

In recent weeks, Bob Dole has accused President Clinton of abandoning the war on drugs of the Republican administrations in the 1980s. Considering that Dole is running as the candidate of the George Bush-dominated Republican Party, these attacks are the height of hypocrisy. This *EIR* report sets the record straight.

The Contras and the crack epidemic

by Jeffrey Steinberg

On Aug. 18-20, the *San Jose Mercury* published a series of articles documenting, for the first time, the role of the George Bush-led Nicaraguan Democratic Force (FDN), the Contras, in creating the crack cocaine epidemic during the mid-1980s. According to the *Mercury* stories, which were based on a series of recent federal narcotics prosecutions and newly declassified FBI files, during 1981-86, this Bush-Contra apparatus flooded the ghetto streets of Los Angeles with tons of cocaine per year, generating hundreds of millions of dollars in profits, that were plowed back into the Contra rebels in Central America. Today, as the result of this Bush treachery, hundreds of thousands of African-Americans, Hispanic-Americans, and others are sitting in state and federal prisons, in effect, doing George Bush's jail time, while the kingpin of the effort roams free, enjoying the celebrity and financial rewards attached to his former posts as vice president and President of the United States.

No city in the United States has been unaffected by the crack epidemic. The Los Angeles street gangs, the Crips and the Bloods, that were the primary recipients of tons of cheap, high-grade cocaine, courtesy of the Bush-Contra apparatus, turned South Central Los Angeles, nearby Compton, California, and, eventually, hundreds of cities and towns all across America, into war zones. The casualties from this urban crack cocaine war, are already into the tens of thousands of deaths, and millions of walking wounded.

The *San Jose Mercury* series, written by Sacramento-based reporter Gary Webb, failed to mention Vice President Bush, or his role as "commander in chief" of the secret war in Central America, and focused instead on the CIA as the principal culprit. But by the end of 1981, through a series of Executive Orders and National Security Decision Directives, many of which have been declassified, Vice President George Bush was placed in charge of all Reagan administration intelligence operations (see article, p.15). All of the covert operations carried out by officers of the CIA, the Pentagon, and every other federal agency, along with a rogue army of "aster-

oid" former intelligence operatives and foreign agents, were commanded by Vice President Bush. In an interview with this writer, Webb acknowledged that he simply had not traced the command structure over the Contras up into the White House, although he had gotten some indications that the operation was not just CIA.

A devastating picture

What Webb did pinpoint, however, is devastating. From the very beginning of the Reagan administration, the United States was actively engaged in a surrogate war against the Sandinista regime in Nicaragua, which had come into power in 1979 by overthrowing the government of Anastasio Somoza—ironically, with the backing of the Jimmy Carter administration. And, from the very beginning of the Reagan administration, the "surrogate force," the Contras, was heavily bankrolled through the trafficking in cocaine on the streets of California, and elsewhere in the United States.

The FDN apparatus in the San Francisco Bay Area, which controlled the cocaine pipeline into Los Angeles, was well known to, and tightly controlled by, the George Bush-led Contra hierarchy. Adolfo Calero, a former Coca Cola executive in Managua, Nicaragua who was the handpicked head of the FDN "government in exile," was on the Bush-North payroll throughout the 1980s. According to court documents obtained by the *Mercury*, and now also in the possession of *EIR*, Calero made frequent trips to the Bay Area throughout the early 1980s, and was photographed with the head of the cocaine ring, Juan Norwin Meneses Cantarero, at at least one Contra fundraising event. Meneses was officially the head of "intelligence and security" of the FDN for California, and he was present at all public and private Calero events, including at least one meeting with Oliver North White House assistant (and former Dan Quayle senatorial staffer) Rob Owen. In memos to North, later unearthed during the investigation of Iran-Contra special prosecutor Lawrence Walsh, Owen freely acknowledged that he was aware that the Contras were being financed by big-time cocaine traffickers.

At the same time, Meneses was a target of the Drug Enforcement Administration (DEA), which had been tracking him as a major international drug trafficker as far back as 1974, when he was known as "El Rey de Drogas" ("The King of Drugs") in Managua. (In 1984, the DEA obtained a sealed indictment against Meneses for cocaine smuggling, but the indictment, and the attached no-bail arrest warrant, were never unsealed. By the late 1980s, Meneses would be a target of 45 separate DEA narcotics probes.)

Launching the 'crack' epidemic

According to testimony in the March 1996 San Diego federal trial of Los Angeles crack dealer Ricky Donnell Ross, the FDN cocaine pipeline was opened in 1981—even before the first FDN "troops" entered Nicaragua. Oscar Danilo Blandón Reyes, one of the key government witnesses against Ross, had been a central player in the FDN cocaine ring. He

told the court that in the spring of 1981, he received a call from a fellow Nicaraguan exile in Miami, Donald Barrios, asking his help in launching an organized military resistance to the Sandinista regime. Blandón had fled his homeland on June 19, 1979, just before the Sandinistas took over Nicaragua. At the time, Blandón had been the head of a \$27 million Somoza government agricultural export program. He was willing to help.

Blandón was told to go to Los Angeles International Airport and make contact with another Nicaraguan exile, Meneses, who would be flying down from San Francisco with details. A few days later, the two men, both from prominent Somoza-era families, flew to Honduras, for a planning session with Col. Enrique Bermudez, the former Nicaraguan military attaché in Washington, D.C., who had already been placed on the CIA payroll to organize an anti-Sandinista resistance force, made up primarily of former members of the Somoza National Guard.

Blandón would later acknowledge that the Honduras meeting had spelled out plans to bankroll the Contra force via cocaine trafficking. (On Dec. 1, 1981, President Reagan would sign a secret order authorizing the CIA to spend \$19.9 million for covert military aid to the recently formed Contras—hardly enough money to launch a serious military operation against the Cuban- and Soviet-backed Sandinista regime.)

Returning to California, Blandón traveled to San Francisco, where he was put through an “apprenticeship” program on how to traffic in illegal narcotics, at the feet of an old master, Meneses. He was instructed to open up a cocaine pipeline into the Los Angeles area.

Blandón’s cocaine business took off, when he made a connection with an up-and-coming drug dealer from South Central Los Angeles, Ricky Donnell Ross. Ross had originally met another Nicaraguan cocaine dealer, Henry Corrales, who began supplying Ross and his partner, Ollie Newell, with, in Ross’s words, “remarkably inexpensive cocaine.” Corrales’s supplier was Blandón. Blandón soon took direct charge of the Ross “account.”

Cocaine comes to the ghetto

Up until Blandón and Ross hooked up, cocaine was a little-known drug on the streets of the Los Angeles ghettos, even though it had already become the “narcotic of choice” for Hollywood’s jet setters. In the late 1970s and early 1980s, when cocaine first began flooding the United States, the drug was too expensive for ghetto users. Ross, Blandón, and Meneses changed all that. Blandón sold cocaine to Ross at rock-bottom prices. According to Ross’s account, Blandón would undersell all the competition by at least \$10,000 per kilo. “Sometimes he’d be giving it away,” Chico Brown, a Ross partner, told the court.

Soon, Ross was pouring millions of dollars worth of cocaine into the hands of the Crips, a Los Angeles gang that was a creation of members of prison gangs inside California’s

maximum security prisons. Members of the Symbionese Liberation Army and the Black Liberation Army, both 1970s-era terrorist groups, were among the leaders of the prison-based gangs, such as the Black Guerrilla Family that spawned the Crips and the Bloods. Ross became the principal supplier to the Crips and the rival Bloods.

By the mid-1980s, Ross was purchasing over a hundred kilos of cocaine a week from Blandón, generating \$2-3 million a day in dope sales! In 1983, Ross became the first major supplier of crack cocaine in the United States—courtesy of his Contra cocaine pipeline. By the time crack hit the streets of Los Angeles, Ross had established a distribution infrastructure—through the Crips and the Bloods—that dominated the city’s South Central neighborhood, and nearby Compton. “It was unreal,” Ross told *Mercury* reporter Webb. “We were just wiping out everybody,” with the high-grade, low-cost free-base form of cocaine.

Between Thanksgiving and Christmas 1985, according to DEA documents, crack cocaine hit the streets of a dozen other U.S. cities. For \$5 a hit, youth nine and ten years of age were given their introduction to cocaine. And it was a killer. Crack, unlike other forms of cocaine, is instantly addicting, because the free-based cocaine rushes from the lungs, to the heart, and then to the brain, causing an immediate rush, and then, an equally powerful crash. Crack users are prone to violence and paranoia.

Even after crack hit the streets of scores of U.S. cities, Ross’s cocaine connection was still the cheapest in the country. Courtesy of Ross, the Crips and the Bloods were able to spread their cocaine operations eastward, opening up branches in cities all across the country. With the spread of the gangs and crack, illegal weapons also flooded the streets of urban America. And, again, the weapons pipeline was via Blandón and George Bush’s Contra infrastructure.

According to Ross, once the Crips and the Bloods had established their crack distribution operations, Blandón became a principal supplier of guns, countersurveillance tools, and other military equipment. “Once he [Blandón] tried to sell my partner a grenade launcher,” Ross told the *Mercury*’s Webb. At least one of Blandón’s weapons suppliers was Ronald J. Lister, a former Laguna Beach, California police detective who went to work for a variety of federal agencies, including the CIA, DEA, and FBI. Lister was a West Coast arms supplier and “fundraiser” for the Contras.

Meneses’s Colombia connection

Blandón’s successful Los Angeles business partnership with Ross was all based on Meneses’s bottomless supply of high-grade, cheap cocaine from Colombia. And that’s where George Bush, Oliver North, “ex”-CIA officer Felix Rodriguez, et al., come back into the picture—with a vengeance.

Meneses had been granted political asylum in California in June 1979—despite the fact that he was all over the DEA’s computers as Nicaragua’s leading drug kingpin. In fact, Meneses would *never* see the inside of a U.S. jail or even a U.S.

courtroom. U.S. anti-drug officials would complain bitterly about the interference they encountered from the “national security apparatus” and the Criminal Division of the Justice Department, every time they tried to nail Meneses. He was eventually arrested in 1992—back home in Managua, by Nicaraguan anti-narcotics police. The police grabbed 750 kilos of pure cocaine in the raid on Meneses’s operation. In the trial that followed, details about the Meneses ring came out.

Enrique Miranda, Meneses’s liaison to the Colombian cocaine cartels, testified that throughout the first half of the 1980s, Meneses obtained his cocaine from Colombia via Marcos Aguado, a Nicaraguan pilot who was, at the time, a senior commander in the El Salvadorean Air Force—running “humanitarian aid” and weapons flights to the Contras out of Ilopango air base near San Salvador, the capital of El Salvador. The DEA country agent for El Salvador, Celerino Castillo, would identify Aguado as one of a score of Contra pilots who were known cocaine smugglers. Aguado would fly Salvadorean Air Force planes to Colombia, load up the planes with cocaine, and then fly to the United States, *where he landed on U.S. military bases*, according to Miranda’s testimony.

The Ilopango Contra supply operation was run out of the White House office of George Bush, via Bush’s national security aide, ex-CIA officer Donald Gregg, and “ex”-CIA officer Felix Rodriguez, who was on the scene at Ilopango. Records released during the 1987 Congressional Iran-Contra hearings revealed that Rodriguez kept Gregg and Bush fully informed on his operations in El Salvador.

But, the inbound flights full of cocaine could not have been cleared onto U.S. military bases without the involvement of senior Pentagon officials, as well. They, too, were subordinate to Vice President Bush, as per National Security Decision Directives 2 and 3, which created the Special Situation Group, and its subordinate Crisis Pre-Planning Group, as the “focal points” for the secret Contra support program.

The secret to Meneses’s discount prices to the Crips and the Bloods, making it possible to flood America’s urban ghettos with Colombian cocaine, was that Meneses’s operation was “bust-proof.” The cocaine was obtained from the Colombia cartels as their “contribution” to the Contra effort—*gratis*. In return, the cartels enjoyed a decade of relative immunity from any serious U.S. anti-drug effort.

And it’s no surprise. By the mid-1980s, President Reagan had named George Bush to head the White House anti-drug effort. Bush ran the National Narcotics Border Interdiction System, which purported to coordinate the efforts of all federal, state, and local anti-drug agencies, especially along the southern Florida coast, where much of the cocaine came into the United States during the Contra era. Meneses took full advantage of this arrangement. He owned a ranch in Costa Rica which served as a Contra base, and a refueling stop between Colombia and the United States.

Furthermore, planes flying from South America into U.S.

military bases were all-but-immune from intercept by U.S. Coast Guard, U.S. Customs, DEA, and other drug interdiction efforts—through the Joint Chiefs of Staff’s “focal point” logistical system.

The aftermath

In early 1987, Congress failed to renew the Boland Amendment, that had blocked the CIA from openly backing the Contra insurgency in Nicaragua. Now, the money pipeline was opened up—without the 1981 funding cap. The downing of a Contra supply plane over Nicaragua in October 1986 had, for the first time, revealed the scope of the secret White House illegal Contra support operation; and Sen. John Kerry (D-Mass.) was conducting a Foreign Relations subcommittee probe of the by-then massive evidence of narcotics trafficking by the Contras. It was time for damage control.

On Oct. 27, 1986, agents from the FBI, the Internal Revenue Service, the Los Angeles County Sheriffs Office, and local police, raided a dozen southern California locations, armed with arrest warrants for Danilo Blandón, his wife, and scores of associates. Mrs. Blandón had apparently been involved in the cocaine ring. A cousin, Orlando Murillo, a Nicaraguan banker who had fled to Coral Gables, Florida and become vice president of Government Securities Corp., had served as the group’s “banker,” facilitating the laundering of drug money into the Contra accounts.

The raids were, however, a monumental flop. Blandón had been tipped off in advance, and no evidence was discovered. He “retired” to Florida with \$1.6 million in start-up money. But, several years later, Blandón was back in California, running cocaine once again. This time he was busted, and convicted. But, Assistant U.S. Attorney L.J. O’Neale, who had been instrumental in the earlier coverups of the Blandón-Meneses FDN cocaine ring, intervened to get Blandón’s sentence reduced to 28 months, with no parole. Blandón spent much of that time being debriefed by federal agents; and, Sept. 19, 1994, Blandón was released from jail, and put on the payroll of the DEA! Since then, he has received \$166,000 in tax-free pay from the Justice Department.

Meneses left the United States before any actions were ever taken against him. After operating in Costa Rica for several years, he tried, unsuccessfully, to restart his cocaine business in Nicaragua.

In 1987, the Los Angeles Sheriffs Department created a “Freeway Ricky” Task Force to shut down Ross, the county’s most notorious cocaine dealer. Ross left town, and set up shop in Cincinnati, where he was eventually arrested. He served five years in jail, and returned to the streets of Los Angeles last year. But, as fate would have it, Ross was soon back in business with his old partner—Blandón. On March 2, 1995, Ross was arrested by the DEA, courtesy of his Contra supplier. Ross was convicted in August. The government is asking for him to be sentenced to life without possibility of parole.