

By Dennis Bernstein and Robert Knight

WHEN FORMER NATIONAL SECURITY ADVISER Adm. John Poindexter testified on July 16 that the diversion of funds to the contras was all his idea, many Congress members saw this as the climax of the ongoing Iran-contra investigation, establishing what the president knew about this one grim aspect of the scandal. But others on Capitol Hill took this single-minded quest for the "smoking gun" as a signal to step up other investigations into yet more damning allegations about the Reagan administration's contra policy.

Three committees are now examining charges that Lt. Col. Oliver North's secret contra arms network was funded by illegal drug sales arranged and facilitated by the Central Intelligence Agency (CIA) and contra leaders. Each committee is independently looking into the contra-drug connection, citing different mandates but sharing the same broad scope.

Two of the committees, the Senate Foreign Relations subcommittee on terrorism, narcotics and international operations, chaired by Sen. John Kerry (D-MA), and the House Judiciary subcommittee on crime, chaired by Rep. William Hughes (D-NJ), are conducting quiet yet active investigations, subpoenaing witnesses and taking testimony. The other committee, the House Select Committee on Narcotics Abuse and Control, chaired by Rep. Charles Rangel (D-NY), has been more visible, although arguably more passive as well.

The Rangel committee: The narcotics committee, which was established to coordinate congressional concerns about drugs, has not yet held a formal hearing, cross-examined a witness or issued a subpoena on the contra-drug issue. Sources within the committee attribute its inaction to reasons ranging from insufficient staffing and investigative resources to an unclear statutory mandate.

But some committee members have expressed outright disbelief and lack of interest in investigating a contra-drug connection. "I just don't believe any of it," said committee member Robert K. Dornan (R-CA), a contra aid supporter. "It's pursued by the left-of-center groups, particularly those with a religious orientation toward liberation theology."

Rep. James Traficant (D-OH), another committee member, responded by saying it was ironic that "with an overzealous ambition to help the contras, we'd even turn our backs on this type of nefarious drug dealing."

Both congressmen's comments followed a July 21 informal briefing to committee members by representatives of the Washington-based International Center for Development Policy (ICDP) and the National Security Archive, private groups specializing in the study of international affairs.

"The bottom line is that the information we received will be turned over to the Judiciary Committee as part of their investigation," Rangel said at the press conference after the briefing. He maintained that thus far he had not found "any evidence that would show that the contra leadership were involved in the trafficking of drugs."

Despite committee infighting and claims of lack of money and mandate, the Rangel

Three committees track down smuggled drugs, not smoking gun

committee conducted important preliminary research, submitting to U.S. Customs the names of 38 individuals and companies associated with the contras that may have been connected to drug smuggling.

In a June 23 press release, Rangel said he received a letter from William Rosenblatt, acting Customs commissioner. "Customs reports," said Rangel, "that for 24 of the 38 individuals or companies we asked them to check, there is 'positive' information on the Customs computer indicating previous interest...in these people or companies. This initial check provides information that warrants further investigation about possible

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tie-ins between the contras, the individuals carrying out the contra supply mission and drug smuggling activities." Among the names the committee submitted were John Hull, Mario Calero and Adolfo Calero. It did not reveal which names came back "positive," pending further investigation.

The committee also requested information from the Justice Department's Drug Enforcement Administration (DEA). Initially, the department refused to cooperate with the committee, saying it would not release information to any committee other than the Iran-contra committee. "I am shocked and dismayed that Attorney General Meese would have the DEA gagged," commented Rangel. But after he threatened to hold public hearings to gather the information the committee needed, and intervention by Rep. Lee Hamilton, co-chair of the Iran-contra committee, the DEA agreed to cooperate.

Many close to the committee's drug investigation resent what they consider Rangel's attempt to grab headlines without substance to back him up. He suffered a major setback when his star briefing witness cancelled at the last minute. According to prepared press statements, the committee expected a well-respected journalist to provide it with startling new information. But the journalist's editor prevented him from testifying. An anonymous congressional source, however, described the surprise witness as "a grand-

A journalist had been scheduled to provide the narcotics committee with startling new information, but the journalist's editor prevented him from testifying.

stand play" designed to "get the committee off the hook."

The Kerry committee: On the same day that Poindexter bit the bullet destined for his commander-in-chief, Kerry's Foreign Relations subcommittee was firing a salvo of its own. Kerry opened public hearings by stating that his investigation not only will consider individual charges of contra-drug smuggling, but will also evaluate "broader aspects of drug trafficking as they may or may not have come to affect and impact American foreign policy." If Kerry follows through on this mandate, his panel has the potential to officially document the long-suspected connections between narcotics trafficking, covert actions and U.S. foreign policy.

The Kerry panel summoned convicted drug smuggler George Morales, who testified that four contras and CIA operative John Hull were involved in an arms-for-drugs operation that kept the contras in bullets during the 1984-85 ban on military aid. Morales said contra leaders Adolfo (Popo) Chamorro, Gerardo Duran, Marcos Aguado and Octaviano Cesar participated in the arms-for-drugs operation. He also said Cesar and Aguado, claiming to represent the CIA, approached him after a 1983 drug indictment and promised him "they would take care of the legal problems" in exchange for his help in arming the contras.

In 1984 and '85 Morales directed his fleet of planes and pilots to ferry thousands of tons of weapons to Hull's ranches in Costa Rica, and return to the U.S. with contra-supplied drugs. He sold the drugs in the U.S. to raise cash for more contra weaponry. Morales testified he sometimes helped the contras secure illegal arms.

Another witness, Ramon Milián-Rodriguez, gave closed testimony to the Kerry subcommittee that in 1983, as a money launderer for a major Colombian drug cartel, he passed \$10 million worth of drug money to the contras.

Milián-Rodriguez, who is serving 35 years on drug-related charges, said he passed the money to contra couriers hand-picked by Felix Rodriguez, who oversaw the contra supply operation at Ilopango, El Salvador, and met several times with Donald Gregg, Vice President George Bush's national security adviser and Felix Rodriguez' old boss from the CIA.

The subcommittee announced after Milián-Rodriguez' testimony that it was issuing subpoenas in connection with charges "that narcotic traffickers have developed a working relationship with officials or political figures in the U.S. and foreign countries and become involved in both sides of the Nicaraguan conflict."

The Hughes committee: Although Hughes' subcommittee on crime is actively questioning witnesses, several sources close to the investigation accuse the chairman of footdragging.

Nevertheless, the committee recently sent several investigators to Costa Rica and Miami to look into allegations that Meese's Justice Department attempted to derail an

early investigation by the Senate Foreign Relations Committee and a Miami U.S. attorney into an illegal contra arms-and-drugs network. "There would appear to be some substance to the allegations," Hughes said during a recent press conference, "that the Justice Department either attempted to slow down or abort one of the ongoing criminal investigations."

The crime subcommittee recently subpoenaed three assistant U.S. attorneys from Miami to testify about how Miami U.S. Attorney Leon Kellner may have sanitized his contra arms and drugs investigation, eliminating any evidence of a White House connection.

Assistant Attorneys Lawrence Sharf and David Leiwant appeared before a closed subcommittee session on July 23. According to an investigator with close ties to the subcommittee, the two were questioned about a May 14, 1986, memo to Kellner from Assistant U.S. Attorney Jeffrey Feldman.

The memo asserted that contra-drug allegations were unsubstantiated, and at best required further investigation. Absent were the names of key North network players such as Rob Owen, which had come up in depositions the FBI took from several contra mercenaries. Contrary to the FBI's recommendations, the memo states that "a grand jury investigation at this point would represent a fishing expedition with little prospect that it would bear fruit."

The May 14 memo, sent to Republicans on the Senate Foreign Relations Committee, was used to foil Sen. Kerry's efforts to begin an investigation into the North network last year.

Assistant Attorney Feldman refused to speak in private with staff of the House subcommittee on crime in late July. Feldman told *In These Times* he wants to speak publicly "to stop the rumors this subcommittee has been spreading. I've got nothing to hide." He asserted that appearing in a closed hearing and again in a public hearing might confirm in the minds of the public the appearance of wrong-doing on his part.

But a source close to the investigation who requested anonymity says Feldman may have been stalling to see what was revealed during Attorney General Edwin Meese's appearance before the Iran-contra committee. "If you were in Mr. Feldman's position, certainly as a defense tactic, you would want to have as much information as possible about where the chips are falling."

It appears that the Kerry and Hughes subcommittees will issue further subpoenas and continue their investigations well into the fall. Both are also expected to respond to recommendations forthcoming from the Iran-contra committee.

According to Hughes, the investigation so far has raised "a whole host of issues with regard to potential official involvement in certain aspects of gunrunning and narcotics trafficking between Florida and Central and South America" that will require a thorough investigation. □

Dennis Bernstein and Robert Knight are covering contragate for *In These Times*.

SOME OF THE
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DRUGS FOR GUNS

Big papers give drug story small play

By Jim Naureckas

JOURNALISTS HAVE DOCUMENTED, THROUGH firsthand testimony and confirmations from government officials, that Nicaraguan rebels either participate in or profit from cocaine traffic into the U.S.

But this news did not appear in the influential media outlets that set the bounds of political debate. The *New York Times*, the *Washington Post* and even the *Miami Herald* have limited their coverage of the contra-drug connection to the barest mentions of other people's investigations.

In fact, *New York Times* stories have consistently disparaged allegations of contra drug running. Three stories that ran over one week last month contained some variations on this theme from the July 20 edition: "Investigators, including reporters from major news organizations, have tried without success to find proof of...allegations that military supplies for the contras may have been paid for with profits from drug trafficking."

Without validation by the elite press, crucial evidence of contra drug involvement gets thrown away with yesterday's newspaper, never entering public discourse. Yet this evidence, when assembled, points to a pattern of widespread, officially tolerated

Evidence gets thrown away with yesterday's news.

drug trafficking that may reach the highest levels of the contra hierarchy and into the U.S. government.

The first U.S. report linking contras to drugs came in a Dec. 20, 1985, Associated Press (AP) dispatch by Robert Parry and Brian Barger. They wrote that U.S. and Costa Rican law enforcement officials and American contra supporters told them Nicaraguan rebels in Costa Rica were financing their war through cocaine smuggling. The story also cited a secret CIA report that the contra army ARDE had used cocaine profits to buy \$250,000 in arms.

Hard-hitting as it was, the story distributed by AP was considerably watered down from the reporters' version. According to the September/October 1986 *Columbia Journalism Review*, AP editors omitted, at the U.S. government's request, allegations involving

John Hull, an American rancher who was the CIA's contra coordinator in Costa Rica.

"Hull has enough problems right now," a U.S. official reportedly told AP.

Even in this form, the story almost didn't run. Only the unauthorized release of the story on AP's Latin wires on December 16 forced AP to offer it to their English-language customers, according to the *Columbia Journalism Review*.

Freedom frogmen: Seth Rosenfeld of the *San Francisco Examiner* reported on March

16, 1986, that two convicted drug smugglers said they were working for the contra cause. "The money belonged to help the contra revolution," Nicaraguan expatriate Carlos Cabezas testified, before being convicted for his role in the 1983 "frogman case," described as the biggest cocaine bust in West Coast history. (The case involved frogmen retrieving cocaine from a ship in San Francisco Bay.)

Another "frogman" defendant, Julio Zavala, made the same claim, and the U.S. govern-

An inside look at media's contragate mindset

By Joel Bleifuss

UNtil the IRAN-CONTRA SCANDAL BROKE, America's love affair with Ronald Reagan had helped shield him from criticism. So successful was he at blurring the boundary between reality and fantasy that eventually many citizens' perceptions of public events became inured to demonstrable fact. Consequently, administration policies often went unchallenged.

Who's to be indicted for this breakdown in civic consciousness? One party without plausible deniability is the mainstream press, which helped keep the teflon on the presidency.

This culpability was explored by a panel on "Reporting the Iran-contra scandal" at the June 20 Investigative Reporters and Editors Conference in Phoenix. Journalists from *Newsweek*, the *Washington Post*, the *Wall Street Journal*, the *Los Angeles Times* and the *New York Times* gave a rare inside glimpse into how Reaganate news is made news and how—as in the case of contra drug smuggling—it isn't (see accompanying stories).

Arguably the most revealing analysis came from the *New York Times* Iran-contra editor Joel Brinkley, who posed this question to participants: "Why did the press, and the public, and Congress have all this information and just sort of let it slip through their fingers?"

He then offered this example of his own slippage: On Aug. 8, 1985, Brinkley, as one of the *New York Times* reporters responsible for covering the contras, came out with a story that began: "Rebels fighting to overthrow the Nicaraguan government have been receiving direct military advice from White

House officials on the National Security Council, an administration official said.... The operation has been run by a Marine officer who is a member of the NSC." That story, in the words of Brinkley, gave "the bare outlines of everything we have been hearing in these first six weeks of congressional hearings."

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"I wrote that story and didn't follow it up adequately," continued Brinkley. "Five years of the Reagan administration had brought on uncounted—I can't count them—stupidities, blunders, illegalities or apparent illegalities; mining the harbors, preparing an assassination manual for the contras, the Marines in Beirut, you can go on and on and on. And all these things come and they make a splash.

"I am not writing stories to cause parades in the streets, but when you write stories and nobody gives a hoot...you just lose the momentum to keep going with it. And that is not an excuse but that...is an illustration of the mindset that is set in a lot of Washington newspaper offices."

Later Brinkley offered this observation: "Who's to blame? We're all to blame. I think the American public, and Congress as a reflection of it, and the press as an inadvertent reflection of all of that, [all] sort of got suckered by a man with such immense popularity that he acquired a degree of personal power that I don't think we have experienced since Roosevelt.

"Every time we wrote one of the stories," he continued, "the White House would simply offer bald-faced lies and accuse us of being pro-Communist. Maybe I shouldn't care about that, and I don't really, but after

ment appeared to endorse it by returning to Zavala \$36,020 federal prosecutors had seized as drug proceeds at the request of a Costa Rican-based rebel group that claimed Zavala was a contra official. The group, the UDN-FARN, later became the nucleus for Lt. Col. Oliver North's "Southern Front."

Zavala told the *Examiner* he had given \$500,000 to the contras, largely proceeds from cocaine sales.

In the June 23, 1986, *Examiner*, Rosenfeld reported links between the FDN contra army and another major Bay Area cocaine importer, Norwin Meneses. The *Examiner* wrote that Meneses, a Nicaraguan expatriate, was an "organizer and financial supporter" of the contras, employed FDN members in his operations and had met with such top FDN officials as Adolfo Calero and Enrique Bermudez.

In 1986 Jesus Garcia, a Cuban-American mercenary who worked with Hull, began talking about a contra drug connection after being convicted on a weapons charge. "It is common knowledge here in Miami that this whole contra operation in Costa Rica was paid for with cocaine," Garcia told Vince Bielski and Dennis Bernstein, writing in *In These Times* (Dec. 10, 1986). "I actually saw the cocaine and the weapons together under one roof, weapons that I helped ship to Costa Rica."

Guns in, dope out: Other convicts told their stories to news operations like *Newsweek*, the *Wall Street Journal* and CBS' *West 57th*: Gary Betzner and Michael Tolliver, im-

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