arrange it, or we could bring back their cargo without ever having to worry about interception, arrest, anything like this. Everything was taken care of.

WALLACE: What kind of cargo were you talking about?

TOLLIVER: Drugs.

WALLACE: What kind of drugs?

TOLLIVER: Whatever you wanted. Marijuana, cocaine.

WALLACE: Whatever you want to come back with, fine; make sure you get through Customs....

TOLLIVER: We can make sure -- it was my understanding that they would make sure that we wouldn't get caught. They would provide not only the cargo, but the landing areas, crews, everything.

WALLACE: A drug run.

TOLLIVER: Yeah.

WALLACE: They would help to provide the drugs if you wanted.

TOLLIVER: Absolutely, which, indeed, they did.

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WALLACE: Why did the CIA allow drug planes to come into the United States loaded with coke for the U. S.?

GEORGE MORALES: Money.

[Clip from sports broadcast.]

WALLACE: George Morales is a world champion boat racer. He is also a world renowned cocaine trafficker whose empire extended from Colombia to Miami. Morales was indicted for running cocaine in 1984. He says the CIA used his indictment to pressure him into providing planes, pilots, and \$3 million in cash to the contras. He, too, is in federal prison awaiting sentencing on the '84 charge.

You're saying drug planes were allowed into the States as long as somebody was kicking some money into the contra coffer.

MORALES: Definitely.

WALLACE: Is this like just a one-time occurrence....

MORALES: No.

WALLACE: ....somebody snuck in?

MORALES: No.

WALLACE: Frequent?

MORALES: Yes.

WALLACE: Routine?

MORALES: Yes.

TOLLIVER: Believe it or not, the entire business was compartmentalized. You've got -- I'm like a Teamster. You know, I'm in transportation. You've got people that are in loading; you've got people that are in off-loading; you've got people that are in distribution; people that are in sales, you know; like an IBM situation.

WALLACE: Tolliver says he had two meetings with this man, Rafael Quintero, a veteran CIA contract agent who was coordinating secret weapons' flights for the covert network. Then Tolliver made two flights.

In March of 1986, he was instructed to fly to Honduras. He landed at the air strip at Aguacate, a contra resupply base

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set up by the CIA.

TOLLIVER: We have about 28,000 pounds of military supplies, guns, ammunition, things like that.

WALLACE: And when you landed in Honduras, no checking, no customs, no....?

TOLLIVER: Well, I didn't think the customs people were going to be out there in the jungle, to be honest with you.

WALLACE: What kind of cargo were you bringing back?

TOLLIVER: Twenty-five thousand and change of pot.

WALLACE: Twenty-five thousand pounds of pot?

TOLLIVER: Yes. Marijuana. One plane.

WALLACE: And so the people who you believe set up you up with the arms effort also set you up with the twenty-five....

TOLLIVER: Oh, of course. Sure.

WALLACE: Twenty-five thousand pounds of pot?

TOLLIVER: And change, yeah. That's what -- the piece of paper they gave me said twenty-five, I think, three-sixty.

WALLACE: So what do you do with that twenty-five thousand pounds of pot?

TOLLIVER: We take off from Tegucigalpa, Honduras, and we leave.

WALLACE: To?

TOLLIVER: South Florida.

WALLACE: Where in south Florida?

TOLLIVER: We landed at Homestead.

WALLACE: Homestead?

TOLLIVER: Air Force Base.

WALLACE: You got twenty-five thousand pounds of marijuana and landed it at Homestead Air Force Base?

TOLLIVER: That's correct.

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WALLACE: With whose clearance?

TOLLIVER: I was given a discreet transponder code, the squawk, about two hours south of Miami. I received my instructions from the ground for traffic separation. I told them what my destination was.

WALLACE: What did you say?

TOLLIVER: I told them that we were a non-scheduled military flight into Homestead Air Force Base.

WALLACE: What happened when you landed?

TOLLIVER: We landed about, hmmm, 1:30, 2:00 in the morning, I guess. And a little blue truck came out and met us, and it had a little white sign on it that said "Follow me...."

WALLACE: And you did.

TOLLIVER: And we followed it, right.

WALLACE: To where?

TOLLIVER: Some area of the field. I have no idea. I've never been there before or since.

WALLACE: Were you surprised you were going to land all this pot at an Air Force base?

TOLLIVER: Well, I was a little taken-aback, to be honest with you. I was somewhat concerned about it. I figured it was a set-up, you know, or it was a DEA bust or a sting, or something like that.

WALLACE: And instead, nothig happens to you.

TOLLIVER: No, the little guy in the truck puts us in the pick-up truck and takes us out, and I got in a taxicab.

WALLACE: Did you get paid for the flight?

TOLLIVER: Seventy-five thousand dollars.

WALLACE: Tolliver identifies this as the plane he flew. The plane traces to a company that was hired by the government to fly humanitarian supplies to the contras at the same time Tolliver made his flight.

How do you know the CIA was aware of these drug planes entering the States?

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MORALES: They actually saw the transactions.

WALLACE: They saw the drug transactions?

MORALES: Yes.

WALLACE: You mean like unloading a plane full of coke, or what?

MORALES: Yes.

WALLACE: They saw that?

MORALES: Yes.

WALLACE: Here in the States?

MORALES: No.

WALLACE: Where?

MORALES: Out of the States.

WALLACE: Central America?

MORALES: Yes.

WALLACE: According to Morales and seven other sources, weapons from the United States were shipped here to northern Costa Rica, only miles from the contra war. They say the planes landed at several air strips controlled by this man, John Hull, a CIA operative placed by the Tower Commission in several meetings with Oliver North. A half dozen sources call Hull a key player in North's secret weapons' network. They say it was under Hull's direction that the guns were taken off the plane and the cocaine loaded on, destined for the United States.

JOHN HULL: There's never been any drug movement to this zone or through any of our farms, because on each farm the foreman has a log of every airplane that lands, of all the movements that are made there, and we have kept these not for me, but for the Costa Rican narcotics people.

WALLACE: Kept by your employees. Ostensibly, if you were really good at doing this kind of thing, you wouldn't put it in a log.

HULL: I'm not that good, Jane. There has never been anyone land here that I didn't know exactly who they were.

WALLACE: You were aware of planes loaded with drugs and

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planes loaded with weapons landing and using the air strip....

MORALES: Yes, I'm aware of that.

WALLACE: Did they do it in the middle of the night? Perhaps they did it and he wouldn't be aware of it? Is it possible?

MORALES: Basically, in the middle of the day.

WALLACE: In the middle of the afternoon?

MORALES: Yes.

WALLACE: Broad daylight?

MORALES: Yes.

WALLACE: How much were you getting for each landing when you would come through with a drug plane?

MORALES: As I'm aware, \$300,000.

~~GEORGE BECKNER~~  
**GARY BETZNER** I took two loads, small aircraft loads, of weapons to John Hull's ranch in Costa Rica and returned back to Florida with approximately a thousand kilos of cocaine.

WALLACE: A thousand kilos of cocaine?

BECKNER: Yeah. Five hundred each trip.

WALLACE: Gary Beckner was one of George Morales' top pilots. He, too, is in federal prison in Miami on an unrelated drug conviction. His sentence is 15 years. Like Morales and Tolliver, he has little to gain from talking about the drug flights. None of what they say here will shorten their sentences for their other convictions.

Who would load that cocaine down in Costa Rica? Who would accept the weapons; who would load the cocaine?

BECKNER: ...People who were hired by John Hull or working for him would load the aircraft. In both cases, John Hull was there. And....

WALLACE: He physically saw the weapons coming in?

BECKNER: He saw the weapons coming in....

WALLACE: Did he physically see the cocaine going out?

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BECKNER: He physically saw the bags.

WALLACE: How did you know you were landing at the right strip?

BECKNER: Because I was communicating by radio.

WALLACE: And they were expecting you.

BECKNER: Uh-huh.

WALLACE: So you called in.

BECKNER: Uh-huh.

WALLACE: And said this is Mr. Beckner and I have....

BECKNER: No, no, no, no. No. No. I just called in and I went [whistles]. And a whistle came back. [Beckner whistles.] Right? And I said that I'm twenty minutes out, or whatever. And they said okay. And I landed.

WALLACE: Where did the cocaine come from?

BECKNER: The cocaine was there when we off-loaded the weapons, because they had the fuel in the same truck with the coke.

The second trip I went down, I didn't go back into John Hull's place. I went into another strip that's maybe ten or fifteen miles east of the place. A little better strip.

WALLACE: What exactly was in the plane that you flew from Fort Lauderdale?

BECKNER: Oh, there were some C-4 explosives, M-16 machine guns. And it was stacked all the way to the ceiling.

WALLACE: How many pounds of weaponry?

BECKNER: I would estimate around 2,500 pounds. Well, I understood right away it wasn't the private guns that went down that were that important. It was what was coming back that could buy much larger and better and more sophisticated weapons. And it was unaccounted for cash.

WALLACE: When you were first approached by the CIA and the contras, how was that approach made? What did they say, to the best of your recollection? And when was it?

MORALES: It was right after my indictment in 1984,



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March, 1984. They came to my office. Before that, I have a few meetings with not-so-high level contras.

WALLACE: You had been doing business with the contras.

MORALES: Yes.

WALLACE: But all of a sudden, somebody bigger shows up at your office here in Miami.

MORALES: Very, very big, yes.

WALLACE: What was the rank? What level CIA person?

MORALES: Well, he is the contact directly with the CIA in the contras. So he was sort of the adviser. He worked for the CIA, to begin with.

WALLACE: Do you know George Morales?

OCTAVIANO CESAR: Yes, I know George Morales.

WALLACE: Octaviano Cesar is the man Morales say recruited him to run guns and drugs. Cesar is now an official for a contra group in Costa Rica.

So what you wanted from Morales was planes and cash?

CESAR: Aid. Aid. Any type of aid. Because if you didn't have the plane, you needed the cash to go and buy the planes. You needed the planes to bring in the supplies.

WALLACE: In addition to Morales, eight separate sources confirm his CIA connections.

What is your relationship with the CIA, your personal relationship?

CESAR: None.

WALLACE: Never?

CESAR: None.

WALLACE: When he said that he'd check this with Washington on high levels, what did that mean? What kind of high levels?

MORALES: That he would speak directly with -- well, he told me that he'd directly speak with Vice President Bush about my situation.

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WALLACE: About clearing up the indictment?

MORALES: Yes.

WALLACE: On drug dealing charges?

MORALES: Yes.

WALLACE: He told you directly that he'd spoken with Vice President Bush about taking care of your problems?

MORALES: Yes, that he will. Yes. Also William Casey.

WALLACE: How do you know that the CIA person that says, look, help us out; give us money; give us some air support; let us use some of your planes; train us some pilots; we'll help you with your indictment, and, by the way, you know, I've talked to Vice President Bush and CIA Director Casey about your problems. How do you know he wasn't just a boaster, just a baloney artist?

MORALES: I knew what relationship he held with Washington people. He is very well known. Not only by the United States, but also the government of Costa Rica.

WALLACE: He says that he agreed to pay \$250,000 a quarter to the contra cause and to donate planes if you offered protection and help for him in terms of his drug charge.

CESAR: That's not true. It's false. Absolutely false.

WALLACE: Where did the money go? What type of arrangements would be made to receive this money? Who'd actually....

MORALES: Some money went in through banks. Some money went in directly cash money to them.

WALLACE: You would hand over cash to whom?

MORALES: To the contras themselves.

WALLACE: In what form? Pack it up in a suitcase?

MORALES: Yes, boxes, suitcases, bags.

WALLACE: Of cash?

MORALES: Yes.

WALLACE: How much in one load? I mean how much would

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you pack into a bag or a suitcase or a box?

MORALES: I don't recall.

WALLACE: Thousands?

MORALES: Yes.

WALLACE: Tens of thousands?

MORALES: Yes.

WALLACE: Hundreds of thousands?

MORALES: Yes.

WALLACE: In one single trip to a bank in the Bahamas, George Morales and Octaviano Cesar brought back \$400,000. U. S. Customs' records confirm this. Octaviano Cesar signed the declaration.

If you were to guess how much money the CIA raised by hitting up drug dealers, for drug money, how much would that be, total, 1984, 1985, 1986?

MORALES: A lot of money.

WALLACE: What's a lot of money?

MORALES: Directly, a lot of money. Millions of dollars that I'm aware of.

WALLACE: Given your experience, who do you figure arranged all of this? What's your best guess?

TOLLIVER: My best guess would be that it would have to be someone in either the top four, three slots of the CIA, as I know their organization. It would have to be someone that high up. It would have to be.

WALLACE: Why?

TOLLIVER: Because who else can you get that's going to know, number one, the inner workings and everything, who could pick up a phone and say "Let this happen."

WALLACE: Who did pick up the phone to say "Let this happen?" We can only tell you who says they didn't. The Air Force says it has no record of Mike Tolliver's flight into Homestead Air Force Base. The White House denies knowledge of drug smuggling, but points out they can't speak for Oliver North.

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Oliver North refuses so far to speak for himself. Vice President Bush says he never heard of George Morales or Octaviano Cesar. And the CIA says, quote, "it strictly observes U. S. law. Drug smuggling is against the law." End quote.

Mike Tolliver, George Morales and Gary ~~Beckner~~ <sup>BETZNER</sup> will testify before Congress next month.