

DEALING WITH NORIEGA BUSH'S DRUG PROBLEM— AND OURS

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George Bush has a drug problem. No, he isn't a drug user. He presumably is willing to pee in a cup to prove that. Bush's drug problem is Manuel Antonio Noriega. Bush says that he wasn't convinced Noriega was a drug trafficker until February 1988, when Noriega was indicted in Tampa and Miami on such charges. Noriega had been on the C.I.A. payroll for years. How could the Vice President not have known anything about him?

Bush is among the most knowledgeable and experienced public officials in the field of drug enforcement. In 1976 he directed the Central Intelligence Agency. In 1982, as Vice President, he was named head of the South Florida Task Force, which coordinated the antidrug operations of several local, state and Federal law-enforcement agencies. The task force was later expanded into a nationwide antidrug network called the National Narcotics Border Interdiction Service (NNBIS, pronounced "Inbiss"), which Bush also heads. Bush's impressive résumé only strengthens the suspicion that he has not told the public the whole story.

"The smoking gun!" a journalist recently demanded at a Washington party. "Does anyone have the smoking gun on Bush and Noriega?" The answer is yes.

Some would prefer that Bush's smoking gun come in the form of a memorandum from Noriega to Bush, preferably less than two pages long, that bears the Vice President's initials. There is, it is safe to say, no such memo.

In fact, the existence of a smoking-gun memo is a bit of Washington mythology, cherished by high-level miscreants and investigative journalists alike. Journalists love the smoking-gun memo because it relieves them of the burden of thinking historically. Wrongdoers love the smoking gun because it relieves them of responsibility in all but the most heinous crimes. Comedian Mark Russell notes the ethical credo of the Reagan Administration: "I wasn't indicted, therefore I succeeded." If Bob Woodward, the Christic Institute or whoever else may be looking fails to unearth the smoking-gun memo (as is usual the case), the malefactor can claim vindication.

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Time _____
U.S. News & World Report _____

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The "smoking gun"—that is to say, the incontestable proof of Bush's drug problem—is a body of historical evidence that documents his central role in supervising the legal twilight zone where national security and drug enforcement meet. More incriminating than any memo or leak provided by some latter-day Deep Throat, this smoking gun is an unmistakable historical pattern. Senior U.S. policy-makers—including Bush—have proclaimed themselves dedicated to the war on drugs, while allowing immunity or leniency to be extended to major suspected drug dealers in the name of "national security." Noriega is only the latest and most famous beneficiary of this routine practice.

Some of Noriega's Forerunners

George Bush first gained responsibility for antidrug efforts in January 1976, when he became Director of Central Intelligence. The C.I.A. had a major role in the war on drugs. A year earlier President Gerald Ford had ordered the agency to collect narcotics intelligence overseas and to "covertly influence" foreign officials to assist in U.S. antidrug efforts. The C.I.A. also had some rather large potential problems concerning its part in the war on drugs.

The agency had a history of using electronic surveillance overseas to collect drug intelligence. That surveillance was one component of a program of domestic eavesdropping that violated the C.I.A.'s charter, U.S. law and the Constitution. When Bush became Director of Central Intelligence, senior C.I.A. officials were facing the possibility of indictment for their role in domestic electronic surveillance. That summer, the Justice Department decided not to prosecute the officials. A trial might well have revealed that the C.I.A. had intervened in several ongoing drug investigations to gain leniency for at least a dozen suspects.

That story is documented in a top-secret 114-page Justice Department report titled "Report on Inquiry into C.I.A.-Related Electronic Surveillance Activities," which has since been partially declassified. (I obtained a copy from Jeffrey Richelson, a consultant at the National Security Archive in Washington, D.C.) The report was released in June 1976, about six months after Bush began as head of the C.I.A., as background for any possible prosecution of the agency's officials.

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The C.I.A., according to the inquiry, intervened in numerous drug cases in order to maintain secrecy around its agents and their operations. The agency was said to fear "that the confidentiality of C.I.A.'s overseas collection methods and sources would be in jeopardy should discovery proceedings require disclosure of the C.I.A.'s electronic surveillance activities." The result? "Several narcotics investigations and/or prosecutions had to be terminated." In other words, the C.I.A. secretly fixed several drug cases.

When George Bush became the C.I.A.'s director, did he learn about leniency shown to drug smugglers in 1972-75?

§ Rafael Alarcon is perhaps the most interesting recipient of C.I.A. leniency. Alarcon was the former head of drug enforcement in Chile in the late 1960s, and he apparently moonlighted in drug trafficking. In April 1974, Alarcon and four other top narcotics officials from Chile's federal police were indicted for conspiracy to smuggle drugs. Alarcon was alleged to have received a half-million-dollar bribe plus \$1,000 for every kilo of cocaine successfully smuggled into New York. The inquiry report notes that Alarcon was extradited to the United States in September 1974 and allowed to plead guilty to reduced charges, apparently because of C.I.A. concerns.

§ Frank Matthews, indicted in New York City in 1973, was described in *The New York Times* as "a very important man in narcotics." A declassified section of the Justice Department's inquiry notes that "Matthews and others were indicted in the Eastern District of New York on domestic narcotics distribution charges only." [Emphasis added.] The clear implication of the inquiry is that the C.I.A. objected to charging Matthews with *importing* narcotics. The report adds that "nine others [suspects] were severed from the indictment," also because of C.I.A. concerns. Matthews skipped bail in the summer of 1973 and is thought to be dead.

§ Gustav Guerra-Montenegro was a suspected drug dealer indicted with six other people in Los Angeles in 1972. The indictment, according to the inquiry, was dismissed as a result of C.I.A. concerns. Guerra-Montenegro's whereabouts today are not known. At least one (and probably four) other such cases are described in the Justice Department inquiry, but the names and other details remain classified.

§ Another narcotics smuggler protected in the 1970s was a C.I.A. agent from Thailand named Puttaporn Khramkhruan. His case does not appear in the declassified version of the inquiry report, but it was documented by investigative reporters from the *Chicago Daily News* in 1975. Puttaporn was a low-level agent indicted for smuggling 104 pounds of raw opium into the United States for use in the manufacture of heroin. Once again, the C.I.A. prevailed upon the Justice Department to drop all charges against the drug smuggler. The agency feared that Puttaporn's trial might expose a C.I.A. program that provided air support for opium production in Southeast Asia.

Did Bush know about these cases? Did he take any action to change the policy of intervening on behalf of drug suspects in order to protect C.I.A. sources and methods? Is this still C.I.A. policy? Would it be policy under the Bush Administration? Bush's press office declined to answer these questions.

When the Justice Department decided in mid-1976 not to prosecute C.I.A. officials for illegal wiretapping, Bush was spared, at least for a decade, the revelation that the C.I.A. actions had secretly compromised major narcotics cases. The story of Noriega's forerunners was never made public.

Dirty Problem, Dirty People

In January 1982, President Reagan vetoed legislation that would have created a "drug czar." To soothe members of Congress who wanted more Federal action against drugs, Reagan created the South Florida Task Force in February 1982, naming Bush to head it. Within a year, the task force was expanded into NNBS.

What did Bush accomplish at the helm of the drug war? Glenn English, a stubborn Representative from Oklahoma, attempted to answer that question in a series of hearings held between 1981 and 1988. English concluded that "the Administration's interdiction efforts over the past eight years have been little more than lip-service and press relations."

Though English is a Democrat and more than a little abrasive, the former administrator of the Drug Enforcement Administration, Francis (Bud) Mullen, a Republican who supports Bush for President, was equally blistering in a memo about Bush's drug war sent to the Justice Department in January 1984. "The accomplishments of our interdiction programs are overemphasized [by Bush's subordinates], building unrealistic expectations among the American people that this strategy is the primary means of reducing the availability of illegal drugs," Mullen wrote. He suggested prophetically that NNBS might become "this administration's Achilles Heel for drug law enforcement."

NNBS had three formal goals. First, the Vice President's office was supposed to help law-enforcement agencies extract matériel and assistance from the armed forces. Second, the clout of the Vice President's office was supposed to encourage the D.E.A., the Customs Service and the Coast Guard to cooperate with each other, as well as with the Florida cops. Third, Bush was supposed to use his C.I.A. experience to improve the intelligence available to drug interdiction agents.

Bush's drug bureaucrats were perhaps most successful in obtaining military assistance. The dollar total of Defense Department spending on the drug war rose from \$1 million in 1981 to \$196 million in 1986.

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Bush proclaimed that he had forged unusual cooperation between the various law-enforcement agencies, enabling them to make far more drug busts. Representative English and the G.A.O. found these assertions inflated. NNBIS, for example, took credit for 136 drug interdiction cases between June 1983 and June 1984. G.A.O. auditors examined seventy-seven of these cases, forty-eight of them in detail, and found that Bush's bureaucrats actually made a difference in only fourteen of the forty-eight. In other words, according to the G.A.O., Bush's drug warriors played an instrumental role in only 29 percent of the cases for which they took credit.

In January 1984 Bush's office claimed that the combined efforts of the South Florida Task Force and NNBIS "have captured 5 million pounds of marijuana — practically halting the flow of that drug into this part of the country." The claim, as Mullen points out, was "absolutely false," the figure of 5 million pounds not supported even by Bush's own statistics.

Improved intelligence, the third goal of NNBIS, was perhaps its most important mission. In announcing the creation of his drug bureaucracy in June 1983, Bush proclaimed that "with the help and support of C.I.A. Director Bill Casey, and the entire intelligence community, we expect to be better informed and more knowledgeable regarding the actions and activities of smugglers." Through Casey, the Vice President had access to the proceedings of the National Foreign Intelligence Board, which oversees all U.S. intelligence agencies. The board has a Narcotics Working Group that prepares reports on U.S. drug intelligence capabilities.

If Bush's subordinates did obtain timely drug information from U.S. intelligence agencies, they seemed reluctant to share it. George Corcoran, former assistant commissioner for enforcement of U.S. Customs, told Representative English in July 1985 that his office had only begun to receive intelligence reports from NNBIS two weeks earlier — just as Representative English's hearings were announced. When Bush's bureaucrats did share intelligence, it was virtually useless, according to former D.E.A. director Mullen.

Worse yet, Bush's drug warriors did not know — or did not care — that a minimum of six drug traffickers were assisting the Reagan Administration's *contra* war in Nicaragua. It is worth noting that the information about these drug traffickers comes from public sources, the *contras* and the Reagan Administration itself.

Oliver North, for example, wrote in his private notebook about the possible drug connections of Gustavo Villoldo, a prominent *contra*. In 1984 George Morales, a major cocaine distributor in Miami, gave at least \$400,000 and an airplane to *contra* leaders. In a memo written in April 1985, Rob Owen, an aide to North, told his boss that two *contra* leaders in Costa Rica, José Robelo and Sebastian Gonzalez, were possibly involved in drug running. In 1985 Michael Palmer, a former Delta Air Lines pilot and an admitted multimillionaire drug trafficker, was introduced to the *contra* effort by the C.I.A. He was then named vice president of Vortex, an air freight firm that began working closely with the agency. In February 1986 Vortex received a \$96,961 State Department contract to fly supplies to the *contras*.

The case of a top-ranking Honduran military officer named José Bueso Rosa is especially revealing. Bueso Rosa, the Chief of Staff of the Honduran armed forces, was indicted in October 1984 for his role in a plot to assassinate the President of Honduras, which would have been financed by profits from a drug deal. His co-conspirators imported 760 pounds of cocaine into South Florida.

Seven hundred and sixty pounds of coke is a lot of nose candy — but not enough, it seems, to displease Oliver North. Bueso Rosa had worked with North and other Reagan Administration officials in setting up the *contra* war effort in Honduras, and also on other still-classified national security matters. After Bueso Rosa pleaded guilty to conspiracy in the assassination plot in June 1986 and was sentenced to the minimum term of five years in jail, North wrote to State and Justice Department officials to urge leniency for the Honduran.

Did Vice President Bush know about North's efforts on behalf of Bueso Rosa? Were these efforts consistent with Bush's call for stern punishment of drug traffickers? Again, Bush's office declined to comment.

The responsibility for this failure belongs not only to Bush but also to the nature of the drug enforcement system. Contrary to drug war mythology, law-enforcement officers and drug smugglers are *not* total enemies. As Peter Reuter, an economist with the RAND Corporation, points out, drug enforcers and drug entrepreneurs share two basic economic goals: to restrict supply of drugs and to maintain high prices.

The law official pursues these goals in the hope of discouraging drug use, as called for by the President, the Congress and the public. The high-level drug trafficker pursues these same goals to maximize profits. The cop and the smuggler are stuck in a long-term embrace.

The simple fact is that drug dealers and national security policy-makers also have common interests. National security bureaucrats know that successful covert actions depend on people like Michael Palmer: operatives who can fly planes, who know their way around Latin America, who know how to launder money, manipulate the legal system and avoid detection. Smugglers know that getting involved, even tangentially, in U.S. "national security" operations can improve their chances for judicial leniency. The Reagan Justice Department dropped all drug charges against Palmer in October 1987.

Robert Earl, one of those baby-faced aides to Oliver North, made the point succinctly in a deposition before the Congressional committees investigating the Iran/*contra* affair. Acknowledging North's relationship with suspected terrorists, Earl shrugged and said, "Dirty problems require dirty people to be dealt with."

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'Excruciating Detail'

As early as 1971, U.S. officials had identified Panama as a transshipment point for narcotics traffic. A C.I.A. report cited by Jack Anderson in 1973 described Panama as "one of the great contraband centers of the world."

In January 1975, President Ford ordered the C.I.A. to "covertly influence foreign personalities to assist in programs aimed at international narcotics traffic." That meant people like Noriega, who was then Panama's intelligence chief. Campaigning earlier this year, Senator Robert Dole asked Bush if Noriega was on the C.I.A. payroll in 1976. Bush refused to answer. (Michael Dukakis might resurrect the query in the fall campaign.) It is known that the C.I.A. was aware of Noriega's drug trafficking in 1977, at the latest. "We had drugs—and Noriega—all over the place," Seymour Hersh of *The New York Times* quoted one official as saying.

Norman Bailey, a former National Security Council aide, said that in 1983 and 1985 he saw U.S. intelligence reports that described Noriega's involvement in money laundering in "excruciating detail." An aide to Bush told *The Washington Post* that the Vice President did not see the classified intelligence reports cited by Bailey, only some *other* classified intelligence reports. Unfortunately for Bush's alibi artists, there was also plenty of information about Noriega and drugs in the unclassified *Miami Herald*, which Bush's underlings in the Miami office of NNBS presumably read.

"Scandals Hint at Panama Role in Drug Trade," was the page-one *Herald* headline on August 3, 1984. Reporter Guy

Gugliotta noted that a load of 1,200 kilograms of cocaine shipped from Panama had been seized in Miami that June. A week afterward, Julian Melo, the fourth-ranking officer in Noriega's Panama Defense Forces, had been arrested in Panama, purged from the armed forces and then set free. Gugliotta also noted that Colombia's biggest drug traffickers had conferred in Panama in May 1984.

Regarding Bush and Noriega, there are only three possibilities: (a) Bush is lying when he says he didn't have any "hard evidence" about Noriega's drug trafficking; (b) Bush had suspicions about Noriega but didn't share them with anybody else and didn't pursue them himself; (c) The Vice President knew less about drug smuggling in Panama than the readers of *The Miami Herald*. Bush prudently chooses (b), a frank admission of failure, if not incompetence, in the drug war.

Just because Bush and Noriega didn't collaborate doesn't mean they didn't work for the same ends, which would not necessarily require bribes or kickbacks or dirty dealing.

Jon Gettman, national director of the National Organization for the Reform of Marijuana Laws, notes that "the government serves the big-time drug dealer's purposes in ways that don't require financial corruption. The government, after all, can put the dealer's competition out of business. Drug enforcement officials don't have a lot of money to spend, so they have to decide between this operation and that operation. Those decisions are often made

based on information provided by informants—who are doing all sorts of things on the side. Noriega is a prime example of that." In other words, drug traffickers like Noriega and drug enforcers like Bush do not actually have to collaborate in order to help each other. If they are economically rational actors, they will, in effect, collude.

Noriega told Gugliotta how drug traffickers encourage this collusion: "I can tell you that criminal organizations are always looking for ways to penetrate legitimate organizations, and they knock on all the doors."

The "criminal organizations" are international networks of profit-minded drug entrepreneurs. The "legitimate organizations" are the national security agencies as directed by the White House. The "doors" enable smugglers and covert operators to pass from the one enterprise to the other. These doors are guarded by national security policy-makers who also have responsibility for drug enforcement—e.g., George Bush.

Did George Bush know that Rafael Alarcon, Frank Matthews, Gustav Guerra-Montenegro, Puttaporn Khramkhruan and their associates had passed through one such door in the mid-1970s? Did he look the other way when José Bueso Rosa went from supporting the *contras* to participating in the drug-funded assassination plot in 1984? Did the Vice President of the United States hear the soft rapping of a big-time dope dealer like Michael Palmer in 1985? Did Bush leave the door unlocked for Noriega? Or did he merely issue inflated press releases while having no clue what was really going on? These are interesting but secondary questions.

George Bush's drug problem—and ours—is that the door between covert U.S. national security operations and the drug trafficking business was—and is—wide open. □