

Indictment against the Cali Cartel

by Jeffrey Steinberg

The 161-page indictment of the Cali Cartel hierarchy, unsealed in Miami, Florida on June 5, 1995, provides the most detailed profile ever assembled of the inner workings of the world's biggest dope-trafficking organization.

According to the indictment, the Cali organization set up 31 businesses in Colombia, Venezuela, Honduras, Guatemala, Mexico, Panama, and Florida that, between 1986 and 1993, smuggled over 124,000 kilos—a quarter of a million pounds—of pure cocaine into the United States. The cartel-owned companies included airlines, import-export agencies, food processing firms, auto dealerships, wood product manufacturing plants, janitorial service companies, coffee and vegetable plantations, and engineering firms that specialized in the construction of security vaults for the storage of guns, drugs, and cash.

The government figures of the scope of the Cali Cartel's operations are, if anything, an understatement, based on the documentation seized in recent raids on the offices of top cartel managers, like Harold Ackerman, who handled a sizeable portion of the Colombians' money laundering. The indictment, nevertheless, provides an in-depth profile of the cartel's *modus operandi*. For example:

In Guatemala, a Cali Cartel front company called Xela produced frozen broccoli, packaged it along with cocaine smuggled in from Colombia through Panama, and shipped it to Miami. There, three other cartel front companies, National Food Distributors, Palmetto International Foods, and Southeast Agrotrade, separated out the cocaine, disposed of the vegetables, and distributed the drugs to the Cali Cartel's vast wholesale marketing apparatus in Florida, New York, and Texas. Between 1986 and April 1992, the indictment charges, 65,000 kilos of cocaine were smuggled into the United States through this route.

Beginning in 1990, a Venezuelan company, Tranca, began manufacturing cement fence posts filled with cocaine, and shipping them to cartel fronts in Miami. In Miami, cartel manager Jorge Lozano supervised the breaking down of the posts and the initial distribution of the cocaine, via truck route to Longview, Texas, where the cartel maintained a regional distribution network. Between 1990 and 1991 alone, this route smuggled 50,000 kilos of cocaine into the United States.

A third smuggling route identified in the indictment involved the shipment of hollowed lumber, manufactured in

Honduras by a local firm, Puertas de Castilla, and filled with cocaine, to Port Everglades, Florida, where it was picked up by Valencia Import and Export Co.

The transport of Cali Cartel cocaine across the United States was done in trucks purchased by cartel automobile dealerships and sold to buyers using phony names and addresses. Other cartel export-import firms specialized in collecting and shipping back to Colombia the vast cash proceeds from the cocaine sales.

The lawyers were the capos

While the cartel indictment details one case of murder of a confidential government informant, the document makes it clear that the enforcers for the cartel's U.S. organization were for the most part high-priced lawyers, usually former federal or state prosecutors. The most notorious was Michael Abbell, who served for 17 years in the Department of Justice, and during the Reagan-Bush administration was the chief of the Office of International Affairs, responsible for the extradition of bigtime dope smugglers.

The indictment charges that Abbell, his law partner Francisco Laguna, ex-federal prosecutors Joel Rosenthal and Donald Ferguson, and ex-Florida state prosecutor William Moran, all served as in-house counsel for Cali Cartel boss Miguel Rodríguez Orejuela. On his behalf, they delivered death threats and bribery offers to cartel managers and employees who were captured by American authorities, laundered drug money, and extorted false evidence exculpating Rodríguez Orejuela from involvement in the captured drug shipments. The attorneys are also charged with obtaining confidential government information, including details of pending grand jury indictments and the identities of confidential government informants and witnesses, and of facilitating the escape of cartel operatives under indictment.

These are not the actions of over-zealous defense lawyers, Deputy Attorney General Jamie Gorelick noted, in announcing the indictment. "These attorneys are charged with conduct aimed at corrupting the legal system for the benefit of one . . . of the largest drug-trafficking organizations in the world."

EIR was right

Ten years before the grand jury indictment was unsealed, the second edition of *EIR's* bestselling book *Dope, Inc.* highlighted many key facets of the drug cartel operations now corroborated with the Miami prosecution—including the role that Venezuela's ex-President Carlos Andrés Pérez and the Cisneros banking family played in the cartel's operations; the role of prominent American attorneys as cartel protectors and financial advisers; and the role that corrupt U.S. government officials played in preventing any real crackdown. If federal prosecutors follow the *Dope, Inc.* example, the next superceding indictments should include some prominent American and Ibero-American bankers.