

# Iran-Contra prosecutor never investigated drug-running

by Edward Spannaus

During Oliver North's failed 1994 campaign for the U.S. Senate, he frequently claimed that there was no basis for any charges of his complicity in drug-running, because, as he kept saying, "I'm the most investigated man on this planet." The truth of the matter is, that the Iran-Contra special prosecutor, Lawrence Walsh, never investigated the drug-trafficking allegations, because he did not consider it part of his mandate.

Questioned about this in 1994 by *EIR*, Walsh offered an explanation as to why his investigation had not taken up the narcotics issue. At the time much of this information became available, in 1991, Walsh said, "We were trying to direct our investigation inward and upward in the [Reagan-Bush] administration, and not out into the periphery that could be handled equally well by a regular U.S. Attorney."

In a statement issued during the 1994 election campaign, in response to inquiries regarding Oliver North, Walsh stated that a long-term investigation of drug-trafficking allegations "would have diverted my staff from its investigation of crimes more central to high-ranking government officers. Our principal responsibility was criminal activities by government officials and those working closely with them, rather than personnel in the field who were subject to prosecution by regularly appointed prosecutors. Because of these limitations, it is inappropriate to suggest that our non-action constituted an exoneration of anyone."

The final report issued by Walsh in 1993, as voluminous and extremely detailed as it is, never deals with the drug issue. Yet, declassified files examined by this writer at the National Archives show that his office was in possession of large amounts of evidence on drug smuggling carried out by operatives involved in the Contra supply operation in the early- and mid-1980s, but that the evidence and investigative leads were never pursued. The records contain a surprising amount of information on drug-trafficking by pilots and others involved in the Contra resupply operation.

The Office of Independent Counsel (OIC) files include additional information on two cases which were publicized in the mid-1980s—those of drug pilots Michael Palmer and Michael Tolliver.

## The Michael Palmer case

Michael Bernard Palmer was a former Delta Airlines pilot, a CIA and Drug Enforcement Administration (DEA) informant, the head of a billion-dollar drug-smuggling ring—and a recipient of State Department contracts to fly "humanitarian" aid to the Contras.

Some of the Palmer story was described in a 1988 report by a Senate Foreign Relations subcommittee chaired by Sen. John Kerry (D-Mass.). That report comments that an indictment of Palmer was dropped as "not being in the interests of the United States," and describes this as an instance of U.S. government agencies (State Department, DEA, and Customs) working at cross-purposes with each other.

Much more information about the Palmer case is contained in documents provided to Walsh's office by a convicted partner of Palmer, Justin Adams. Adams, a federal prison inmate, contacted the OIC and spoke to FBI Special Agent Mike Foster on a number of occasions. Foster took Adams seriously enough that he would accept collect calls from him, and Walsh's associate prosecutor Craig Gillen wrote a favorable letter on Adams's behalf for Adams's sentence-reduction hearing.

Adams told Foster that he had been set up to "take the fall" for Palmer, and that Palmer had threatened to expose the North operation. Although the local federal prosecutor in Detroit refused to dismiss the indictment against Palmer, it was dismissed by Bush's first Attorney General, Richard Thornburgh.

From the documents (which contain some deletions), it appears that Adams told FBI Special Agent Foster that Felix Rodriguez was coordinating flights in and out of Homestead Air Force Base in Florida, which "took arms to the Contras and drugs back to the United States."

An instance is described in the FBI interview in which pilot Michael Tolliver and three Latinos left from Miami with 28,000 pounds of lethal aid for the Contras, and they returned in the same plane with 29,000 pounds of marijuana.

In his summary of this interview with Adams, FBI Special Agent Foster wrote: "Adams believes this is an example of how the U.S. government was sanctioning drug dealing in



*Special Prosecutor Lawrence Walsh, after the arraignment of Richard Secord, Oliver North, John Poindexter, and Albert Hakim. Walsh never pursued the evidence of drug-running conducted under George Bush's "secret government" network.*

order to provide aid to the Contras and for other purposes. Adams does not know definitely, but he believes this sanction must have come from up high because [deleted] was a former or current Central Intelligence Agency official who has been publicly identified as being close to Oliver North, Donald Gregg, and George Bush."

It is almost certain that the deleted name is that of Felix Rodriguez, not only because the description fits him to a "T," but because Adams called Foster after hearing that Rodriguez was appearing before a grand jury in Washington.

In another interview in 1991, Adams told FBI Special Agent Foster that he had been in Mena, Arkansas in the summer of 1986, as part of a drug deal involving the importation of cocaine from Colombia.

The OIC files show that a number of references to Palmer and his Vortex Aviation were also found in a computer database search of entries in North's notebooks.

### **Castillo's leads ignored**

The declassified OIC records also confirm the account that former DEA agent Celerino Castillo had provided to *EIR* of his contacts with Walsh's office regarding drug-

smuggling by the Gregg-Rodriguez-North Contra supply operation (see *EIR*, Sept. 23, 1994, p. 50).

The OIC records, of which Castillo himself was not aware, show that FBI Special Agent Foster went to San Francisco and conducted an extensive interview of Castillo, and that Foster interrogated Castillo concerning many figures involved in the Contra operation, including Donald Gregg, George Bush, and Felix Rodriguez. The FBI "302" record of the interview states that Castillo "believes that North and the Contra resupply operation at Ilopango [air base in El Salvador] were running drugs to raise money for the Contras. Many of the resupply pilots were drug-traffickers."

The records also show that, three days later, DEA officials contacted Craig Gillen, the prosecutor in charge of "continuing investigations" for Walsh, in a not-so-subtle attempt to discourage Walsh's office from pursuing its contact with Castillo.

FBI Special Agent Foster wrote a memo to Gillen on Oct. 10, 1991, in which he reported on his interview, and stated: "Castillo provides a lot of new background information and some significant leads that I think should be pursued." Foster also cautions that they should be "a little skeptical as well," partly because of DEA internal investigations of Castillo.

The OIC files confirm that there was almost no follow-up of Castillo's leads.

### **Implausible explanations**

A source who was quite familiar with Walsh's operation told *EIR* that Walsh was very focussed on the diversion of government funds from the arms sales to Iran, into private Swiss bank accounts, and that he regarded this as the major offense that North and company were involved in. He basically regarded the allegations of drug-trafficking by the pilots involved in the Contra supply operations as the kind of offenses that any regular federal prosecutor could investigate.

Plus, this source said, by the time many of the drug-running allegations reached Walsh's office, he was under tremendous political pressure to wind up his investigation, and he would have come under enormous criticism had he branched out into other areas.

There are a couple of difficulties with this explanation. First, it has been documented that the Reagan-Bush White House and Justice Department intervened to block a number of drug investigations being pursued by federal prosecutors in the mid-1980s when those investigations threatened to expose covert operations being run by the White House-National Security Council. Second, once Walsh's investigation was under way, any U.S. Attorney investigating areas which overlapped with Walsh's investigation would have found himself in a thicket of competing jurisdictions and witnesses. As one knowledgeable investigator told *EIR*, a lot of these cases "just fell between the cracks."