

NARCOTICS REVIEW IN CENTRAL AMERICA

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NARCOTICS REVIEW IN CENTRAL AMERICA

THURSDAY, MARCH 10, 1988

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
TASK FORCE ON INTERNATIONAL NARCOTICS CONTROL,
Washington, DC.

The task force met at 3 p.m., in room 2200, Rayburn House Office Building, Hon. Lawrence J. Smith (chairman of the task force) presiding.

Mr. SMITH of Florida. The task force will come to order. Today marks the third in our series of hearings to review last year's developments in narcotics control. Today's focus is Central America, including Panama.

We are pleased once again to have before us Assistant Secretaries Ann Wroblewski and Elliott Abrams from the State Department, and Deputy Assistant Administrator Tom Byrne from the DEA.

They will help us understand developments in the region as well as in Washington, where the administration has taken the remarkable step of decertifying Panama for its non-cooperation on narcotics control.

If only for its amusement value, I would like to take this opportunity to quote from last year's revelations in the narcotics strategy report. Quote:

Although Panamanians are involved in trafficking and, according to credible reports, corruption among officials is a factor, most of the actual trafficking is carried out by nationals of other countries.

I suppose for this year we should note that, while trafficking may actually be carried out by nationals of other countries, we now believe—or find ourselves willing to admit, in any event—that such trafficking is actively aided and abetted by the Commander of the Panamanian Defense Forces, our former close friend and ally, recipient of awards too numerous to mention, General Manuel Antonio Noriega.

This year's narcotics strategy report notes that, if assistance is resumed to Panama, "the U.S. would like to train six more narcotics detector dogs in 1988."

If it were not so dangerous it really would be funny. The simple fact is that we seem to delude ourselves until the last possible minute, until our sensibilities become so overwhelmed by the unreality of what we politely call "cooperation" with these thugs that we can not sustain the delusion any longer.

Then, as in the case of Panama, we change course radically; we indict the offending party, cut aid, threaten sanctions, and do ev-

everything short of insults to ensure that everyone is aware of our outrage.

In 1987 we embraced a cooperative Panama which passed new anti-narcotics legislation. In 1988 we indict the most powerful man in the country on drug charges.

I hope our witnesses today can reveal to us the reasons behind our change of heart and policy. What did we find out in a year's time that caused us so radically to change directions? Or had we known it all along but found the sordid truth too inconvenient for other reasons?

There are, of course, other countries in Central America. Like Mexico. Not only do Mexican law enforcement officials accede in the torture and murder of DEA agent "Kiki" Camarena and his pilot, but Jalisco State Police a year and some months later arrest and torture another DEA agent, Victor Cortez.

It will come as no surprise to anyone that I will again this year, and just at a conference announced, that I will be introducing a resolution of disapproval on Mexico, for these and for many other reasons that are extremely numerous, too numerous to mention.

Finally if you look at the map of the region you will find Panama at one end and Mexico at the other. The poor countries in the middle—especially Costa Rica, Guatemala, and Honduras—are greatly impacted by the drug traffic through Panama to Mexico and beyond.

These fragile democracies are in danger of being "Medellinized" by the corruption that inevitably accompanies cocaine trafficking. Juan Matta Ballesteros, one of the richest cocaine barons in the world, and a suspect in the murder of agent Camarena, lives openly in Honduras with his own private protection service.

Some have said that his protection, his guards, are greater in number than those assigned to the President of Honduras himself.

News reports note unhealthy signs of comradery between members of the military and the narco-traffickers. In a recent opinion piece in the Wall Street Journal, a Costa Rican lawyer and journalist, Jaime Daremblum, notes that his country is in danger of losing its clean reputation despite new drug enforcement initiatives.

Both of these countries are attractive to drug traffickers because of remote airstrips and limited military and drug enforcement personnel.

Secretary Abrams mentioned yesterday that in terms of the stability of government in the Latin America, the drug war is being fought to a standoff.

Without a strong commitment by the governments of the region, together with a strong commitment by us, by this time next year these countries, formerly marginal participants in the drug trade, may find their governments corrupted, their economies skewed, and their citizens terrorized by the drug menace.

We must make every effort to prevent the spread of drug corruption in Central America. Communism is not the only danger to our security in this region.

Again I thank the witnesses for appearing today. Ms. Wroblewski, as is our custom, you may proceed.

All right, just a moment, I am sorry. Mr. Gilman, do you have an opening?

Mr. GILMAN. Thank you, Mr. Chairman. I certainly welcome our continuation of this series of hearings, a series of hearing that's intended to review the certification process.

I think that that is especially important to determine whether this vehicle, these tools that we've placed in our legislation, are going to be truly operational. Are they going to be truly effective and useful to us?

I welcome our witnesses to today's session on American and host government anti-narcotics activities in Central America: Belize, Costa Rica, Guatemala, Honduras, Mexico, Nicaragua and Panama.

We are concerned, along with the administration, that we make some forward progress in the war on drugs in this nearby region. While our successes have, to some extent, been helpful, we certainly have not been able to turn the corner on this menace to our society, a menace that our president has declared to be a national security concern.

We continue to face two major problems. The growing power of the traffickers, and the corruption among government officials in many Central American countries.

We are particularly concerned about some of the recent developments in Honduras. A member of the Medellin cocaine cartel, Juan Matta Ballesteros, has set up shop in Honduras.

Already he is extending his corrupting influence in that society. He is attempting to buy off officials in the Honduran government. Ballesteros is a tough and savvy drug trafficker.

He is backed by the vast wealth and power of the Medellin cocaine cartel, one of the leading drug trafficking organizations in the entire world. He is a billionaire drug trafficker.

We all know how that group has assassinated government officials in Colombia, and has virtually brought Colombia to its knees with regard to law enforcement. Their links to Colombian terrorist groups are well known.

And we know that the links of terrorist groups throughout Latin America and Central America show that they are highly interdependent, and that they are linked very closely to drug trafficking.

Even today, the intimidation campaign of the Medellin intimidation, directed against the government of President Barcos, continues and we question whether Honduras is going to become another Colombia.

Will the power of Ballesteros and his band of traffickers threaten the legitimate government of Honduras? I believe that we need to continue to contribute to the resources of Honduras, as that government confronts the menace of Mr. Ballesteros.

I am also concerned about recent reports that some of the military officers in Honduras may very well be involved in drug trafficking, and I hope we're not going to look the other way because of certain other security interests there.

I hope that Mr. Ballesteros has not already succeeded in building a drug trafficking network in Honduras, with the cooperation of some of these corrupt military officers.

The pervasive influence of the Medellin cartel has already extended into Mexico. We are pleased to note that a series of raids in recent weeks by Mexican police and army units broke up a major arms and drug trafficking organization linked to that cartel.

That successful operation was made possible by information provided by our Drug Enforcement Administration. While cooperation in operational matters with United States officials exists, we are disturbed by reports of corruption among Mexican and Bahamian authorities involved in anti-narcotics activities.

Certainly more action is needed if we want to wake up our neighboring countries to let them know how serious we are about the narcotics coming in to our own country, and how concerned we are with its impact upon our population.

The Congress supports the administration's new tough policy toward Panama. The freedom-loving people of that country are as shocked as we are about the recent revelations concerning General Noriega.

We look forward to the day when Panama will be able to return to civilian rule. Just this afternoon we were able to adopt a resolution, virtually unanimously, condemning the Noriega regime in Panama.

We are disturbed, however, about the fact that our government maintained a business as usual relationship with Noriega, even though some agencies possessed ample evidence about his involvement in drug trafficking and money laundering.

While the General was throwing DEA a few operational successes in anti-narcotics efforts, he was certainly on the payroll of the Medellin cartel.

General Noriega may have received as much as \$10 million per month for his cooperation with the cocaine cartel, according to some information we're receiving.

Yes, we have many questions for our witnesses, and we look forward to their testimony. I hope that out of these hearings will come some suggestions for reforming the process and making it even more effective.

We certainly have a long way to go to make a dent in the narcotics problems confronting our nation.

Thank you, Mr. Chairman.

Mr. SMITH of Florida. Thank you, Mr. Gilman. I am happy to be joined today by our colleague from the Foreign Affairs Committee, Mr. Kostmayer from Pennsylvania.

And very honored to be joined today also by the Chairman of the Select Committee on Narcotics Abuse and Control, the gentleman from New York, Mr. Rangel, who is one of the most significant leaders in the fight against drugs for many years in this country.

Ms. Wroblewski, Mr. Abrams, you both have prepared statements which will be received in the record in full without objection, and if you would like to proceed on a summary basis as we did yesterday, with a short little synopsis on each country, I think it would be appreciated.

As is our custom, of course, Ms. Wroblewski, you may proceed first.

STATEMENT OF HON. ANN B. WROBLESKI, ASSISTANT SECRETARY, BUREAU OF INTERNATIONAL NARCOTICS MATTERS, DEPARTMENT OF STATE

Ms. WROBLESKI. Thank you, Mr. Chairman. I want to open this hearing by touching on an issue raised by the Task Force during testimony yesterday on Caribbean nations.

Representative Gilman asked me if there were indictments pending against any Haitian officials. I had to say no, because I could not say that a sealed indictment had been handed down a few hours earlier.

By order of the United States District Court for the Southern District of Florida, an indictment was handed down by a Grand Jury in Miami, charging Colonel Jean Claude Paul with conspiracy to import cocaine, with conspiracy to possess a narcotic drug with intent to distribute, and with substantive distribution of narcotic drugs.

At the request of the Department of State, the court ordered that the indictment be sealed, so that we could advise the Embassy in Port Au Prince that a domestic enforcement action had been taken.

That being done, the court at our request today ordered the indictment unsealed. And I just wanted to let the Committee know that.

Mr. SMITH of Florida. We appreciate that, Ms. Wrobleski, and as you know we were aware, that we appreciate that.

Ms. WROBLESKI. I just want to make sure the record is straight. On to today's topics. We have provided you with formal testimony, based upon the International Narcotics Control Strategy Report, concerning Mexico, Panama, and the nations of Central America.

There is perhaps no other region of the narcotics world more volatile than the region between the Rio Grande and the Panamanian Colombian border.

The shift in this decade has been pronounced. Mexico, a principal supplier of heroin and marijuana, made the greatest strides of any nation in the 1970s, but has seen its program fail to keep pace in the 1980s, despite improvements in the last two years.

Panama became the major money laundering center for the South American cocaine trade, a transition that climaxed in the indictment of General Noriega last month.

Now drug trafficking, and in some instances, narcotics production, have breached the boundaries of Guatemala, Honduras, and Costa Rica.

There are allegations of official involvement in several Central American countries and strong indications that one or more Sandinista leaders in Nicaragua are involved in narcotics trafficking.

Many factors are at work here. Geography is a principal consideration. These countries lie on the path between the coca fields of the Andes and the cocaine markets of the United States.

Economic considerations are important. Not just the availability of banking havens like Panama, but the fact that the people of these countries, like the farmers in the Andes, see the drug trade as a venue for escaping the poverty of Latin America.

The limited investigative capabilities of police forces and scarce resources are also important. Looming over all these considerations is the evil presence of the Medellin cartel and other trafficking organizations.

The traffickers are well armed and financed. They have sophisticated aircraft, communications equipment, and other technological aids to put any of the police forces to a severe test.

Of immediate importance is the need to improve the Mexican eradication and interdiction programs. The President's report to Congress includes a special justification statement for Mexico, a signal that 1988 must be a year of positive results. Heroin and marijuana production must be curbed at the field and at the border. Mexico must also take aggressive action to impede the growing traffic in cocaine. Traffickers must be apprehended, their assets seized.

Regaining the edge in Mexico is one of two major keys to narcotics control in the region. The second major key is to shut off access to the Panamanian banking system.

Progress was made by DEA and operation Pisces. The Noriega indictment indicates that our overall penetration of the system was limited despite Pisces and the undeniable cooperation we received on marijuana eradication and cocaine interdiction.

The President denied certification. We look forward to a response from Panama, which indicates responsible elements are ready and capable of giving us unlimited cooperation on narcotics control. Until then, the denial of certification will stand.

If we can gain the upper hand in these two key countries, we believe we can contain this menace. Eradication programs have proven effective in Belize and Guatemala, with good cooperation by both governments, in what is obviously a sensitive political undertaking.

There is evidence that Belizean traffickers, deprived of marijuana, are using their established supply routes to smuggle cocaine to the United States. Preventing this transition is a major goal for 1988.

Other goals in Belize include creation of a regular program for aerial eradication, the equipping and training of the Serious Crimes Squad, the development of an effective system of coordination between the Belize National Police and DEA's Guatemala City country office.

Costa Rica may become a more important transit route for South American cocaine and marijuana traffickers seeking new routes away from the areas where current U.S. pressure is being applied.

Cocaine seizures in 1987 were the highest recorded to date, but the government's capability to interdict trafficking continues to be hampered by a lack of resources.

Guatemala's plans for 1988 include additional aerial spraying against opium poppy and marijuana, a public awareness campaign to help offset inaccurate publicity concerning herbicidal eradication, making the manual eradication program more mobile and better equipped, improving the investigative capability of the National Police, and conducting additional surveys of narcotic crops.

Honduras has taken several steps to improve cooperation with U.S. officials, including the Coast Guard and the Drug Enforcement

Administration. In 1988, the Honduran Government plans to establish a special Narcotics Task Force, to be operational in May. Also in 1988, DEA will open a permanent office in the capitol.

There is little indication of cultivation, production or refining of narcotics in Nicaragua, but there is information indicating past involvement of government officials.

This support has taken the form of providing overflight clearance for drug-carrying aircraft, and even granting of landing rights.

In the discussion which will follow presentation of formal testimony today, the Department hopes that we can renew the dialogue at the first hearing concerning certification of Mexico.

There is no question that Mexico should not be denied certification. Too many important interests would be negated by such an act of Congress. We recognize there is sentiment on the Hill for national interest certification, because many Members want to send Mexico a signal.

Again, the President has given Mexico certification with an asterisk. We believe the message has been sent.

Thank you, Mr. Chairman, and I will be happy to take any questions that the Committee might have.

[Prepared statement of Ms. Wroblewski follows.]

PREPARED STATEMENT OF HON. ANN B. WROBLESKI, ASSISTANT SECRETARY, BUREAU OF
INTERNATIONAL NARCOTICS MATTERS, DEPARTMENT OF STATE

CHAIRMAN SMITH:

The Department has been asked to provide testimony today on narcotics source and transit countries in Mexico, Panama and Central America. This formal statement includes assessments from the 1988 International Narcotics Control Strategy Report, as well as comments on the President's decisions on certification.

Testimony was previously provided on March 3 concerning the narcotics control situations in Mexico and Panama, and we will offer additional detail today on those countries, drawing in part on new material in our special report on money laundering. We will also summarize our narcotics control assessments for Belize, Costa Rica, Guatemala, Honduras, and Nicaragua. In each case, we will identify the goals for this year, emphasizing where appropriate, what we believe will be new or different.

Belize changed its eradication strategy in 1987 to respond to new growing patterns. Three U.S. Government-assisted aerial eradication campaigns destroyed an estimated 80 percent of the marijuana crop. There is evidence that Belizean traffickers, deprived of marijuana, are using their established supply routes to smuggle cocaine to the United States. Preventing this transition is a major goal for 1988. Other goals include creation of a regular program of aerial eradication; the equipping and training of the Serious Crimes Squad; and development of an effective system of coordination between the Belize National Police and DEA's Guatemala City country office.

Costa Rica may become a more important transit route for South American cocaine and marijuana traffickers seeking new routes away from areas where current U.S. pressure is being applied. Cocaine seizures in 1987 were the highest recorded to date (603 kg) but U.S. officials estimate that 6 to 12 metric tons of cocaine are transiting the country. Goals for 1988 include institution of a backpack chemical eradication program for the small marijuana cultivation problem, continuing joint maritime interdiction operations with the U.S. Coast Guard, and improvement of statutory authority to seize goods of traffickers. However, the Government's capability to interdict cocaine trafficking continues to be hampered by a lack of resources.

Guatemala is both a transit area for South American cocaine, and a producer of opium poppy and marijuana. As much as 10 tons of cocaine are estimated to have transited Guatemala in 1987. An estimated 300 hectares of opium poppy were under cultivation in 1987, theoretically enough to produce three tons of opium, which is

smuggled into Mexico for processing. Opium poppy will be eradicated through chemical spraying. Marijuana cultivation, which has also been destroyed through chemical spraying, may have totalled 325 hectares in 1987. Plans for 1988 include: additional joint aerial spraying operations against opium poppy and marijuana; a public awareness and education campaign to help offset adverse and inaccurate publicity concerning herbicide eradication; making the manual eradication program more mobile and better equipped; improving the investigative capability of the National Police; and conducting additional surveys to make more accurate estimates of the narcotics problem.

Honduras is a transfer point for significant quantities of cocaine from Colombia to the United States. In November 1987, 8,000 pounds of cocaine were seized in a shipment of wood products from Honduras. Earlier, 5,000 pounds of Colombian cocaine were discovered in Florida in a container of Honduran plantains. The trafficking networks using Honduras are primarily run by U.S. citizens or Colombian nationals. Matta Ballesteros, a Honduran who was a major figure in Colombian and Mexican trafficking, re-established his residence in Honduras in April 1986 after escaping from a Colombian jail. He is believed to have continued his trafficking activities in Honduras. Honduras has taken several steps to improve cooperation with U.S. officials, including the Coast Guard and DEA. In 1988, the Honduran Government plans to establish a special Narcotics Task Force, to be operational in May. Also in 1988, DEA will open a permanent office in Tegucigalpa.

Mexico remains the largest single country source for heroin and marijuana entering the United States. Mexico also serves as a major transit route for U.S. cocaine imports. Mexico has a broad-based anti-narcotics program, including crop eradication, interdiction of shipments, suppression of refining laboratories, and efforts to increase public awareness. The Mexican government has committed its military as well as its police force to the anti-drug campaign.

The Government of Mexico has made higher expenditures on narcotics programs in 1987 despite the country's severe economic problems and serious budget deficits. The Mexican Attorney General's Office (PGR) spends 60 percent of its budget on anti-narcotics programs and employs over 1,550 personnel directly in efforts to fight drugs. Although the Mexican authorities eradicated greater quantities of marijuana, net production increased in 1987. The number of hectares of opium poppy eradicated increased marginally in 1987, but also failed to reduce net production. Nevertheless, assisted by the International Narcotics Control program, the PGR has made a serious effort to improve its aerial eradication program. Measures already taken include an intensified pilot training program and improved benefits for pilots and aircraft support staff, as well as the purchase of 12 new Bell 206 helicopters for its eradication fleet.

U.S. Customs believes corruption within the Mexican government continues to present the most serious impediment to effective narcotics cooperation with Mexico and is investigating instances of offers of protection by Mexican authorities to organizations involved in smuggling drugs into the United States. In cases investigated by the U.S. Customs, twenty current or former Mexican government officials (Army, police and Customs officers) have been arrested, indicted, or have been the subject of arrest warrants. While it is true that the Government of Mexico

has not yet addressed all allegations of official corruption in a systematic fashion, Mexican officials recognize the problem and are intensifying efforts to combat narcotics corruption. For example, Mexican law enforcement authorities have investigated a number of government officials, including investigations or arrests of several municipal officials in Chihuahua when it was discovered they were involved in growing 70 hectares of marijuana. As is well known, corruption exists wherever drug traffickers operate.

Moreover, senior Mexican officials increasingly recognize that the growing influence of narcotics trafficking organizations poses a threat to government authority. At the recent Mazatlan summit with President Reagan, President de la Madrid publicly articulated his belief that drug trafficking is a national security threat. While we do not have the details to provide at this time, we understand that the Mexican president has set up several groups to address the trafficking problem.

The Mexicans have also significantly increased seizures of poppy derivatives, marijuana and cocaine. They dismantled nineteen heroin and cocaine laboratories in 1986 and 1987, even though the characteristics of the labs found in Mexico make their discovery extremely difficult. Mexico has also cooperated in returning some fugitives to the United States. In 1987 Mexico was able to disrupt the networks of several traffickers. They arrested a number of Class I violators, including Jaime Herrera and his son who allegedly control an enormous heroin trafficking organization which has distribution networks in Chicago and California. The Mexican Government is now able to seize the assets of traffickers. The new, recently occupied PGR headquarters was financed entirely through seized trafficker assets.

To improve joint law enforcement cooperation, Mexico signed and ratified a Mutual Legal Assistance Treaty and agreed to cooperate with Operation Alliance in exchanging information and in designing operations in which Mexico and the U.S. will carry out actions on their respective sides of the border. While we do not believe that the Mexican Government's cooperation with the U. S. Government investigation of the Camarena case has been at the level of which Mexico is capable, Caro Quintero, Fonseca Carillo and more than 60 other defendants remain in jail and are being prosecuted in Mexican courts for this heinous crime.

Because of the unstable nature of the Mexican peso, Mexican banks are an unattractive base for large-scale money laundering operations. Nevertheless, we are concerned about the prospect of narcotics profits being funneled into legitimate businesses. Mexico's current economic problems have made commercial credit difficult to obtain, and traffickers may be providing the capital once obtained from banks or private investors.

The recent arrest by Mexican police of bankers and customs officials in Baja California on money laundering charges demonstrates the problem exists, but we do not have evidence indicating that the problem has yet reached the extremely serious levels experienced elsewhere.

Despite this recent arrest we are also concerned that Mexican law enforcement institutions lack the investigative and prosecutorial resources to attack this crime.

There are, for example, no figures available on the extent of money laundering in Mexico.

The recently signed Mutual Legal Assistance Treaty may help and should aid future cooperation on U.S. investigations and prosecutions of money laundering offenses. Once this treaty has been ratified by our Senate, we hope that past impediments to cooperation on money laundering issues such as bank secrecy laws can be surmounted.

The overall assessment is that Mexico's effort has not kept pace with the increased flow of drugs, and is below the level of efficiency and effect of which it is capable. While appreciative of the efforts that have been made by the Government of Mexico, and taking full note of Mexican casualties, the United States nevertheless believes that greater effort and improved results are both possible and necessary.

Nicaragua maintains that it has no drug problem, and officials deny that it supports or abets trafficking. There is little indication of cultivation, production or refining of illicit drugs, but there is information indicating past involvement of government officials. This support has taken the form of providing overflight clearance for drug-carrying aircraft, and even granting of landing rights. In 1986, a federal grand jury in Miami indicted Federico Vaughn, a close associate of Interior Minister Borge, on the grounds that Vaughn had ties to the Medellin cocaine cartel in Colombia. No other indictments have been handed down. No information is available on possible money laundering activities. The extremely poor condition of the Nicaraguan economy and the innumerable controls on banking suggest that few, if any, traffickers would want funds to be laundered there.

Panama was successful last year in suppressing traffic in cocaine and precursor chemicals and is reducing its very small marijuana production. However, Panama continues to be the major Latin American center for laundering narcotics profits, and that, along with the potential for corruption to erode these gains in other enforcement areas, is the dominant U.S. narcotics concern. U.S. agencies experienced mixed cooperation on money laundering investigations in 1987, ranging from good for DEA down to unsatisfactory for the FBI and others. In February, Panama Defense Forces (PDF) Commander General Manuel Antonio Noriega was indicted on drug trafficking and drug-money laundering charges by federal grand juries sitting in Tampa and Miami. These cases are still pending. Some U.S. law enforcement authorities believe that General Noriega and the Panamanian Defense Forces cooperate only when it is in their interest to do so, and that full cooperation with the current regime in Panama is simply not possible.

As evidenced by the indictments returned against General Noriega, narcotics-related corruption in Panama is extensive, and features money-laundering. Panama is one of the world's largest offshore banking centers, and serves as the financial capital of Latin America. As a result of its geographic location, its tight banking and commercial secrecy laws, the prevalence of English as a second language, and the use of the U.S. dollar as local tender, Panamanian banks are being used to launder money for drug traffickers on a large-scale basis. The Government of Panama (GOP) enacted a new drug law in December 1986 which.

for the first time, permits the government to seize anything of value used in the commission of a drug-related crime, including bank accounts. An important provision of the law allows for the seizure and penetration of secret accounts based on information from a foreign country, but virtually precludes Panamanian examination of bank accounts in the absence of specific, documented allegations from abroad.

Several operations and cases last year tested the Panamanian government's commitment to attack drug money laundering through its new law but reviews of its performance are mixed. It was a turbulent year for both the political system and for drug money laundering in Panama. The domestic unrest that began in June negatively affected the banking industry's liquidity and may have caused delays in GOP cooperation with the U.S. to combat money laundering in Panama. Consequently, while two fundamental features of a money laundering center -- secrecy and fiscal stability -- were undercut and apparently some drug money operations were deterred in 1987, large-scale narcodollar laundering has continued.

The Department of National Investigations (DENI) cooperated in the investigative portion of Operation Pisces, a three-year DEA investigation into money-laundering in New York, Miami, Los Angeles and Panama, ultimately freezing some \$14 million in over 200 bank accounts in 18 banks. The authentication of the seized documents needed for admission in U.S. court proceedings has been slow, but the Panamanian Attorney General continues to work with DEA and the Department of Justice to certify the documents. A Panamanian targeted in the Pisces operation is in custody, awaiting prosecution on money laundering charges pursuant to a complete prosecutorial package from the U.S. More than twelve million dollars remain frozen. Two million dollars comingled with non-drug money were released in October.

Panamanian authorities have assisted DEA in other cases involving money laundering. Final arrangements are being made to effect the freezing of an account maintained by a DEA fugitive from Boston. The authorities are also in the final stages of freezing an account belonging to a cocaine trafficker arrested in Puerto Rico in 1987.

Operation Cashweb/Expressway, a major three-year FBI undercover investigation of narcodollar laundering, penetrated the highest levels of three money laundering organizations of Colombian drug-trafficking syndicates. In June 1987, the FBI, with the assistance of U.S. Department of Justice attorneys and Panamanian judicial officials, executed search warrants in an attempt to freeze and seize financial assets of money laundering organizations that were contained in numerous accounts in Panama. FBI Agents, together with the Minister of Justice of Panama, initiated proceedings to freeze 29 confidential accounts in nine banking institutions in Panama. During this initial process, full cooperation and assistance were forthcoming from the GOP. These accounts were to be frozen with the full understanding that Panama would further assist in identifying and freezing secondary and tertiary accounts and provide all documentation concerning their investigation.

Seven months later, the FBI has received only minimal documentation regarding

the initial 29 accounts. No written notification of monies frozen by the GOP has been received. Repeated requests for completion of previously agreed investigations have failed to produce desired results. The Government of Panama's lack of aggressiveness in pursuing these additional accounts has significantly hindered the overall money laundering investigations and could adversely affect the admissibility of documents for prosecution. The lack of a bilateral law enforcement assistance agreement between the U.S. and Panama has been a factor in preventing the most expeditious handling of certain law enforcement matters. U.S./Panamanian agreement in principle to such an accord was reached in May, 1987, but negotiations on terms of an agreement did not take place due to the sharp deterioration in bilateral relations which began in June.

Meanwhile Panama's strict corporate and bank secrecy laws protect the identities of business and bank account owners. Even U.S. branches of banks in Panama have failed to provide records requested by the U.S. Internal Revenue Service in cases directly related to drug trafficking. In order to use provisions of Panama's 1986 law, charges must be specific narcotics charges and not narcotics-related tax charges.

During 1987, reports alleging the involvement of General Noriega in drug money laundering continued to surface. In early February 1988, Federal grand juries in Miami and Tampa returned indictments charging Noriega and others with various drug money laundering and related offenses. Drug-related money laundering remains a significant industry in Panama. It is not possible to predict how the 1986 drug law will be implemented in the future or the extent to which officials will probe into money laundering activity. GOP performance in this area will require careful and continuous case-by-case review.

Conclusion

This testimony has attempted to add to the formal record of information provided on Central American governments and their narcotics control situations. Much of this information is in our annual report, but it is important to restate these assessments for that broader public which observes and studies these Congressional proceedings.

In the discussion which will follow presentation of formal testimony today, the Department hopes we can renew the dialogue at the first hearing, concerning certification of Mexico. There is no question that Mexico should not be denied certification. Too many important interests would be negated by such an act of Congress. We recognize there is sentiment on the Hill for national interest certification, because many Members want to send Mexico a signal of dissatisfaction. We gave Mexico certification, with an asterisk. We have already sent the message. And, it was received.

Mr. SMITH of Florida. Thank you, Ms. Wroblewski. Mr. Abrams?
Mr. ABRAMS. Thank you, Mr. Chairman. I thought I would add an additional word.

Mr. SMITH of Florida. You can compete with the bells.

**STATEMENT OF HON. ELLIOTT ABRAMS, ASSISTANT SECRETARY,
BUREAU OF INTER-AMERICAN AFFAIRS, DEPARTMENT OF STATE**

Mr. ABRAMS. Just on Central America, Costa Rica and Honduras. First, with respect to Costa Rica.

Costa Rica is being used as a cocaine transshipment point, and refueling station by traffickers transporting drugs in South America up to the U.S. And as with the other countries, as you pointed out in your opening statement, there are isolated rural airstrips, there are deserted beaches, and there are limited enforcement capabilities.

And that all makes it an attractive target for the Medellin cartel. Moreover, is has a pretty stable economy, which is a potential inducement for money laundering in Costa Rica.

We find the Costa Rican government clearly committed to fighting narcotics trafficking. Its ability to control trafficking is limited by resource constraints, and the lack of strong cooperation among its domestic organizations responsible for various aspects of the drug problem.

So we are encouraging steps to improve coordination, and we think that will improve their ability to fight narcotics trafficking.

The severe worldwide cut of fiscal year 1988 map funding forced suspension of the Costa Rican program. Map funds were being used to improve Costa Rica's coastal interdiction capabilities, and the loss of that funding will hurt, so we hope to have enough for the fiscal year 1989 period.

Honduras too, is on the way and it has proven to be an attractive alternative spot for the cartel. It is sparsely populated, it is a rugged country with a lot of isolated airstrips, and a very large Caribbean coast, which is not patrolled very much.

And it was used probably more in 1987 than in any previous year. Two major cocaine seizures in 1987, totalling 13,000 pounds are a revelation of that.

The Honduran government and armed forces recognized the danger of narcotics smuggling several years ago, and have worked with us to prevent this from becoming a reality.

There is an extensive record of Honduran cooperation with the United States, and we have a chronology detailing it which I would like to submit for the record with this testimony.

Highlights include actions of the Honduran air force against drug smuggling aircraft, Honduran navy participation in joint maritime interdiction operations with the U.S. Coast Guard, and high level support for a permanent DEA presence in Honduras.

In fact, in many cases, the DEA is one case, the Hondurans were the ones who first came to us and said, we are worried and we need your help.

The situation in Honduras dramatically worsened in April 1986, when Matta Ballesteros went back to Honduras. The Hondurans

had helped us try to secure his extradition from Colombia, but as you know he escaped before we could extradite him from Colombia.

He is now in Honduras, where he was initially imprisoned on a murder charge, but the charges were dismissed subsequently for lack of evidence. He is continuing, we believe, we are convinced, his narcotics trafficking activities now in Honduras.

The problem is that the Honduran constitution prohibits them from extraditing nationals. However, a number of Honduran government and private sector leaders are moving to amend the constitution of Honduras, to allow the extradition of Hondurans in certain circumstances, including narcotics offenses.

A new extradition treaty between the U.S. and Honduras might be another way of doing this. So we are going to pursue both of these options, as well as all means under international law and practice to bring Matta Ballesteros to justice.

And we have had and will continue to have the cooperation of the Honduran government in doing so. Thank you.

[Prepared statement of Mr. Abrams follows:]

PREPARED STATEMENT OF HON. ELLIOTT ABRAMS, ASSISTANT SECRETARY, BUREAU OF
INTER-AMERICAN AFFAIRS, DEPARTMENT OF STATE

Mr. Chairman:

Mexico, Panama, and the countries of Central America -- the grouping that I have been asked to address at this hearing -- are a microcosm of the entire range of narcotics-related problems from production to transshipment to money laundering. Although the degree to which each individual nation is involved in each facet of narcotics trafficking varies, there is one thing that does not vary: the ability of the traffickers to threaten the survival of Western society by subverting democracies abroad and attacking the health of our own society here at home. So I am very pleased to have the opportunity today to discuss the Administration's policy for combatting the insidious scourge of narcotics trafficking and its relationship to some of the other problems we confront in this strategically important region.

Before I provide a detailed examination of our anti-narcotics efforts in each of these countries, however, I would like to examine the different challenges we face as well as some of the patterns that seem to be emerging in the region.

On the one hand we have Mexico, a large, complex country that shares a 2000 mile border with the United States. History and geography have bound our fate together intimately with that of our southern neighbor. The tremendous problems posed by the vast array of narcotics-related activities cannot help but spill across that border. Mexico represents all facets of the narcotics problem rolled into one: it is a major producer of marijuana and heroin; it is a major transshipment point for cocaine entering the United States from South America; and it is an increasingly attractive venue for money laundering by drug traffickers. Our ability to deal with Mexico constructively on the problem of narcotics will affect our ability to deal with Mexico on a whole range of other important issues. While we are concerned that some officials of the Mexican government have been corrupted by the narcotraffickers, we cannot ignore the extent to which the Government of Mexico devotes financial and human resources to the war on narcotics and the efforts of honest and courageous officials to combat narcotrafficking in all its forms. In recognition of the effort of the Government of Mexico, the President has certified.

On the other hand, we have Panama, a small country that also has close ties to the United States. Panama is not a significant producer of narcotics, but it is nevertheless an important transshipment point and has a key role in money laundering operations for the Medellin cartel and other traffickers. Ironically, Panama's location also has allowed it to play a very useful role in counter-narcotics efforts in the Caribbean and northern South America. This is one reason why Panama received narcotics certification until firm evidence against General Noriega, the head of the Panama Defense Force, surfaced recently.

The democracies of Central America are less involved in all phases of narcotics trafficking. None of them could be termed major producers nor are any of them major money laundering centers. Their role as transshipment points is certainly limited when compared to The Bahamas or Mexico. Nevertheless, there is one striking fact about all of them: individuals in all of them are susceptible to corruption by the cartel. In addition, there continues to be evidence of Sandinista involvement in narcotics trafficking, particularly cocaine. Public information includes revelations by Nicaraguan armed forces defector Roger Miranda and former Interior Ministry official Alvaro Jose Baldizon regarding official Nicaraguan involvement in narcotics activity to obtain foreign exchange.

MEXICO

We are very concerned about the narcotics situation in Mexico, which is the largest single supplier of heroin and marijuana to the United States. It has become a major conduit for cocaine, as well. One of the most disturbing elements is the increasing presence of international trafficking networks in Mexico, raising the prospects of growing, and potentially destabilizing, violence of the kind we are seeing in Colombia.

Let me stress that while we believe that Mexico is capable of even greater effort against narcotics trafficking, we also believe that Mexican cooperation with the United States in the battle against drugs is substantial and justifies the President's decision to certify Mexico:

Their drug seizures in 1987 were up sharply over 1986; cocaine by 75%, opium derivatives by 12%, and marijuana by 104%

60 percent of the Mexican Attorney General's budget and 25% of Mexico's military are deployed in the drug war. 33 civilian employees of the Attorney General's Office, plus an unknown number of soldiers and police, have been killed in anti-drug operations since 1982.

9,800 persons were arrested for drug trafficking in 1987, including nine Class 1 narcotics violators, such as the leaders of the notorious Herrera drug family.

25 percent of Mexico's prison population is in jail on drug charges.

More than 60 people are incarcerated and standing trial for the murder of DEA agent Camarena. Another 7 are standing trial for the torture of a second DEA agent.

At its own expense, Mexico has increased its helicopter eradication fleet by 50% since 1984.

In December, Mexico signed and ratified a Mutual Legal Assistance Treaty, our first with a Latin American country, which will facilitate prosecution of traffickers and other criminals. And we recently have reached agreements on firearms tracing, and exchange of information on cross border movements of suspected traffickers and aircraft they could use.

In December, as part of Operation Alliance, Mexico and the US agreed to joint drug interdiction operations, each country working on its own side of the border.

Unfortunately, these efforts have not been enough to prevent traffickers from gaining ground, using sophisticated and ruthless methods. The fact of our 2000 mile border, and the traffickers' use of aircraft, electronic surveillance and other modern means, makes interdiction a gigantic task. Corruption is a serious problem. But there are honest Mexicans seriously engaged in the anti-drug war and we believe the importance of this issue for Mexico's own stability and society is increasingly recognized by high officials.

The Mexicans cooperating with us resent the US tendency to focus solely on problems and failures, while ignoring the high price Mexico is paying to combat the drug trade. They claim that proportionate to its resources, Mexico is making a greater effort than any other nation, including the US.

They charge that US drug demand is fueling and financing powerful international drug cartels which are getting beyond the power of any single government to control. The Mexicans themselves are being preyed upon by the Medellin cartel and other foreign-based narcotics organizations. They are

concerned as well about increasing illegal shipments of automatic weapons from the United States to narcotics and other criminal elements in Mexico.

Because of the importance we attach to this problem, it was the principal focus of discussion during President Reagan's meeting in Mazatlan with Mexican President de la Madrid on February 13. The two Presidents agreed that although both our countries are making a substantial effort, the traffickers are gaining ground and much more needs to be done. They discussed additional steps which could be taken to strengthen the anti-drug effort.

We are encouraged that the Mexican President was receptive to our concerns. He declared at the meeting that narcotics threatens Mexico's national security and assured us of Mexico's utmost cooperation. Since then, he has formed a cabinet group to coordinate stronger anti-narcotics measures.

PANAMA

Our overall experience with Panama in narcotics cooperation has been mixed. Although Panama is not a significant producer of narcotics, from a narcotics enforcement

standpoint, it is a significant drug transit and drug money-laundering center. Panama's geographic position, its use of the U.S. dollar as its official currency, and its bank secrecy laws make it a natural location for drug money-laundering.

There have been uncorroborated allegations of illegal drug-related activity regarding Noriega for years. We were not unaware of these. Until recently, however, there was no substantiated evidence of his narcotics involvement. When this evidence was uncovered by the Justice Department, U.S. prosecutors went forward and sought indictments.

The February indictments of General Noriega and others speak for themselves. I cannot comment further on the substance of these pending law enforcement matters. I should point out however, that these indictments of Noriega led to a series of important developments which further contributed to the prolonged political crisis, including the separation February 25 of Noriega from his PDF post by President Delvalle, and the February 26 illegal dismissal of President Delvalle by the military-controlled National Assembly. Our support for civilian constitutional rule and for the legitimate Delvalle government is unchanged.

The decision to deny certification to Panama was intended to signal the Government of Panama and especially the PDF that significant improvement is needed in cooperation on narcotics control. Having said that, the record of Panamanian cooperation in these areas has not been totally negative. The Administration certified Panama as fully cooperating in its 1987 round of certifications, a decision which, given the facts known at that time, was appropriate. For example, in the area of crop eradication, the Panamanian Government has, over the years, succeeded in the virtual elimination of domestic marijuana production. In the area of cooperation on interdiction of Panamanian flag vessels on the high seas, the U.S. Coast Guard has rarely had a request to board Panamanian vessels suspected of transporting drugs refused. In this regard, I should point out that at least one request for boarding of such a vessel by the U.S. Coast Guard was made and granted even after the indictments of Noriega were made public.

Panamanian efforts in combatting money-laundering in situations where law enforcement agencies of the U.S. Government have sought such cooperation have been mixed. Operation Pisces, the joint U.S.-Panamanian undercover effort which culminated in May, 1987 with the freezing of \$12 million of suspected drug-tainted money in Panamanian banks was a good example of cooperation. Follow-up on this operation has

proceeded, albeit slowly. With regard to the FBI's Operation Cashweb/Expressway, also a money laundering investigation, cooperation has not been as forthcoming. My colleagues in the law enforcement community can, I am sure, furnish you with further details on this.

Cooperation has been forthcoming where we have sought the provisional arrest of American citizens in Panama involved in illegal drug activity. Panamanian cooperation in this area has resulted in the expeditious return to the U.S. of individuals where the more formal extradition process would have consumed more time. Finally, U.S.-Panamanian agreement in principle to a bilateral law enforcement assistance agreement was reached in May 1987. While the Panamanian Government made clear that the terms of any such agreement would have to exclude cooperation on mutual tax law enforcement, an overall agreement would very likely have been concluded in 1987 were it not for the sharp and serious decline in general bilateral relations which began in early June.

Notwithstanding important areas of cooperation, the Department concluded in February that, as the evidence which supported the indictments of Noriega indicates, narcotics related corruption in Panama has served to limit the scope and effectiveness of U.S.-directed enforcement operations.

HONDURAS

U.S. pressure on traditional narcotics smuggling routes from Latin America to the United States has caused drug traffickers to switch to new, less controlled alternatives. Honduras has proven to be a very attractive alternative. Its geographic potential -- sparsely populated, rugged country containing numerous isolated airstrips and an extensive, lightly patrolled Caribbean coast -- was used with record effect in 1987 as two major cocaine seizures totalling 13,000 pounds would indicate.

The Honduran government and armed forces recognized the danger of narcotics smuggling several years ago and have worked with us to prevent such an eventuality. There is an extensive record of Honduran cooperation with the United States; we have prepared a chronology detailing this cooperation which I will submit for the record. Highlights include Honduran air force actions against smuggling aircraft, Honduran navy participation in joint maritime interdiction operations with the U.S. Coast Guard, and high-level support for a permanent DEA presence in Honduras.

The unwelcome return of Juan Ramon Matta Ballesteros to Honduras in April 1986 dramatically worsened the situation. Matta was arrested in Colombia in response to our request for his extradition, but escaped before he could be extradited. The Honduran government cooperated in our extradition request to the Government of Colombia by withdrawing its own request for Matta's extradition to Honduras to face murder charges. After Matta fled to Honduras, he was imprisoned on murder charges which were subsequently dismissed for lack of evidence. We are convinced Matta is continuing his narcotics trafficking activities from Honduras.

The Honduran constitution prohibits the extradition of Honduran nationals. Honduran government and private leaders are moving, however, to amend the constitution to allow the extradition of Hondurans in certain circumstances including for narcotics offenses. A new extradition treaty between Honduras and the United States has also been suggested. We are vigorously pursuing both of these options as well as all means under international law and practice to bring Matta to justice. We are confident of the cooperation of the Honduran government in these endeavors.

BELIZE

Belize's climate, location, and low population density provide favorable conditions for marijuana cultivation and transshipment of narcotics. The Government of Belize cooperates fully with U.S. law enforcement agencies and has been very helpful in the extradition or expulsion of narcotics fugitives. In 1987, the U.S. assisted the Government of Belize to move from an ad hoc program of marijuana spraying to a program of regular eradication. This strategy has reduced the gaps between eradication campaigns that traffickers had exploited. To assist the Belizean police in attacking drug-related crime, particularly as traffickers moved into cocaine, the British and U.S. governments are cooperating with the Belizeans in establishing a Serious Crimes Squad.

For the record, I would note that the INCSR Summary Table for Belize has a notable publishing error, transposing the 1986 and 1988 figures for marijuana yield and exports. The table thus shows increases rather than the actual substantial decreases in these levels. I understand that a formal correction is being issued.

COSTA RICA

Costa Rica is being used as a cocaine transshipment point and refueling station by traffickers transporting drugs from South America to the United States. As with other countries in the region, its many isolated rural airstrips and deserted beaches and its relatively limited enforcement capabilities make Costa Rica an attractive target for the Medellin cartel. In addition, its relatively stable economy is an inducement to money-laundering.

The Costa Rican government is clearly committed to fighting narcotics trafficking. However its ability to control trafficking is limited by resource constraints and the lack of strong cooperation between its organizations responsible for various aspects of the drug problem. We are encouraging steps to improve coordination, which undoubtedly can improve the government's ability to stem the narcotics traffic. The severe worldwide cut in FY-88 MAP funding has forced suspension of the Costa Rican program. MAP funds were being used to improve Costa Rica's coastal interdiction capabilities; the loss of funding clearly will constrain Costa Rica's efforts in this area. We hope the Congress will approve sufficient FY-89 MAP funds to enable us to restore the MAP program in Costa Rica.

HONDURAN EFFORTS TO COMBAT DRUG TRAFFICKING

While public attention has only recently focused on the role Honduras sometimes plays as a transshipment point for cocaine enroute from South America to the United States, the Government of Honduras (GOH) has been aware of the problem for several years and has been working actively to prevent the establishment of a drug trafficking network in Honduras. The GOH frequently has sought U.S. assistance in this endeavor. To the extent that budgetary restrictions have allowed, the USG has provided that assistance. We believe the following chronology makes clear both Honduran efforts to counter drug trafficking and the close collaborative relationship which exists between Honduran and U.S. law enforcement agencies. The following is taken from U.S. Embassy reporting which is derived from coordination with U.S. law enforcement agencies and the GOH.

February 2, 1984 - Honduran police arrest two Colombians and confiscate two kilos of cocaine at the San Pedro Sula airport.

April 30, 1984 - Honduran Navy captures the vessel "Caribbean Freeze" with 1,080 kilos of cocaine and \$115,131 on board.

April, 1985 - Honduran Navy Commander Colonel Regalado expresses to U.S. Embassy his willingness to cooperate with U.S. narcotics interdiction efforts.

August 20, 1985 - GOH grants blanket approval for U.S. Coast Guard reconnaissance overflights of Bay and Swan Islands.

September 4, 1985 - GOH withdraws its request for the extradition from Colombia of Juan Ramon Matta Ballesteros in favor of U.S. extradition request on five separate narcotics charges.

March 11, 1986 - Honduran police in Tegucigalpa seize two suitcases containing 44 pounds of marijuana and 46 pounds of cocaine.

April 8, 1986 - Three people are arrested in San Pedro Sula for possession of 200 pounds of marijuana.

April 20, 1986 - 270 marijuana plants are destroyed and two farmers are arrested in the village of Pichin.

August 8, 1986 - General Manager of the Port of Cortes requests U.S. Customs assistance/training in interception of narcotics.

October, 1986 - Honduran police discover and raid four marijuana plantations producing large amounts of marijuana, apparently intended for domestic consumption.

October 1, 1986 - Honduran Attorney General requests U.S. assistance in obtaining drug purity test kits.

October 8, 1986 - Honduran Air Force forces down Colombian plane carrying 850 kilos of coca paste. Note: The plane overflew Nicaragua for one hour and 45 minutes without interference.

December 2-11, 1986 - Honduran Navy participates in Operation Handshake, its first joint maritime interdiction effort with the U.S. Coast Guard.

December 3, 1986 - A man is arrested at the San Pedro Sula airport attempting to smuggle one kilo of cocaine into Honduras.

December 30, 1986 - Honduran CINC Gen. Regalado invites U.S. to install radar in Honduras to detect drug smuggling aircraft.

February, 1987 - The Honduran Congress forms a narcotics committee.

February 7, 1987 - Criminal proceedings begin against Honduran judge who reduced charges against pilots in October 8 force-down and released them.

March 9, 1987 - Honduran Air Force shoots down U.S.-registered DC-3/C-47 suspected of narcotics trafficking after it refuses to land or communicate and makes a run for Salvadoran airspace. A U.S. citizen with a record of drug trafficking is killed in the incident.

March 24 - April 9, 1987 - Honduran Navy participates in Operation Handshake II, joint maritime interdiction operation with U.S. Coast Guard.

April 22, 1987 - Honduran customs seizes 44 kilos of cocaine in an abandoned suitcase at the Tegucigalpa airport.

April 25, 1987 - Honduran police in Tela arrest 10 drug smugglers and seize eight kilos of cocaine.

May 8, 1987 - The Honduran Navy seizes the vessel "Mar Caribbean III" and arrests six crewmen when marijuana residue is found on board. Investigation reveals that the boat dumped its cargo of 20,000 pounds of marijuana at sea when a pick-up vessel failed to arrive. Crew is deported to U.S. June 5 for possible prosecution.

May 11-16, 1987 - USG -- with approval and participation of the GOH -- conducts aerial survey of marijuana cultivation in Honduras.

May 15, 1987 - Embassy Tegucigalpa, at the urging of Honduran military and civilian officials, requests permanent DEA presence to combat growing use of Honduras as transshipment point for narcotics destined for the U.S.

June 7-19, 1987 - Honduran Navy participates in Operation Handshake III, combined maritime interdiction operation with U.S. Coast Guard.

August 3, 1987 - Embassy Tegucigalpa again requests permanent DEA presence in Honduras.

August 15, 1987 - Senior Honduran official requests DEA assistance in a specific case and reiterates request for permanent DEA presence in Honduras.

September 11, 1987 - CINC Regalado requests U.S. assistance in combatting growing drug trafficking network in Honduras and informs Ambassador Briggs of his intention to create a narcotics strike force within the armed forces.

October 9, 1987 - DEA Administrator Lawn notifies Embassy Tegucigalpa of agreement to reestablish office in Tegucigalpa.

October 23, 1987 - Embassy Tegucigalpa requests that Honduras be included in list of countries for waivers under the Mansfield amendment which allows U.S. officials to engage in or participate in arrests effected by foreign police officials.

October 29 - November 6, 1987 - Honduran Navy participates in Operation Handshake IV joint maritime interdiction effort with U.S. Coast Guard.

November 2-6, 1987 - A senior Honduran military official visits Washington to meet with senior DEA and State officials to express Honduran concern about increased trafficking through Honduras and to request U.S. assistance.

November 4, 1987 - Honduran Navy and U.S. Coast Guard vessels seize the "Kimberly" with 33,000 pounds of marijuana on board. Crew of three is arrested.

November 13, 1987 - DEA and Customs in Port Everglades, Florida seize 8,000 pounds of cocaine in two shipments of Honduran lumber.

November 18, 1987 - 250 pounds of marijuana are seized and four people arrested in the town of Choloma.

November 20, 1987 - Honduran government is informed that cocaine shipment found in Port Everglades originated in Puerto Cortes. Honduran authorities launch immediate raid on exporter, Puertas de Castilla. Nine persons are arrested; bank and company records are seized.

November 21, 1987 - Three more suspects are arrested in the Puertas de Castilla cocaine smuggling conspiracy case. In the course of the next few weeks, an additional eight persons are detained in connection with this matter.

December, 1987 - Gen. Regalado again invites U.S. to install radar to detect drug smuggling aircraft.

December, 1987 - Honduran authorities seize a DC-6 with irregular documentation and arrest three Bolivians. Investigation reveals that the aircraft was destined for Santa Cruz, Bolivia where it is believed it would be used for drug smuggling.

December 10, 1987 - Honduran authorities arrest Rafael Gonzalez, a fugitive from a 10-year U.S. drug sentence and naturalized Honduran citizen. On January 14, Honduran government strips him of Honduran citizenship on basis that U.S. felony convictions were concealed when he acquired Honduran nationality. He is deported to the U.S. on January 18.

January 28, 1988 - Honduran Navy requests U.S. International Narcotics Control assistance to enhance drug interdiction efforts on the north coast and in the Bay Islands.

February 6, 1988 - Honduran authorities cancel Honduran residency of Colombian trafficker Luis Carlos Guerrero-Franco and deport him to the U.S. in response to an arrest warrant issued by the U.S. District Court for the Middle District of Tennessee.

February 15, 1988 - Honduran police arrest seven persons believed to have accepted a shipment of 220 kilos of cocaine from Colombia in December. The detained include Jose Augusto Rodriguez, a Honduran citizen wanted in connection with a Florida arrest warrant on narcotics charges.

February 17, 1988 - President of the Honduran Congress Carlos Montoya publicly calls for a new U.S.-Honduras extradition treaty mandating extradition of each country's own nationals for narcotics-related offenses.

February 17, 1988 - Nationalist Party chief Rafael Callejas announces that his party will discuss proposal of a constitutional amendment to permit the extradition of Honduran narcotics traffickers.

Mr. SMITH of Florida. Thank you, Mr. Abrams. Mr. Byrne, I do not have any testimony from you.

STATEMENT OF TOM BYRNE, DEPUTY ASSISTANT ADMINISTRATOR, OFFICE OF INTELLIGENCE, DRUG ENFORCEMENT ADMINISTRATION, DEPARTMENT OF JUSTICE

Mr. BYRNE. Mr. Chairman, we submitted testimony March 2nd, but—

Mr. SMITH of Florida. From Mr. Westrate?

Mr. BYRNE. Yes.

Mr. SMITH of Florida. Yes.

Mr. BYRNE. But if the Committee wishes, I can highlight some of the—

Mr. SMITH of Florida. I think the Committee would find that useful, if you could highlight some of what is contained in Mr. Westrate's testimony, which will be entered in the record in full without objection.

Mr. BYRNE. DEA continues to work with Central American source and transit countries such as Guatemala, Belize, Panama, Mexico.

The country of Belize has small quantities of cannabis under cultivation, and in 1987 there was a sustained aerial eradication program which reduced the amount of marijuana available from Belize.

DEA has had a very long and generally positive working relationship with the Government of Panama, in such areas as traffickers, crop eradication and interdiction.

On February 4 this year, General Noriega was indicted by grand juries in Florida.

The past Panamanian cooperation has been noted in several areas. For example, since 1980 the Government of Panama has granted every request by U.S. authorities to board Panamanian flagged vessels on the high seas.

The Government of Panama is aware that their country is a focal point for the transit of illegal drugs from South America and for the laundering of drug sales.

Mexico continues to be a major source for heroin and marijuana available in the United States. In addition to the traditional brown heroin, Mexico also supplies the United States with what is called black tar heroin because of its dark color and gummy consistency.

Of particular concern is the high purity level of this black tar heroin. During 1987 four heroin laboratories were dismantled in Mexico as compared to six for the previous year.

The Mexican Attorney General's office has reported that 395 metric tons of marijuana were seized during calendar year 1987. Additionally 8,426 persons were reported arrested for marijuana related offenses.

The use of Mexico as a major transshipment area for cocaine destined for the United States continued in 1987. Colombian trafficking organizations continued to dominate all aspects of the international cocaine traffic into the United States.

There are, however, a number of major Mexican organizations which, upon delivery of cocaine in Mexico, provide the final where-withal to smuggle the cocaine into the United States.

There have been considerable seizures of cocaine. In 1987 over 9,200 kilograms of cocaine were reported seized by the Mexicans, which is twice the amount seized in 1986.

There has been considerable focus over the past several years on Mexican narcotics production and trafficking situations. High level officials, both in Mexico and the United States, including both countries' Attorneys General, met during 1987 and 1988 to discuss narcotic issues and to strengthen bilateral enforcement.

DEA has recently opened an office in Tegucigalpa, Honduras. That office has been staffed since October of 1987. Honduras appears to be a significant drug transit country.

In the last half of 1987, four seizures, totalling 10.7 metric tons of cocaine, were seized, which were transhipped through Central America. Two of those seizures totalling 6.3 tons transited Honduras.

Mr. Chairman, I would be pleased to answer any questions that the Committee might have.

Mr. SMITH of Florida. Thank you very much, Mr. Byrne. We are fortunate, as I said, to have with us the Chairman of the Select Committee on Narcotics, Mr. Rangel, who wishes to make a statement.

**STATEMENT OF HON. CHARLES B. RANGEL, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF NEW YORK, AND CHAIRMAN,
SELECT COMMITTEE ON NARCOTICS ABUSE AND
CONTROL**

Mr. RANGEL. Well, thank you. I am very interested in the testimony that you have given for the administration. I fully appreciate that under the law, once the President has made a decision as relates to certification, that those who work for him or have the responsibility to execute that decision are not really able to say what their professional opinion is on certain subjects.

But I would want you to know that the credibility of the Congress and the administration is at stake, when we find that certification is made for reasons other than national security, if the facts do not support it, or when the professionals do not believe that that certification for full cooperation should take place.

It is abundantly clear that the Congress should be out of foreign policy and that we do not like legislating sanctions and each time we do, we try to protect the administration, giving that leeway to the President for national security.

But it really does not make any sense to sign the law, that the President must certify full cooperation when you give all of the reasons why that cooperation has fallen short, and at the same time recommend that particular countries be certified.

So I appreciate this opportunity, Mr. Chairman, to listen to some of the testimony from the administration, and I look forward to hearing the questions as well.

HONDURAS AND COSTA RICA

Mr. SMITH of Florida. Thank you very much. It is a pleasure to have you here, Mr. Chairman. We will, as yesterday, follow as much as we can the five minute rule, and we will go around as many times as time will permit.

Let me start the questioning by talking a little bit, before we get into the ones that are on the list or have been certified. But I am interested in the question about Honduras and Costa Rica.

Again, as we did yesterday, Ms. Wroblewski and Mr. Abrams, we do not have them on the list. We talked about Haiti yesterday again in that fashion.

This goes back to the first hearing, when we talked about the possibility of in fact giving you some statutory standard guidelines like we have for producing countries. These are trafficking countries.

You have included some trafficking countries on the report voluntarily on the certification or decertification list.

But here in Honduras, and this was prompted to some degree by Mr. Byrnes' last comment, when he said that Honduras is a major trafficking country, or had significant trafficking through it.

This just did not happen in the last few months, and I am curious as to why all of a sudden we are taking significant cognizance of it, when we hardly heard a word about it last year.

Are we just all of a sudden deciding that it was worth looking into? As I recall, if memory serves me correctly, there was a DEA office in Honduras at one time, and you were doing investigations. And then all of a sudden, it was gone, and now we are going to open another one up.

What happened? Why did we start as being involved, understand that there problems, and then lay off, and then come back?

One of the things that I heard, and Mr. Byrne, you may address this, was that in fact the DEA was rather frustrated in its efforts in Honduras, because when they were working investigations somehow they found themselves getting blocked, and I do not know why.

I do not know why you would have given up the office, but in any event, I am curious as to why now, all of a sudden we find this renewed interest in 1988, in Honduras, when many of us have seen for the last year or two, a significant move towards this problem.

Of course, the residency of Mr. Ballesteros has been very public and very well known. This is not a man that shies away from public presence.

Why are we now discussing it? Why not last year? Why do we not have an office open now, for the DEA?

Mr. BYRNE. Let me begin with the closing of the office, I believe it was about 1981. As the Committee is well aware, the number of agents to be deployed overseas is rather frugal, and we have to examine very closely the posting of agents to the various countries.

It was felt, at that time in 1981, that there was not enough investigative activity to warrant a full time office in Tegucigalpa. The situation in Honduras was covered by the agents operating out of Guatemala City.

Recently, information that was developed by various DEA offices led us to believe that Honduras was becoming significantly involved as a transshipment country for cocaine from Colombia to the United States.

And in our annual staffing review process, where we have to make the hard decisions as to where to post the agents, a decision was finally reached because we felt the activity in Honduras warranted the opening of an office as well as, of course, the invitation from and dialogue with the Honduran officials.

So the office was opened and staffed as of October of 1987.

MILITARY INVOLVEMENT IN TRAFFICKING IN HONDURAS

Mr. SMITH of Florida. Mr. Abrams, or Ms. Wroblewski, both of you. There have been a number of press articles recently about the military involvement in trafficking, linking them to the return of Ballesteros.

I do not want to imply that the military as an institution is involved, but I would like your comments on the nature of the involvement. Is it widespread? Is it high level?

Also, have you heard anything about the possibility that certain legislators in Honduras are trying to change the extradition requirements or extradition exclusion in the Honduran constitution with reference to Honduran nationals?

That would be a very important step, I think, and one which would signify a real desire to do something about the problem of drugs in their country.

Mr. ABRAMS. Well, I think first, volume has certainly has gone up since Matta Ballesteros got there. You can date the increase in a sense, not exactly to the day he arrived, but certainly the longer he is there the worse it is going to be.

And he has a key role in raising the amount. It was I think in no small part for that reason that General Regalado came to us starting late last spring, to request us, through the embassy, to open a DEA office.

The impetus came really from the government of Honduras, from the Honduran legislature.

Mr. SMITH of Florida. This is General Regalado?

Mr. ABRAMS. Yes.

Mr. SMITH of Florida. On behalf of the government?

Mr. ABRAMS. Yes.

Mr. SMITH of Florida. Well, we have a press report that quotes a senior State Department official saying that General Regalado was turned a blind eye to drug shipment. You would refute that?

Mr. ABRAMS. Absolutely. As a matter of fact, you can go back several years, and you will find General Regalado coming to us several years ago, to initiate cooperation on drugs.

Then as Commander of the Navy, worked with us on the Bay Islands, back to us constantly asking for more help and then last, I think it was May, officially asked on behalf of the government that we open a DEA office.

So I do not know who said that, but if somebody did in fact say it, maybe it is a mis-quotation. If anybody said it, he just did not know what he was talking about.

Mr. SMITH of Florida. Well we were getting a lot cooperation from General Noriega too. I have a letter here from the DEA written February of 1987, from the Administrator, absolutely commending General Noriega for being so cooperative. A rather effusive letter, and now Noriega is under indictment for having been long-time involvement in drugs.

Mr. ABRAMS. I must say I have never even heard a rumor that General Regalado was in any way involved in drug trafficking.

Mr. SMITH of Florida. Okay.

POSSIBILITY OF EXTRADITING TRAFFICKERS

Mr. ABRAMS. None. Now your other point, I think, I share with you completely, and it is good news that there is a lot of debate now in Honduras.

For example, the matter, about three or four weeks ago, the head of the National Party, which is the opposition party, Mr. Callejas, announced that his party is going to start working on a constitutional amendment which would permit the extradition of drug traffickers.

The other way to go about it is, as we noted before, is different extradition treaty. But there is a lot of discussion about this in the Honduran Congress right now, and in a sense it does not matter which way we can go about it, as long as the job gets done. And we are quite hopeful it is going to happen this year.

Mr. SMITH of Florida. Do we perceive in the Honduran people, and in the elected officials in Honduras, a real concern and fear of the drug problem and some real dedication to doing something about it? Because that is what it takes.

We know that in almost every country that the problem is convincing the people that are in the government, who are in positions of power, to do something about it, to actually do that something about it.

Mr. ABRAMS. I have the impression, and correct me if this is wrong, but I have the impression that it is not that large a public issue.

That is the drug abuse in Honduras is not a great public issue. The issue of drug trafficking and so forth, is of greater concern at this point, to people like President Azcona and General Regalado, who have a better sense that it is growing, than maybe public opinion does.

Mr. SMITH of Florida. Thank you. Ms. Wroblewski, do you?

Ms. WROBLESKI. No, I think that is good reflection.

Mr. SMITH of Florida. Thank you. Mr. Gilman?

HOW CAN WE BETTER IMPLEMENT THE CERTIFICATION PROCESS?

Mr. GILMAN. Thank you, Mr. Chairman. As we examine the certification process, as we try to put a few more teeth in it, would the panelists have any recommendation to this Committee about how we can better implement the certification process?

I think that the Department was not very happy with us when we first imposed the certification process. I would hope that since that time there has been some revised thinking about it.

But would you see any areas where we might improve the process? Or make it more workable? Because frankly, it has not been utilized to any great extent, if at all, by the administration.

I think, concerning Bolivia, there may have been a very short term utilization of the cut off of assistance, but I would welcome your thinking. Ms. Wroblewski?

Ms. WROBLESKI. Well, several thoughts. First is that I think that we need to settle and we have agreed that we need to settle this issue of transit countries.

Mr. GILMAN. I am sorry, I did not hear you?

Ms. WROBLESKI. This issue of transit countries.

Mr. GILMAN. Yes.

Ms. WROBLESKI. What is a transit country and what is not, for the purposes of certification. Secondly, let me say that I would disagree.

I think that the Department has consistently viewed this as a useful process. I know that our Ambassadors in the major producing trafficking countries have used the certification issue in some places very effectively.

And I think that we agree with the Congress, that it is a good process. And I do not in any way, I would disagree with you that we somehow are not participating in it fully.

Mr. GILMAN. Mr. Abrams, would you like to comment on the issue?

Mr. ABRAMS. I am not sure I agree. I agree on the last part, but I am not sure that I agree.

Mr. GILMAN. I am not sure I agree either.

Mr. ABRAMS. You get this problem. Let me just refer back to my previous job, Assistant Secretary for Human Rights. What do you do in a human rights certification case where the country gets decertified, let us say, and then there is no human rights cooperation?

It may be that the country that you are decertifying on human rights is the one that needs twice as much help from the U.S. on human rights.

Now in this case, we do not cut the drug programs, but the question I would ask is really whether, if we find that a country is not cooperating fully, is it always the case that proceeding under the statute is going to be most beneficial to improved cooperation?

WILL CERTIFICATION OR DECERTIFICATION HELP OR HURT DRUG COOPERATION?

The name of the game really, is to get, is to stop drug trafficking, and really the question I think we ought to be asking in each case, and this is not really the question under the law, so we cannot ask it.

But the real question—and I think you did ask it yesterday, several of you, in one or two cases—will certification or decertification, it was the Bahamas. That was it. Will this help or hurt drug cooperation? And that is really the question. Will it help or hurt drug cooperation. Because if it is going to hurt drug cooperation, we have got to do it anyway, under the law, but it is not smart.

That is not a good law then, if it forces us to do something that hurts drug cooperation. So I am not, you know, I bow to your expertise in this, but I am not fully persuaded this is the best possible legal structure.

Mr. GILMAN. Mr. Byrne, would you like to comment?

Mr. BYRNE. Well, it is an interesting process.

Mr. GILMAN. You can say no, if you don't want to.

Mr. BYRNE. No, obviously the situation has to be looked at, and I suppose from a DEA perspective, strictly DEA, the process does present problems to our people in the field.

There are allegations of corruption, as there are basically everywhere in the world involved in the drug issue, and it gives us some anxious moments in how we have to deal with counterparts and things of that nature.

Mr. GILMAN. Well it seems to me that we are going to have to find some middle ground, yes?

Ms. WROBLESKI. I am sorry, Mr. Gilman. One last point. Last year's withholding of half of Bolivia's aid, I would only note for the record, did not occur under the certification process, but under a separate set of sanctions imposed by Congress. (Sec. 611 of the 1986 Authorization Act.) I just want to correct the record on that point.

Mr. GILMAN. Well, we have already talked about criteria that have to be reviewed, and that it is a national security interest; and so, if there are national security concerns, then the administration ought to adopt that as a reason for certification and not just give a good report card to some of these countries.

But I would welcome some serious thinking from you, since it has not been working too well to my mind, about how we can better implement and better utilize what we were hoping to be effective tools in discouraging drug producing countries from exporting the product to our country.

U.S. NEED FOR ADEQUATE INTELLIGENCE BASE

Just one other question, Mr. Chairman. You know many times when we talk about cooperation, I think we fail to take a good hard look at some of our own failures.

For example, having a good adequate intelligence base, a good data base, to determine just what is growing out there, and how much has been eradicated. We discussed that at a prior hearing.

But I continually hear from our people in the field that we just do not know what is out there. And then how do you determine how effective the effort has been if we do not know what the base is that we are starting from.

Then too, we hear about a lack of cooperation on our part with plans for maintenance of equipment, for example. Mexico tells us that they have a problem with regard to maintenance and have been trying to get an agreement with our country for a number of years now, on maintenance.

Our ambassador to Mexico tells us about a program he submitted to the Department, and is still waiting for an approval on that.

We hear about long delays in examining mutual legal assistance treaties on extradition. I think we have to take a good hard look in

the Department as to what we may be doing that slows down the process and the effectiveness of cooperation.

As we examine what other countries are doing, let us take a look too at our own house, and make certain that we are free of any blame for a relaxed atmosphere or for not providing the kind of effective program that should be out there.

Thank you, Mr. Chairman.

Mr. SMITH of Florida. Thank you, Mr. Gilman. Mr. Kostmayer?

ACCUSATIONS AGAINST GENERAL NORIEGA

Mr. KOSTMAYER. Thank you, Mr. Chairman. Secretary Abrams, do you accept the accusations that have been leveled against General Noriega, regarding his involvement with drugs?

Mr. ABRAMS. Well, he is under two federal indictments. I guess I probably should not comment on that, I mean the grand juries in both cases obviously felt they had probable cause to indict, and believe that they could get a conviction beyond a reasonable doubt.

Mr. KOSTMAYER. You believe that they could get a conviction beyond a reasonable doubt?

Mr. ABRAMS. I do not have any independent way of judging.

Mr. KOSTMAYER. He has not been convicted, he has only been indicted, but you believe, did you say you believe that he will be convicted or could be convicted?

Mr. ABRAMS. No, I am saying that I do not think I should comment on that. I have confidence in the two U.S. Attorneys, and the grand juries. They would not have indicted had they not believed that he would be proved guilty beyond a reasonable doubt.

Mr. KOSTMAYER. You may not want to answer the next question then, which is in your view, how long has Noriega been involved in drug trafficking?

Mr. ABRAMS. Well, I think, we have heard rumors, I guess, and accusations for a number of years. But a number of years, I guess. I only go back about two and a half years in this, but certainly in that entire period, there have been accusations circling around.

In this period we talked to the Justice Department about General Noriega, in this department at various times about General Noriega, and asked what is going on. And the Justice Department response was, well we hear all the rumors, but there is no case.

There is no evidence sufficient to actually bring an indictment. And that changed late last year when some witnesses came forth, who had previously not been around, and then they immediately got indictments.

So I would say the accusations have certainly been around for some years, but nothing solid.

Mr. KOSTMAYER. Can you tell me whether General Noriega is now or has ever been on the payroll of the United States government?

Mr. ABRAMS. No, I cannot do that.

Mr. KOSTMAYER. Do you know the answer to that question?

Mr. ABRAMS. Yes.

Mr. KOSTMAYER. Are you able to tell the Committee in closed session the answer to the question?

Mr. ABRAMS. I do not think so. I think I would be able to discuss it with the Intelligence Committee, but I am not sure with anybody else.

Mr. KOSTMAYER. I want to ask you about—

Mr. DORNAN. Would my colleague yield for just a second?

Mr. KOSTMAYER. Indeed.

Mr. DORNAN. Thank you. I appreciate the courtesy, and the Chairman, because I want to ask something.

Mr. KOSTMAYER. The gentleman is my friend, I am always glad to yield to my friends.

THE NEED TO GET TOUGH ON THE DRUG WAR

Mr. DORNAN. Good. I am going down to meet with Colin Powell about the subject of Central America and about Southeast Asia.

This is certainly going to be the first thing I will bring up, because I was fascinated with this week's Time Magazine article, and the charts. No matter how much we confiscate, no matter what we do, the graphs and the lines on the charts just keep soaring.

As it said in Time Magazine when Lenny Bias died in the prime of his life, after having signed this multi million dollar basketball contract, there was a flurry of attention about narcotics abuse in America. The attention was sustained longer than any other period of attention, but it too finally died off.

Now we hear about the brutal execution of a New York rookie, 22 year old police officer. His father was a retired lieutenant. Eddie Byrne was executed in his car—shot in the face five times, and 10,000 law officers, according to Time, turn up at his Catholic Requiem Mass funeral in New York.

Again, because of this incident, we are at one of those periods of intense focus. I think our Chairman here is on the side of the angels—that is getting tough on the drug issue. We are going to go from this Presidency into the next with no consensus on Central America, on SDI, on the budget, on anything that I can see.

But the narcotics issue should be the one thing that we slide from one Presidency to the next, no matter what party takes the White House, with a consensus.

But what the charts tell me, is if everything goes along at about the same way they are now, even with a slight dip to the advantage of justice, that narcotics abuse is going to be so bad next year that we are going to have to decertify about five countries, and come down on them like a ton of bricks. Do any of you see anything positive in the drug war? I want to tell Colin Powell what is said because this is a national security issue. Is there anything to indicate, that given another year or two of this fight, that we will be making progress?

If we are going to decertify Mexico, and the nation of the Bahamas, are we doing anything to indicate to these countries that are on a greased path to decertification? Thank you. I have to go.

Mr. ABRAMS. It varies from country to country. There are countries that I think are not on such a path.

Mr. DORNAN. Can you name a couple, Mr. Secretary?

Mr. ABRAMS. Bolivia.

Mr. DORNAN. Okay.

Mr. ABRAMS. I think the government is really fighting. Just to pick one out. There are others, where more efforts are going to be needed, projectory is not so good.

The example we gave yesterday was Haiti, where they are in danger because of poverty, lack of resources, of being just overwhelmed.

If the Medellin cartel makes a real run at Haiti, the Haitians and we are going to be in trouble. So I think next year's hearings will show a number of other countries that are deeply involved in drug trafficking, against their will.

CERTIFICATION BASED ON COOPERATION

Mr. DORNAN. And our President has said that when he gets backed against the wall by media and some members of the Congress who are tough on this issue, he defers to Secretary Shultz's analysis that if a country is trying, no matter how bad the corruption and the bureaucracy, we do not want to come down on them.

Ms. WROBLESKI. I would like to answer that.

Mr. DORNAN. Yes, Ann?

Ms. WROBLESKI. Yes, I would like to answer that. I think you need to keep in mind here what it is that we are certifying.

We are certifying cooperation. We are not certifying success.

Mr. DORNAN. Right.

Ms. WROBLESKI. And I think that is important. And what we are certifying is whether the United States receives cooperation from the governments of Mexico, the Bahamas, Bolivia, Peru, Colombia.

Are we engaged in a cooperative bilateral program against what is advanced international criminal enterprise? That quite frankly out-mans, and out-guns and out-finances all of the governments who are engaged in this battle.

Now are we getting the cooperation that we need. That is what we are looking at. We are not looking just at numbers.

Mr. DORNAN. I understand that and I'll listen for the rest of your answer but let me just suggest something, if I may.

I agree we are not certifying success, we are only certifying cooperation. But when you read your own report, and read the testimony of the DEA, vis-a-vis these countries, and then you look at the objective test in the statute about all legal and law enforcement means, about money laundering, bribery, corruption, and eradication, most of the countries that you certify do not meet that test, under your own admission in your reports.

And it is not success we are trying to find, it is a commitment to fighting narcotic production and trafficking based on the standard and the tests in the statutes.

Paraguay is certified on national security grounds, which is an exception, which I take great exception to, frankly. I do not think Paraguay has anything to do with national security.

The point is, however, that the rest of them are certified notwithstanding what you have written.

But I do agree that it is not success we certify. Mr. Kostmayer, you have your time back.

Mr. KOSTMAYER. We are trampling on the time which should be for the gentleman from New York.

Mr. SMITH of Florida. No, Mr. Dornan had time, so he just can take that as his.

SITUATION IN PANAMA

Mr. KOSTMAYER. I do want to ask, and I want to commend you, Secretary Abrams, in the way in which the administration has handled the situation in Panama. I think it is a terribly difficult and complex situation, and I think it is important to find fairly precise targeted ways of handling the situation.

I think the administration has done a good job. I gather, and it may be wrong, but what you have done primarily now, is to freeze their assets in American banks, depriving them of cash.

Is there more we can do or should do, under the GSP, the General System of Preferences, or under CBI, the Caribbean Basin Initiative, to deny them trade benefits which they have now, or is this, what is going to happen next? What else can we do or should we do?

Mr. ABRAMS. The president has a menu of possible choices, which I think he will probably be making decisions on today. So what he will decide I cannot predict, but the basic strategy is exactly as you have put it.

It is to target government finances, because that seems to be where Noriega may be most vulnerable. For example today is payday for the PDF. Can he meet the payroll? If he cannot, and somebody from the press said to me earlier that he had not met it, bound to create discontent, because people in the PDF have expenses too, they have families.

If he meets that payroll but meets none of the others, teachers, government employees, how are they going to react? So I think this is a very good place to put the pressure on.

Mr. KOSTMAYER. Do you have a dispute with DCD on the way this ought to be handled? Is somebody for a full economic embargo and somebody not for a full economic embargo, but for this more precise, more highly defined targeted approach?

Mr. ABRAMS. No, I do not think anybody, I think within the administration really there is not, I realize this is different from the Hill, but with any administration, I do not think there is any real support for trade sanctions.

I think it is a united view that this financial targeting is a much more, well it is much more likely to succeed.

Mr. KOSTMAYER. Well thank you. It is nice to be able to commend you. Unheard of, but nice.

Mr. ABRAMS. Thank you. [Laughter.] It is not too clear whose reputation will suffer most, yours or mine.

Mr. SMITH of Florida. Do not give him second thoughts about what I just said. Mr. Rangel?

Mr. RANGEL. Thank you, Mr. Chairman, for affording me this opportunity. I too was impressed by Secretary Abrams' statement as to whether or not sanctions are going to make cooperation better.

WHERE DRUG TRAFFICKING FALLS ON PRIORITIES IN FOREIGN POLICY

Whether or not, indeed, cutting off assistance to a given country with limited resources is going to help us. And I guess my major

problem is, where is drug trafficking, international drug trafficking on our priorities in foreign policy?

I for one do not believe that Congress people have enough evidence to just say drop the economic hammer on some people, stop trade with some people, because it is the people that we do not want to hurt that get hurt.

But I do not see any evidence at all that the administration really gives this the type of priority that it should have, and I do not mean just this administration, I mean previous administrations as well, because I think it is embarrassing for State Department type people to talk about drugs.

And I always make the point that as often as I see our eloquent Secretary of State on television naming countries, talking about terrorism and communism and the things that we ought to get on with as a nation in dealing with the family of nations, I just never see him on television talking about drugs at all.

And so the sanctions, since we never heard of any coming from the administration, were placed into law to say the President now has to come forward and certify. And I think what Mr. Gilman is saying and what Mr. Dornan is saying is that you always have national security to protect our interests.

But I do not see where, if it is only coming from—I do not mean only—but if the Assistant Secretaries are the people speaking about it, I just do not see how it could solve how the Congress can be impressed that you are really talking about these things when you have other items on your agenda.

Specifically, what I am talking about is, is this fight against communism, as to whether or not if someone is cooperative in this effort, whether or not they are given a little leeway to get involved in other things.

I am really amazed, Mr. Abrams, when you tell Mr. Kostmayer that this man, Noriega, has been indicted and therefore it is a secret thing, and you know, I do not feel I can comment on it.

You know, as a former prosecutor, what you basically are saying to me is that this man is innocent until proven guilty by a jury of his peers. And, therefore, we should comment on someone's innocence, if you believe that he is, or evidence that you have to the contrary, because you know and I know that he is never going to have a trial by a jury of his peers. It is impossible.

So why can we not talk about General Noriega, and whether or not, as some people say, he is up to his eyeballs in drug trafficking. Certainly not a group of people from Florida, with due respect to the Chairman, are going to establish our foreign policy as to whether or not we can talk about a ruthless de facto head of a government.

That is not fair to us because, if what you tell us today is true, or is going to be the procedure, as obviously it is with the indictment of Colonel Paul of Haiti, then heck. We cannot talk about anything.

You just get an indictment, and I say well is this man innocent or guilty and you say, you know, we have to wait until a Haitian jury comes over here and hears the evidence. And I just do not think it is fair.

Mr. SMITH of Florida. They are on their way. [Laughter.]

Mr. ABRAMS. I meant only to say that, and we are not in exactly the same position here. I think in the case of an indictment, Noriega may never be in that court room, but there are other defendants who are already in the United States.

NORIEGA INDICTMENT

Mr. RANGEL. Let us just talk about Noriega.

Mr. ABRAMS. Well, but I just want to be a little bit careful, as an Executive branch official in talking about a case which is currently before a court, and in making any remark that could be viewed as prejudicial to the case.

Mr. RANGEL. How many people are indicted with Colonel Paul? Are there other defendants?

Mr. ABRAMS. Yes.

Mr. RANGEL. Any American involved in these indictments?

Mr. ABRAMS. Yes. In the Noriega indictments there are.

Mr. RANGEL. How about Colonel Paul? Any Americans involved?

Mr. BYRNE. No.

Mr. RANGEL. Well let me ask Justice, I do not know whether you can speak for Justice, but do you ever expect that there will be trials in the Paul case, or the Noriega case?

Mr. BYRNE. While it may not look that way at this moment, it surely cannot be ruled out. We cannot tell what will happen in the future.

Mr. RANGEL. I am a born again Christian, so I do not rule out anything, I am just saying that when you indict, is the indictment for the purpose of a trial in seeking whether or not the defendants are guilty of what is charged? Or is it a political statement that at last we have corroboration from somebody that went in front of a grand jury, and so therefore, now we have evidence.

Mr. ABRAMS. I just, wait. I can remember, I am not sure if it was President Reagan or President Carter who was once criticized for saying that somebody who was indicted in a case was guilty.

I just think that it is obvious that the U.S. Attorney and the grand jury should not have indicted, and would not have indicted twice Noriega, if they did not believe that he met all the standards which are required.

Mr. RANGEL. But who are these people that indicted? They are just street people from Florida. They do not have the intelligence that DEA people—

Mr. SMITH of Florida. He is overstepping his welcome. [Laughter.]

Mr. RANGEL. I mean a grand jury, they hear from somebody who tells them what they know. And standing alone without being rebutted, it is enough to make a formal charge, it has nothing to do with guilt.

And what you are saying, which I know you do not mean to say, is that it never would have been brought before the grand jury if they did not believe the guy was guilty, and so therefore, you know, there has to be presumption of guilt, which is the opposite of what the justice system is about.

It sounds good for State, but for the Justice Department, you know that just what is presented to the grand jury for indictment

cannot be interpreted as guilt. And so therefore that letter, that the Chairman has——

Mr. ABRAMS. You are turning this around. I am saying that as an official of the Executive branch, I should not say if a guy is under indictment, therefore he is anybody, and there are Americans involved in that case too, in the Noriega.

They are therefore obviously guilty. And I think that I am better off, we are better off in that case, if you do not ask me whether I think that the defendants in that case are guilty.

And I do not think I should talk about that question. If you want, if the question is do I think that General Noriega is generally speaking involved in drug trafficking and money laundering, yes. But I do not think I should comment on that case.

Mr. RANGEL. And you know these thoughts, they did not just come to you because of that indictment.

Mr. ABRAMS. We have heard plenty of rumors for a long, long time about this.

Mr. RANGEL. But you never shared them with Jack Lawn of DEA.

Mr. ABRAMS. Jack Lawn gave us the rumors in most cases.

Mr. RANGEL. Then this letter, you are not familiar with the letter the Chairman has in 1987.

Mr. ABRAMS. I think the letter, I think the DEA has explained the letter. I do not know why I am speaking for DEA, but——

Mr. SMITH of Florida. Well the gentleman is here, he can speak for himself.

Mr. SMITH of Florida. You might be, I am not so sure he is going to be. This letter is February 13, 1987, Mr. Byrne. If you want going to be. This letter is February 13 1987, Mr. Byrne. If you want a copy of it, it is right here.

Mr. RANGEL. It may be included in a series of letters.

Mr. SMITH of Florida. Well that is one of the questions we are going to pursue. Let me refresh your recollection:

DEAR GENERAL NORIEGA: I am writing to express my gratitude and appreciation for the recent actions taken by the Panamanian defense forces under your command. The recent arrest of DEA fugitive, Jack Carlton Reed, and his paramour Linda Brown, on February 6, 1987 and their subsequent deportation on February 7 to the United States will allow the DEA to prosecute Reed too as a co-defendant of Carlos Lehder Rivas.

Your long standing support of the Drug Enforcement Administration is greatly appreciated. International police cooperation and vigorous pursuit of drug traffickers are our common goal.

I look forward to meeting with you, blah, blah, blah.

Signed by John Lawn.

Now this is just a year old. Those rumors Mr. Abrams referred to have been persistent well beyond a year in time.

Mr. BYRNE. Rumors on General Noriega and his involvement with drug traffickers or drug corruption have been around since about 1973. There were probably, at least 45 or 50 allegations of corruption on his part.

Mr. RANGEL. Non-corroborative.

Mr. BYRNE. At this juncture——

Mr. RANGEL. I mean up to this juncture.

Mr. BYRNE. Correct. That letter in question that you just read was a letter for a specific act which was performed by the PDF and

the Attorney General of Panama. He wrote subsequent letters to that one.

Mr. SMITH of Florida. Right. There are subsequent letters and he had in fact previous and subsequent to this letter, done acts such as these. It never occurred to the DEA that maybe he was turning in people who would not pay him.

Mr. BYRNE. That is an obvious question.

Mr. SMITH of Florida. A heck of a way to get rid of your opposition, would you not say? Or competition in his case.

Mr. BYRNE. Well, it surely could be looked at that way.

Mr. SMITH of Florida. If one wanted to be negative about viewing Mr. Noriega.

SEIZURE OF BANK RECORDS

Mr. BYRNE. On that question, for example in the seizure of the bank records, and blocking of the accounts in operation Pisces, the Panamanians changed the law to accommodate seizure of those records.

Now that change signaled to the drug traffickers that no longer was their money potentially safe. When we presented the list to the Attorney General's office in Panama all of those accounts which we presented were blocked.

As a matter of fact, subsequent investigation by the Attorney General's office uncovered additional accounts which were further blocked.

Mr. RANGEL. Then do you have any evidence that General Noriega has cooperated with the Drug Enforcement Administration since his indictment?

RINALDO RUIZ CASE

Mr. BYRNE. In the Rinaldo Ruiz case which was mentioned I believe the other day on the Cuban issue, yes. At the request of the DEA office in Panama, we approached the PDF with a request that if Rinaldo Ruiz, who was a fugitive in that Miami case, were to be observed in Panama that we would like him arrested and expelled to the United States.

He being a Cuban national it would not be a problem under Panamanian law for expulsion. That information was given to the Panamanians last Sunday night. As he arrived at Torrijos Airport the alerts had been in effect.

He was denied entry into the country through the immigration service. The DEA office was notified and at 3:05 p.m. Monday he was placed on board an aircraft to the United States, Miami, where he was arrested.

Mr. RANGEL. Well that is my final point, and I guess I can wait for the other questions about certification, but if I understand your testimony correctly, with the exception of this indictment by my good citizens in Florida, the Drug Enforcement Administration and the lead agency in fighting against international drug trafficking has no independent knowledge of drug trafficking by General Noriega, is that true? That is corroborated?

Mr. BYRNE. As I testified before, we certainly have numerous allegations.

Mr. RANGEL. Allegations, rumors.

Mr. BYRNE. And I might add that the investigation on which he has been indicted was done by DEA in Miami.

Mr. RANGEL. But I am asking outside of what was presented to the grand jury, because after all, I understand that some witnesses came in, they went into a secret session, they poured their heart out about what they knew, and the grand jury—without the sophistication of the State Department or the Department of Justice—says from what you tell me, he is guilty. Unless he comes and refutes it.

We know he is not, but anyway, indictment. Other than that, you cannot share with us any independent knowledge that you have that this man was trafficking in drugs other than rumor and allegations.

Mr. BYRNE. That is correct.

Mr. RANGEL. That is why sometimes it seems like we are operating with two different governments. I yield.

JUSTIFICATION FOR MEXICAN CERTIFICATION

Mr. SMITH of Florida. I thank the gentleman. Mr. Abrams, in the presidential certifications, you included a justification for the Mexican certification, even though they were certified as having fully cooperated on narcotics issues.

In that justification, you indicate that cooperation could and should have been greater. What accounts for the discrepancy between the President certifying full cooperation, when the justification indicates that full cooperation has not occurred?

Mr. ABRAMS. This gets back to the question, the more general question on the standard you apply, on what does full cooperation mean? It cannot mean perfect cooperation, and in previous years you could say that our judgment as to what full cooperation means was okay because it was not overturned by Congress.

So we added up what the government of Mexico had done. The cooperation that had been afforded the U.S. Government and that was the basis for the certification.

WHAT IS "FULLY COOPERATING"?

Mr. SMITH of Florida. Ms. Wroblewski, you agree with that?

Ms. WROBLESKI. Well, as I have testified, I guess it was last week's hearing, the President's decision to send separate justifications for Mexico and Colombia should be viewed and I think has been viewed as a signal sending action.

The judgment of the Administration is that they were certifiable, but we did think there were extraordinary circumstances in the case of Colombia, and that we look forward to a year of positive results on the Mexican program in 1988. As the President told President de la Madrid at Mazatlan last month.

And again, this gets back to Secretary Abrams earlier point and one that I have often made, it is this question of can you put countries into boxes, and you give us basically two boxes, I think.

One box is cooperation, and the other box is no cooperation. Because in my view a national interest certification is no cooperation. That means we cannot certify you on cooperation on narcotics, and

therefore we would decertify you but for a national interest that will not permit us to do that.

Quite frankly, a lot of countries, most of these countries, it is difficult to fit them into these little bitty boxes. And I guess, as Mr. Gilman charged the other day, we have in fact invented a new category, which is certification with an asterisk, and I guess we stand guilty as charged.

But it is just very difficult for us to operate under this pass/fail system.

Mr. SMITH of Florida. Why? Why is it difficult? Why can it not be pass/fail?

Ms. WROBLESKI. What is fully cooperating? Is everybody fully cooperating?

Mr. SMITH of Florida. Well let me ask you the question, what is fully cooperating? That is what you are supposed to gauge under the statutory guidelines. And it is not just eradication, it is money laundering, it is corruption, etc., etc. Right? Let us look at it.

WHAT JUSTIFICATION FOR CERTIFYING MEXICO?

Mexico is the number one source of marijuana and heroin to the United States. The transit source of one third of the cocaine. These are all your facts, not this Committee's.

A money laundering center. A country which refuses us hot pursuit rights. Where one DEA agent was murdered and another was tortured by police, whose drug production continually increases, and whose eradication program is definitely erratic. Let me say that again, erratic.

Ms. WROBLESKI. You thought I had missed something.

Mr. SMITH of Florida. Up the number, up, up each year in growth and production. All right? Three years since Camarena was murdered. No one ever brought to trial, and/or convicted or released. Just a process that is still in effect.

A year and a half since Cortez was tortured and beaten. Jail cell where two tunnels nine hundred feet long, were dug underneath, the size of a man practically, who could walk through these tunnels.

No answer to our letter rogatory of late 1986 which requested physical evidence relating to the murder of Camarena. No convictions in Cortez.

A convicted cocaine dealer, Juan Lopez, who testified high-ranking Mexican Justice Department and federal judicial police officials had ordered Camarena's murder.

No prosecutions of major drug traffickers in the past five years. No change in the JANUS program, the agreement whereby the Mexicans were supposed to prosecute Mexican nationals, and those traffickers that they would not extradite to us. Something that Mr. Gilman has inquired into, many times.

Frankly, I could go on and on, but the final thing I want to report, I want to ask you about in that context is this GAO report which was done in January of 1988, delivered here.

The report comes to the conclusion generally that the eradication, aerial eradication program for both opium and marijuana is not doing well at all, that there is an awful lot of problems with it.

There does not seem to be a great plan or agreement what to do, there is a lack of resources, and I could go on and on.

Mr. RANGEL. If the Chairman would yield, in the area of what you are verifying has been eradicated, we have information that the Drug Enforcement Administration is not allowed to get on the ground really to substantiate what has already been described as so called cooperation.

That you cannot tell where you would like the helicopter to go, or to have the helicopter to land. You cannot fly your own aircraft and none is assigned to the agents there. So I just add that to the Chairman's list. That is part of what is in the GAO report.

Now given those circumstances, that is a laundry list that is worse than the laundry list of Panama. Worse by far, than the laundry list in Panama. The only difference being we have not indicted in the United States any high Mexican officials. High, way up high in the government, Mexican officials.

We caught some police officials, here, etc., and the police chief of Mexico City has been indicted, but no one that is in ostensible control or near control of the country.

But if you were to use the standard you used for Panama, you would have had to decertify Mexico. And if you used the standard in Panama that you used in Mexico, you should not have decertified Panama.

Now, just tell me, are you practicing selective morality? Are you practicing selective certification? There is no way you can in fact look at the circumstances you give us as facts and then certify Mexico unless you invoke national security, and there is no way you can decertify Panama if you take the Noriega indictment out, and do not give us anything like you have given us for Mexico.

That is what I do not understand. This process does not seem to be, even if what we have in the statute, being adhered to. I can understand if you certified Mexico on national security grounds, I can understand that. But you did not.

You chose not to, you chose to try to put 8 pounds worth of laundry in a 5 pound washing machine. The stuff is sticking out all over. You cannot avoid what you have put in here.

How do you wash these facts away? Tell me, how did you certify Mexico in light of, and more. I mean there is a lot more, I have just hit some of the highlights.

We would be here for hours if you wanted to talk about everything in Mexico, including the fact that a quarter of that country approximately is sitting there in total control of the traffickers.

They know where they are, they operate with impunity, they have their own armies, they have their own guards. In Sonora and Sonoma and Durango no arrests, no prosecutions, and you certify them.

This is what Mr. Gilman and what I and others have talked about. How is this process to be viewed as legitimate under these circumstances.

Ms. WROBLESKI. Mr. Chairman, I think along with your laundry list there is another laundry list, and I think you have to look at the fact that drug seizures were up sharply this year over last year. Eradication totals were up sharply for marijuana.

Mr. SMITH of Florida. How do you know if you cannot verify it?

Ms. WROBLESKI. Well we know that from aerial surveys. Less so on the question of marijuana, on the question of opium, but certainly up sharply on the question of opium.

We have seen increases that are continuing, larger amounts of the Attorney General's budget devoted to the eradication program.

The Mexican government this year on its own purchased 14 helicopters to be devoted to the drug program and 25 percent of Mexico's military is involved in the drug program.

Arrests are up, 9,800 people were arrested this year, more than last year; 60 people are in jail in connection with the Camarena investigation trial.

Mr. SMITH of Florida. For three years?

Ms. WROBLESKI. Well, but they remain in jail. We signed and ratified the mutual legal assistance treaty, which as you know was a major point of contention last year.

I think that you can build enough of a record there for certification. I will let the DEA representative speak to Operation Vanguard. But there are laundry lists that we could each pull together.

MEXICAN ARMY'S CLAIMS OF MANUAL CROP ERADICATION

I do not think that either we or the Mexican government have ever come before this Committee and told you that we think the eradication program works perfectly. It does not. I agree with the GAO recommendations and we are working to implement them.

But let me tell you that this is a program that came apart as I have said many times in this form, and also in front of the select committee, this is a program that came apart over two, three, four years, and it is going to take us at least that long to put it back together.

Mr. SMITH of Florida. Well if you agree with the GAO in some instances, let me ask you if you agree with this. The difficulty estimated in the extent of eradication accomplished in Mexico has been compounded by the Mexican army's claims of manual crop eradication.

The army reportedly devoted over 25,000 troops to manual programs, and published impressive claims of its efforts. In 1986 it reportedly destroyed more than 6,000 hectares of opium poppy, and 8,439 tons of marijuana.

These claims exceed INM's estimate of total cultivation of these narcotics in 1986.

Ms. WROBLESKI. And as you know, Mr. Chairman——

Mr. SMITH of Florida. I am not finished. The army claims have not been independently verified, and the U.S. officials have not been allowed access to the army's eradication staging areas.

Ms. WROBLESKI. Those are all true, and that is why we do not include the army's totals in the INCSR. We only include those eradication totals that come from the Attorney General's office in the program that we are involved in. None of the military numbers are in this.

Mr. SMITH of Florida. So instead of getting them to agree to let us go to the eradication staging areas, we just do not take their statistics.

Ms. WROBLESKI. We cannot verify them, so we do not take them. I think that is fair.

Mr. SMITH of Florida. Can we not verify them? Because the Mexicans will not allow us to, is that not correct?

Ms. WROBLESKI. I must say I am not sure that—

Mr. SMITH of Florida. Ms. Wrobleski, please, for once, they will not allow us to verify, is that not correct?

Ms. WROBLESKI. We verify, DEA as you know conducts Operation Vanguard on the aerial eradication program with the Office of the Attorney General.

Mr. SMITH of Florida. They will not give us access to manual eradication staging areas, is that not correct?

Ms. WROBLESKI. Quite frankly, Mr. Chairman, I am not sure that we have asked. To tell you truth, I do not know that we have.

Mr. SMITH of Florida. So we discount their claims for eradication because we have not asked to go to verify it ourselves? You want us to believe that?

Ms. WROBLESKI. Well, we cannot verify them, so we do not include them. I think that is fair.

Mr. SMITH of Florida. You mean we would not think it would be smarter for our own purposes to ask for access to where they claim the plants were growing, and have been eradicated, so we could verify if there was growth there? We could find new areas which we now do not even include because we have no access?

Are you telling me that it is a smarter policy for our purposes to just shut off our eyes to where they are growing and eradicating because we cannot verify instead of asking for access to verify?

The fact is, Mrs. Wrobleski, they will not let us there. And the reason they will not let us there is they do not want to because their claims are highly exaggerated, and the bottom line is that we are not getting full cooperation, and you are making a mockery out of this process, because you are making fiction into fact.

That is the only logical conclusion that any person can draw. Mr. Gilman?

PRESIDENT'S CERTIFICATION OF MEXICO BASED ON ADMINISTRATION'S RECOMMENDATIONS

Mr. GILMAN. Thank you, Mr. Chairman. I think we pursued this question at the last hearing. Are you satisfied that the President's decision on certification was based upon the evidence that you submitted to the President? That is, that it was based upon your recommendations?

Ms. WROBLESKI. I have no reason to believe otherwise.

Mr. GILMAN. Then you feel the President went along with your recommendations with regard to certification?

Ms. WROBLESKI. The recommendations that were put forward by the Secretary of State.

Mr. GILMAN. And were those recommendations based upon your recommendations to the Secretary of State?

Ms. WROBLESKI. Mr. Gilman, we have been through this 96 ways and I guess we can go through it 96 more ways.

Mr. GILMAN. I guess what I am trying to find, is there some process by which the Congress can determine whether the President's

certification was based upon the substantive recommendations of the various agencies that are involved.

Can you tell us, is there some way that the Congress can make that determination?

Ms. WROBLESKI. Well it seems to me that it is, the law reads that the Secretary of State shall make recommendations to the President. The President shall then make recommendations to the Congress.

But it seems to me that there is nothing in the law that speaks to other agencies. Now clearly, I would invite you to call up every agency that you like to get their view. And I think that that is what we are trying to give you here.

But if you want for me to discuss with you the internal executive branch process, I am sorry but I am not going to do that. I am here to defend the question of the decision.

Mr. GILMAN. But what we are asking you is your view as to whether or not this was a satisfactory certification, based on the information that you had before you.

Ms. WROBLESKI. Well obviously. I mean I am here to defend those decisions, so I would think, that is what the three of us are sitting here to do.

Mr. GILMAN. Mr. Abrams, do you feel the same way? That the certification was based on the evidence before you and your recommendations to the Secretary?

Mr. ABRAMS. The decision is the decision of the President based on the recommendation of the Secretary after considerable amount of interagency consultation.

Mr. GILMAN. Did you all sit around the table and come up with a consensus?

Mr. ABRAMS. There was actually, there were meetings at which people sat around tables and more than one such meeting.

Mr. SMITH of Florida. Inside the State Department?

Mr. ABRAMS. Well there were meetings inside State, and there were also—

Mr. SMITH of Florida. Did it where the drug enforcement policy would meet.

Mr. ABRAMS. Yes.

Ms. WROBLESKI. There was a drug enforcement policy board meeting.

Mr. ABRAMS. Yes.

Mr. RANGEL. Did the Attorney General have an opportunity to express his views?

Ms. WROBLESKI. Among others, yes he did.

Mr. RANGEL. To the Secretary? To the President?

Ms. WROBLESKI. The Attorney General as well as other members of the cabinet, other assistant secretaries, other heads of agencies made their views known at a national drug enforcement policy board.

But again, I must tell you that the State Department followed the letter of the law, which is that the recommendations are to be those of the Secretary of State, not the national drug policy board and not the chairman of the national drug policy board, but the Secretary of State.

Mr. SMITH of Florida. Excuse me, would the gentleman yield?

Mr. RANGEL. I would be pleased to yield.

Mr. SMITH of Florida. I appreciate that. We inquired of the drug enforcement policy board if the executive director would come here to testify. We were told that Ms. Wrobleski, since she is the chairman of the International—

Ms. WROBLESKI. I am the chairman of the International Standing Committee.

Mr. SMITH of Florida. Standing Committee.

Ms. WROBLESKI. That's right.

Mr. SMITH of Florida. Would speak for the drug enforcement policy board. So I am going to ask you what I would ask the gentleman who is the executive director.

At the meeting of the drug enforcement policy board, what position did you put forth as the chairman? And what position was taken by the DEA, and what position was taken by the Justice Department, with reference to certifying Mexico?

REFUSAL TO DISCUSS INTERNAL PROCESS ON RECOMMENDATIONS
REGARDING CERTIFICATION OF MEXICO

Ms. WROBLESKI. And I will answer this question the way that I answered it last week when I suppose I was appearing representing the State Department.

We are not going to discuss that internal process. We come to you to defend the decisions that are the decisions of the President.

Mr. SMITH of Florida. So you mean the deliberations of this government are secret from the Congress of the United States?

Ms. WROBLESKI. I think that interagency consultation within the executive branch is just that. And we are here to defend the results, not the process.

Mr. SMITH of Florida. Would you discuss it with us in a closed hearing? At a classified hearing?

Ms. WROBLESKI. Well, no, because I do not think it is classified.

Mr. SMITH of Florida. It is not classified, but you will not discuss it.

Ms. WROBLESKI. No; I would not discuss it because I think that it is the interagency consultation of the executive branch, not because it is classified. How could it be classified?

Mr. RANGEL. If the Chair would yield your seat. We are anxious to be cooperative to make certain that we do not take actions that are going to hurt cooperations, that are going to hurt the eradication of drugs.

But what is difficult, is when you make it a confrontation where you can say we are certifying. We could have certified for national security, but we are not going to do that.

We are certifying on full cooperation. And then we ask, not as policy makers, but as those that have to enforce the law, at least to provide oversight. Okay.

If you did it for full cooperation, share with us how you reached that conclusion, so that we do not have a confrontation saying that we do not have the evidence that you have.

But, basically, what you are saying is you gave all of that evidence to the President. And there is nothing that is inconsistent with saying that the President made a political decision, and the

Drug Enforcement Administration and your office really thought there was not cooperation.

But so there is nothing inconsistent, based on this process that we have, witnesses, sworn, unsworn, they come and share with us.

But if the Chair was going to say that the evidence is so overwhelming that you could not have possibly recommended to the President, full cooperation, that Jack Lawn could not possibly have recommended full cooperation, but the President, he had just left the other President, they both are leaving office, what the heck.

You are my friend, and so instead of offending you for national security purposes, when I say full cooperation nobody in my cabinet has got to give reasons why they would recommend against it.

I am not saying, Madame Secretary, that that happened. But in setting up that hypothetical, you can see how it prevents us from getting to the same type of facts that you have, since we both are being paid by the taxpayer, and reaching the same conclusion that you reached.

Ms. WROBLESKI. I would disagree with you. It seems to me that what Congress appropriately wants to know is how can you, how do you defend these decisions?

And we are here to explain that to you and I would invite you to please call other agencies. May I finish? Other agencies and other assistant secretaries. But I honestly think—

Mr. SMITH of Florida. Well we tried calling one from the Drug Enforcement Policy Board, and they said no, Ms. Wrobleski will represent us.

Ms. WROBLESKI. Well, but I think that, well again, that is the board staff. I am talking about people who have substantive knowledge of overseas programs.

Mr. SMITH of Florida. I pegged you wrong.

Ms. WROBLESKI. It seems to me that that should be the interest, and not the internal debate within the administration. I mean if that is your interest, I do not see what that has to do with what the Congress should make a decision on.

Mr. GILMAN. May I reclaim my time?

Mr. SMITH of Florida. You are going to have your time, I am going to extend your time, Mr. Gilman. But we are on a very important point. You just paraphrased the Chairman of the Select Committee.

Instead of saying what you said, internal debate, what we would like is the thought process that you had, as the person we entrusted who comes here and asks us last year for a hundred and some odd million dollars in the budget, you shared with us your thought process as to why you needed that amount of money.

Why will you now not share with us your thought process on whether or not you should certify or decertify Mexico? At the very least, the quid pro quo. We gave you the hundred some odd million you wanted, give us your thought process on Mexico.

We know what the statute says, that the Secretary shall make a recommendation. But we are asking you, the Secretary did not come here and ask for your budgetary dollars, you did. Now I am asking you to share with us the same process that you shared with us on the budget, as to how you arrived at the certification process.

Ms. WROBLESKI. Well, I mean, in fact the Secretary does ask for my budget, since it is part of the Foreign Assistance Act. I come out to defend it, that is right.

But again, I am fully prepared to discuss with you, as I think I have done over the two years that I have been Assistant Secretary, candidly and frankly my views and the Bureau's views of the Mexican program. I am delighted.

Mr. SMITH of Florida. What is your view of the Mexican program?

Ms. WROBLESKI. I think, as I have said many times in front of this Committee as well as in front of Chairman Rangel's Committee, that the Mexican program was one of the best programs in existence in the 1970s, that for a variety of reasons it came apart in the early 1980s, and that we are trying to put it back together.

And it is a process that is often frustrating, because it is not something that is going to fix quickly or easily.

Mr. SMITH of Florida. Thank you. Mr. Gilman?

Mr. GILMAN. Thank you Mr. Chairman. Ms. Wroblewski, I think I take issue with you as to what your role is here. It is not to defend the President's decision, but to explain to us your recommendations, and to set forth how your agency made a recommendation to the Secretary of State.

I am under the assumption that the Secretary of State arrived at a decision based upon recommendations from Mr. Abrams' office, from your office, from the DEA office, from other agencies that were involved.

And he gathered all of these recommendations together and then made a decision. We are not asking you to explain or to defend the President's decision. We would like to know how you arrived at your independent decision and your recommendation to the President.

As the expert in the field of international narcotics matters. As the Secretary in charge of Central American and Latin American problems. As the agency in charge of law enforcement. I think that is what we are seeking.

Mr. ABRAMS. Let me just jump in for a minute. You know there is another way of asking the question, I think, and that is tell us, would you please, if there was any disagreement. And tell us who disagreed and tell us the grounds for the disagreement.

Mr. GILMAN. Fine.

Mr. ABRAMS. And what you think.

Mr. GILMAN. Would you answer that question?

Mr. ABRAMS. No. And that's where I think Secretary Wroblewski is right not to answer that question. Because—

Mr. SMITH of Florida. And what is the difference how it is asked?

Mr. ABRAMS. No. I am trying to make it quite clear that the question that is being asked is, explain to us whether anybody within the administration disagreed. And I do not think that is a question that we should be bound to answer.

If you feel, year after year goes by, and you want to know more about the individual agency positions, frankly you can rewrite the law to say you want to know the views of this Assistant Secretary, or maybe you want to know the views of State and separately the view of Justice, and separately the views of DEA, you can do that.

But our job is to give our opinions to the Secretary.

Mr. RANGEL. Mr. Secretary, you mean that in order to get a candid reply from fellow governmental employees that we have got to draft a law, so that you would answer our questions? That is what you are saying.

Mr. ABRAMS. No, what I am saying, Mr. Chairman, is that we owe, we have discussions privately within the Department, and we give a recommendation to the Secretary, and we will never be able to have candid discussions within the Department if all of the disagreements that may exist are then in the newspapers.

Mr. RANGEL. Okay. But you should appreciate—

Mr. ABRAMS. That is what I am saying.

Mr. RANGEL. You should appreciate this. That we have a responsibility to vote on that certification and basically what you are saying is, that once the certification is made, we can no longer depend on you to give us the evidence that we need as to whether we are going to support it or not.

That you have got to lock yourself in—hold it. Who can do a defense mode, to defend the decision, but when we come to you as co-government and co-equals and say, listen. We can understand how you have to have the allegiance to support the final decision.

But we have to search our conscience too. We may be forced to make a political decision to say that we are not going to vote for the certification.

Where instead, what we should have is all of the reasons that were negative, and then perhaps to come back to you and discuss policy as to whether or not imposing the sanction is the thing that we want to do. But we do not have it that way.

Ms. WROBLESKI. But you can ask us all those questions right now. And we invite you to.

Mr. SMITH of Florida. And not get any of the answers. Let us just get away from this. It is obvious we are not going to get anywhere with it. Mr. Gilman, why do you not continue on your line of questioning.

Mr. GILMAN. Well my last question then, and following this same line, we were informed that neither the INM nor the DEA agreed with the President's final certification. Is that a correct statement?

Ms. WROBLESKI. Once again, lots of recommendations were made. From DEA, from INM, from all of the agencies who are involved in the narcotics issue overseas.

We are not going to discuss those recommendations. We are here to give you our views of how these programs work, and how well they work, and we are not going to discuss the process by which the President reached his decision.

Mr. ABRAMS. We want to give you the same data base that we used, and I think you have got it. But when the question becomes not factual, but rather which individuals recommended which way, if we start doing that, there will never be an honest debate within the administration on anything.

Mr. GILMAN. And what you are saying to us, if we cannot ask your evaluation, we cannot get your honest, frank evaluation of what the progress or the qualitative progress of any of these programs have been, with respect to any of these countries once the President has made a decision. Is that what you are saying?

We cannot ask your opinion of whether or not these countries are doing what they should be doing once the President has made a decision?

Mr. ABRAMS. No, I think what you cannot expect is that any official of any administration is going to come up and say, on these four issues the President was wrong, and on those two the President was right.

No official of any administration is going to do that unless it happens to be the day he is resigning.

Mr. GILMAN. No further questions, Mr. Chairman.

Mr. SMITH of Florida. Thank you, Mr. Gilman. Let me ask you this question. Let us get back on it.

We will have to do it the long way around, and that is, ask you about facts and figures, and ask you if you agree that that is full cooperation, and then make our own judgment as to whether or not we feel that your assessment is accurate. That is the way we are going to have to do it.

For instance, using the State Department's own figures from last year, opium production went from 52 tons in 1984 to 75 tons in 1987, while tons eradicated went from 38 tons down to 25 tons.

MEXICAN OPIUM PRODUCTION UP AND ERADICATION DOWN IN '84 TO
'87

It is difficult obviously, to make comparisons. The figures by your own words are not really all that accurate to begin with, but then you apparently go back and adjusts figures two to three years back, but it seems as if in any event, by anyone's standards opium production is up and eradication is down.

Well these are your figures. You look at me like I am——

Ms. WROBLESKI. No, I am looking and what I am saying to you——

Mr. SMITH of Florida. 1987 production, Mexico, metric tons produced 75, eradicated 25; 1984, produced 52, eradicated 38.

Ms. WROBLESKI. I do not have 1984 figures in front of me, but I am——

Mr. SMITH of Florida. Well I have a sheet that has got all of them. Maybe I am luckier than you are.

Ms. WROBLESKI. I guess so.

Mr. SMITH of Florida. Now, assuming that these figures are correct, arguendo, to make this a legitimate question. Would you call that full cooperation?

Ms. WROBLESKI. Well again, I think you have to look at——

Mr. SMITH of Florida. No, let us just discuss this, since we cannot discuss the broad picture, you will not tell us if you consider it full cooperation, you have already made that decision. Let us look at the individual statistics. You cannot disagree.

You cannot disagree that we are entitled to know on the individual statistics. Do you consider full cooperation going from 52 metric tons produced in 1984 to 75 in 1987, and eradicating 38 metric tons in 1984, and now eradicating 25 tons in 1987? Do you consider that full cooperation?

Ms. WROBLESKI. Well, I think you are missing a statistic, which are the 1986 statistics, which show that crops, that opium eradicated in 1986 was 20, and in 1987, 25.

Now do I think that this year is better than last year? Yes.

Mr. SMITH of Florida. Well you are also missing a statistic and I guess that is what we are going to devolve into. Last year they eradicated 20, and they only grew 50 metric tons.

This year you eradicated 25 and they produced 75 metric tons.

Ms. WROBLESKI. 60 metric tons.

Mr. SMITH of Florida. Excuse me.

Ms. WROBLESKI. 60 metric tons in 1986.

Mr. SMITH of Florida. 1987?

Ms. WROBLESKI. 1986; 60.

Mr. SMITH of Florida. All right, excuse me. Oh, well. So in that case we only went up 15 tons produced, and went up 5 eradicated. Why do I get the feeling that we are taking one step forward and two steps backwards?

Ms. WROBLESKI. I think the report makes clear, as does any of my testimony that I have given, that while eradication has increased, it has not kept pace with production, that is true.

We have no disagreement on that question. Either the Committee, the State Department, or the Mexican government.

SIMILAR TREND ON MARIJUANA

Mr. SMITH of Florida. Okay. Do we have any disagreement on the fact that there is in reality a similar trend on marijuana? With production up over the past few years, and eradication basically static?

Ms. WROBLESKI. Well, eradication of marijuana this year is up I believe 26 percent over last year.

Mr. SMITH of Florida. But how much is the production up over last year?

Ms. WROBLESKI. And production is up also, but I would point to the fact that the marijuana eradication program, just looking at the numbers, would appear to work far more efficiently and more effectively than the opium eradication program.

Mr. SMITH of Florida. Is it not also true that while they produce 75 metric tons of opium, they manage to find and seize zero opium?

Ms. WROBLESKI. I show no opium seizures.

Mr. SMITH of Florida. Okay. So we agree.

Ms. WROBLESKI. Well, you are separating—

Mr. BYRNE. This is a combined number.

Mr. SMITH of Florida. There is a combined number of all opiates, opium and heroin, of 350 kilograms. That is on heroin, not on opium.

Mr. BYRNE. Heroin and opium.

Mr. SMITH of Florida. Heroin and opium; 350 kilograms; 750 pounds; 770 pounds, if one wants to be exactly precise. When they produced 75 metric tons. You call that full cooperation, Mr. Byrne?

Mr. BYRNE. No; 75 tons were produced, 25 tons were eradicated.

Mr. SMITH of Florida. All right, so they netted 50 tons, and they seized 770 pounds, which is approximately a little bit more than one third of a ton. You call that full cooperation?

I mean if we have to go through—

Mr. ABRAMS. Can I just jump in for a second?

Mr. SMITH of Florida. Sure. No, no. Let me show you what I am doing, Mr. Abrams. I am going to ask statistic, by statistic, by statistic, by statistic. And you will agree it really does not measure up to full cooperation.

I will keep listing it on every single item, until we get to the bottom line, and then I want to hear you say, however, having agreed with you on all these 97 items, that it is not full cooperation.

When we get here, it is full cooperation. And then I will ask you how you make that blind leap of faith?

Mr. ABRAMS. Well, the thing is you are saying—

Mr. SMITH of Florida. And you will tell me the Secretary of State said so.

Mr. ABRAMS. No. I will tell you that you are saying that Mexico produced so many tons of let us say, of opium, pounds of opium, and eradicated so many and seized so many. That is wrong.

Because what we are talking about is drug traffickers produce and ship, and the government eradicates and interdicts. And the question is not whether the drug traffickers are cooperating, obviously the question is whether the government is.

So the relevant question for the government of Mexico is not how much is produced, they do not control that. That is not in their control. What is in their control is are they eradicating more? Are they seizing more?

Now. Obviously the next question is, well are they falling behind or are they gaining? And we know what the statistics show. They are falling behind.

But I am just arguing that the fact that they are falling behind indicates that they are not doing enough. We do not think we are doing enough, we do not think they are doing enough.

But it does not tell you whether the government of Mexico is doing more and more each year.

Mr. SMITH of Florida. I understand, and I do not necessarily disagree with parts of that, and that is they do not control production, except to the extent that I have to believe, that in any country with a significant dedication to the problem, production would be somewhat curbed by government action.

It is much cheaper to do that, than to wait around until the stuff is planted. But let me go into something, because you make a point and we can go from statistical production numbers into other areas.

In making the certification required by paragraph 2 of this subsection, the President shall give foremost consideration to whether the actions of the government of the country have resulted in the maximum reductions in illicit drug production which were determined to be achievable.

The President shall also consider whether such government aid has taken the legal and law enforcement measures to enforce in its territory to the maximum percent possible, the elimination of illicit cultivation and the suppression of illicit manufacture of and traffic in narcotics.

I keep seeing that word traffic, Ms. Wroblewski, and that is what bothers me about your suggestion, we have to go to a different list for trafficking. It is very clear that traffic is listed here, however.

As evidenced by the seizures of such drugs, and substances of, and of illicit laboratories and the arrest and prosecution of violators involved in the traffic in such drugs and substances significantly affecting the United States.

And (b) has taken the legal and law enforcement steps necessary to eliminate, to the maximum extent possible, the laundering in that country of drug related profits or drug related monies as evidenced by:

- (1) the enactment and enforcement of laws prohibiting such conduct,
- (2) the willingness of such government to enter into mutual legal assistance agreements with the U.S.,
- (3) the degree to which this government otherwise cooperates with the United States law enforcement authorities on anti-money laundering provision, and then there is also a relation to corruption and/or bribery.

Now, you can just do the production end of it alone. I think the figures bear out the fact that we are not getting the kind of cooperation that you could classify logically as full cooperation.

MONEY LAUNDERING IN MEXICO

But let us talk about the other things. In your estimation, Ms. Wroblewski, Mr. Abrams, have they in fact taken the legal and law enforcement steps necessary to eliminate, to the maximum extent possible, the laundering in that country of drug related profits or drug related money? Have they? Can I have some instances where they have done that in the last year?

Ms. WROBLEWSKI. Well, I think that, first of all, I am not—

Mr. SMITH of Florida. Do they have money laundering statutes? Do they have bank secrecy laws? Have they shared information with us? Have we been able to get information on arrests we have made here, from bank records or secrets in Mexico which we needed for the purpose of prosecuting indictments and/or investigating cases in the United States?

Ms. WROBLEWSKI. Well, I think certainly that the Mutual Legal Assistance Treaty will open up an avenue for that sort of cooperation.

And as you know that was one of the key points, and I think that even that it is mentioned in the legislation, that that was one of the key points where the Committee found the government of Mexico lacking last year.

I would note that. We have successfully concluded negotiations on the Mutual Legal Assistance Treaty. That the Mexican Senate has ratified the Treaty, and that that should give the Justice Department a basis for which there would be a greater exchange of information between the two legal systems.

Mr. SMITH of Florida. So you are telling me that the MLAT will at this point supplant what they could have done in 1987. Have you got anything else you can point to besides the fact that they signed

this mutual legal assistance treaty, which only took a matter of four years I believe?

The eminent Mr. Trott is not here to testify about the eminence of the signing of this thing, which he testified to four years ago, was eminent. What else?

Since nothing occurred under the MLAT, and we are talking about to the extent possible, most possible. Signing of an MLAT I do not think is the only thing that a government can do.

I am interested in finding out from you if there is anything else that they did in that regard which we could use as a basis for determining whether or not there was full cooperation.

Ms. WROBLESKI. Well I would submit that the negotiation and the successful conclusion of the long running negotiations for the Mutual Legal Assistance Treaty, was certainly the most significant thing in terms of judicial legal exchange of information, and a strengthening, if you will, of the bilateral narcotics relationship. Certainly.

CAMARENA AND CORTEZ CASES

Mr. SMITH of Florida. Mr. Byrne, what about the DEA? What kind of cooperation do you get given the Camarena and Cortez cases in the investigations? Would you say you get the maximum fullest cooperation extent possible?

Mr. BYRNE. In that case, Mr. Juan Sega and Caro Quintero remain in prison in Mexico. The legal process in Mexico is very cumbersome, but nevertheless they do remain incarcerated.

I think the construction of that green line tunnel that you referred to is testimony to the difficulty that the traffickers are having.

I would speculate, going back just a few years, the thought of anybody being incarcerated in Mexico was really something, it was wishful thinking.

Mr. SMITH of Florida. Who discovered that tunnel, Mr. Byrne?

Mr. BYRNE. The Mexicans.

Mr. SMITH of Florida. That is not what I heard. I heard it was the DEA that discovered that tunnel. Is that not in fact, what happened? And advise the Mexicans of its existence?

Mr. BYRNE. Yes, we work with them.

Mr. SMITH of Florida. No, no, Mr. Byrne. Who told whom about the tunnel? Did we not find it? And did we not tell them? And were they not surprised?

Mr. BYRNE. Yes.

Mr. SMITH of Florida. Mr. Gilman?

AREAS IN COUNTRIES IN WHICH THEY HAVE OR HAVE NOT "FULLY COOPERATED"

Mr. GILMAN. Thank you, Mr. Chairman. One last question, and I regret that I am going to have to catch a flight. Mrs. Wroblewski, could you provide our Committee, as we start reviewing the certification process, for the countries that we are considering, the Bahamas, Bolivia, Mexico, Peru and Paraguay, of the areas in which these countries have cooperated with us, and areas where they have not cooperated?

Now I know you have got some of it in your report, but I would like to ask of you to summarize for this Committee, areas that you feel these nations that cooperated with our narcotics eradication program, and areas where they have failed to cooperate, so that we can have a better analysis of what your office feels are the pertinent points we should consider.

Ms. WROBLESKI. Well, Mr. Gilman, I must say that I think that my testimony, and particularly going as I have over the last few days, country by country, reviewing where the programs stand, where cooperation stands, where improvements need to be made in the next year, should stand for itself.

Mr. GILMAN. Well, I am asking you if you would summarize that for us, so that we could have that before us by way of the review paper that we can make available to our colleagues?

Ms. WROBLESKI. I would be happy to, but I must tell you it will not differ from my formal testimony.¹

Mr. GILMAN. I appreciate your making it available. Mr. Chairman I would like to admit—

Mr. SMITH of Florida. The record will remain open to receive that as a response to your question.

Mr. GILMAN. Thank you, Mr. Chairman.

COSTA RICA

Mr. SMITH of Florida. Thank you, Mr. Gilman. Let me just get on to Costa Rica a little bit. I think we would be remiss if we did not at least touch on that for a little bit as you touched on it in your opening statements.

Mr. ABRAMS, because of its long-standing democracy, we have often assumed that Costa Rica is invulnerable to narcotics trafficking and the corruption it brings. The assumption has been called into question recently.

For example, are you aware that two former Cabinet ministers have had visa applications for the United States turned down because of suspected involvement in drug trafficking?

Mr. ABRAMS. That is correct, yes.

Mr. SMITH of Florida. When Mr. Bandon testified on the Senate side, he indicated that drug money was being used to finance political campaigns in a number of countries, including Costa Rica. Do we have any indication that this in fact has occurred?

Mr. ABRAMS. We have what I guess I would call rumors, and there are a bunch of them. There are a bunch of allegations that there was indeed money from General Noriega.

Mr. SMITH of Florida. Channeled in to Costa Rica?

Mr. ABRAMS. Yes.

Mr. SMITH of Florida. Do we know whose money it was? I mean whose money it was, was it cartel money? Medellin cartel money? Was it his money, do we know? Were the rumors that explicit, or did we try to follow up on those rumors?

Mr. ABRAMS. The rumors that I have heard about drug money in general are extremely vague, and just sort of say there is drug

¹ The Department of State requested that the Committee refer to Ms. Wroblewski's testimony of March 3, 1988, which contains the requested information.

money. With respect to General Noriega, I have not heard any rumor about where he got the money, or whether it was his own personal funds.

Mr. SMITH of Florida. According to your report, Ms. Wrobleski, between six and twelve metric tons of cocaine transit Costa Rica each year.

The DEA also has an office with several agents in Costa Rica. It would seem to me that Costa Rica is a major transit country, yet you have not included it on your list of major transit countries.

Is the reason the same reason that you claim others also were not put on there? That you do not have the standards or the authority to put trafficking countries on the lists?

Ms. WROBLESKI. Well, again Mr. Chairman, that is part of it. I think you need to read exactly what the report says, which is that it is difficult to estimate the precise amount of cocaine transiting Costa Rica.

Best estimates, which are just that, guesstimates, as you and I have discussed, range from a low of six to a high of twelve. Again, that is a guesstimate. How do you know that?

Mr. SMITH of Florida. So for that reason then, you do not put them on the list, but we do not verify in Mexico either. So how do we get the amounts that we put on the report that you give us? How can we trust then that those are made in some kind of real relation to actual figures?

Ms. WROBLESKI. Well what we talk about in Mexico again is, is Mexico on the list because of production. Although we believe, based on seizures, that a third of the cocaine that enters this country comes over the land border.

Now seizure statistics on the land border make me more comfortable than 3 or 4, 8 or 10, or however many spectacular seizures in a country in a 12-month period.

Mr. SMITH of Florida. Caro Quintero, who we just discussed with reference to Mexico and Camarena, went to Costa Rica with a teenage girlfriend, where he spent a month in a home before being caught and deported by the Costa Rican authorities.

A Special Commission of the Congress, I assume it is Costa Rica, determined that the officials involved in making his entry into Costa Rica possible acted under the direction of an unnamed "superior political authority" and that they were the smaller link in a larger problem.

The head of the Costa Rican drug unit and a number of other officials were forced to resign as a result. Any of you have any idea who the unnamed "superior political authority" might be?

Mr. BYRNE. The Commission report did not identify who the superior political authority was.

Mr. SMITH of Florida. I know. Otherwise I would not have asked you the question. Do any of you have any idea who the unnamed superior political authority might be?

Mr. ABRAMS. I do not know.

Ms. WROBLESKI. I do not know.

Mr. BYRNE. I do not know.

EXTRADITION TREATY WITH COSTA RICA

Mr. SMITH of Florida. Despite the fact that Costa Rica signed an extradition agreement with us in 1982, it has never been ratified by the Costa Rican Congress. Is there any reason that you know of that is being put forth by the Costa Ricans, and are we pushing them on ratification of the extradition agreement?

Ms. WROBLESKI. My understanding is that there is great political sensitivity in Costa Rica on the issue of extraditing nationals. You are right, the Costa Rican Congress has not ratified the 1982 extradition treaty.

I would note, however, that the government has been very cooperative under the treaty which exists. The 1982 treaty apparently was an updating as I understand it.

And in fact the chief witness in the Miami indictment of General Noriega was in fact extradited from Costa Rica, which I think shows certainly a willingness to extradite in the face of a non—

Mr. SMITH of Florida. Well was he extradited here to stand trial, or was he extradited to appear as a grand jury witness?

Ms. WROBLESKI. Well—but the point is that he was extradited from Costa Rica to stand trial.

Mr. SMITH of Florida. To stand trial.

Ms. WROBLESKI. Remember that he is a convicted drug dealer.

Mr. SMITH of Florida. We are advised that a number of traffickers, especially Colombians, have been purchasing property in Costa Rica. Do we have any knowledge or indication of this? Is there any intelligence that we are gathering which lends credibility to this assumption?

Ms. WROBLESKI. I cannot answer that with specifics.

Mr. BYRNE. I cannot answer it with specifics either, but I can say this: The same geography that leads traffickers to look at Honduras or Haiti, or something else points to Costa Rica, particularly a country which has the two coasts which are not defended.

It is a country with a very small security force. I think the Costa Rican, you started by noting the assumption that Costa Rica is exempt from the drug threat because it is a democracy.

I think that has been the Costa Rican attitude. That is, if that is a problem that Panama has to worry about, because Panama has a corrupt military government. But that has nothing to with it.

I mean, it had something to do with it, of course, the government is part of the problem. But the problem can arise even when there is a democratic government and the best example is Colombia, which has had a democratic government for decades.

Our sense is that Costa Rica needs to wake up a little bit more to this threat. It is there, it is right nearby their border, you know, the country is between Panama and Nicaragua, which is not a great place to be.

So we, in our conversations with the Costa Ricans, have been urging that they pay more attention to, for example, the question of foreign investment. Obviously, they like to encourage foreign investment. It is good for the investment market, good for the real estate market.

But they have got to pay more attention to this, because as in the case of Mexico or anyplace else, if it gets away from you, it is extremely hard to catch up again.

Mr. SMITH of Florida. What has been their attitude, vis-a-vis our suggesting this to them, and what has been their request to us, if any, for cooperation, and what have we volunteered to do with them? Coastal frigates of any kind? Patrols, interdiction patrols?

What are we doing? Are we waiting until they run up the red flag and scream, we are invaded, and it is too hard for us to handle it? This is a problem.

Are we anticipating what we see is a problem for Costa Rica, and trying to do something about it now also, or are we going to wait until they are in so deep we will have another Colombia on our hands? And then sit around and scratch our heads how to get it out of it?

Ms. WROBLESKI. Well, let me say, Mr. Chairman, that we have been urging the Costa Rican government to pull together a unified command, if you will, in terms of narcotics.

And we have been consulting with them on how that might be accomplished. The consolidation of all narcotics enforcement in one agency.

We will make available, once that happens, out of the INM budget, any funding that is deemed appropriate in an effort to either get at the very limited marijuana problem or in terms of joint maritime patrols through the U.S. Coast Guard.

So I think we stand ready to help and we await sort of the organizational elements falling into place from the government in Costa Rica.

STATUS OF DRUG TRAFFICKING IN COSTA RICA

Mr. SMITH of Florida. Mr. Byrne, you have an office in Costa Rica, staffed by a few DEA agents. What would you consider to be the status of the drug trafficking situation in Costa Rica? Is there any evidence of any production at all?

And what is the current feeling of your DEA agents in Costa Rica about where Costa Rica might be going in the very, very near future in terms of problems with drugs?

Mr. BYRNE. It was pretty well summed up by Mr. Abrams, as to the feeling of our agents as well. It is certainly in the path from Colombia to the United States.

Airfields have been used, produce companies have been established, cocaine shipments have been secreted in them, so we have commercial shipments, we have refueling, we have staging of cocaine shipments from Colombia.

Mr. SMITH of Florida. Do we develop intel of our own?

Mr. BYRNE. Yes.

Mr. SMITH of Florida. Do we turn that over to the Costa Rican authorities for operational action?

Mr. BYRNE. Yes.

Mr. SMITH of Florida. What has been their use of the intelligence we develop? Have they made significant arrests? Have they stopped some of these cocaine traffickers?

Mr. BYRNE. Yes. That has happened. We also develop intelligence on the other side when a seizure is made in the United States. Information is developed where we——

Mr. SMITH of Florida. Work it back.

Mr. BYRNE. Work it back.

SEIZURES BY COSTA RICAN AUTHORITIES

Mr. SMITH of Florida. Well, can you document any significant arrests or any significant seizures made by the Costa Rican authorities?

Mr. BYRNE. There is a seizure——

Mr. SMITH of Florida. It must be the police, I mean they have no military to speak of.

Mr. BYRNE. Right.

Mr. SMITH of Florida. So it is basically national police.

Mr. BYRNE. There is a seizure of 500 kilos.

Mr. SMITH of Florida. Of cocaine?

Mr. BYRNE. Yes.

Mr. SMITH of Florida. When was that?

Mr. BYRNE. I am not sure what month in 1987.

Mr. SMITH of Florida. Was that the July seizure?

Mr. BYRNE. I believe it was.

Mr. SMITH of Florida. Besides that, what else did they seize in 1987 of any size or volume? And what steps have they taken themselves over the last year or two to increase their capability to fight the drug problem?

Have they increased the size of a narcotics or number of narcotics units? Have they dedicated a part of the police force to trafficking efforts? Have they sent people here for education programs?

Mr. BYRNE. Training programs in the United States, yes.

Mr. SMITH of Florida. How many people from Costa Rica have been educated or trained here in the last couple of years for anti-narcotics efforts?

Mr. BYRNE. At DEA international schools about six.

Mr. SMITH of Florida. Six people. Have we offered to do more for them and they have not sent them, or is that all we are capable of handling, together with all the other countries?

Mr. BYRNE. I think that is about all that we are capable of handling, given the other countries.

Mr. SMITH of Florida. Do we have any information on any new narcotics force being created? I mean, I am curious. We are documenting a significant growing problem in Costa Rica. Nobody is really telling me what they are doing to anticipate and prepare and eventually head off this problem.

It is rather disturbing. We are documenting now, good intelligence, etc. I do not hear much in the way of what they are doing or what we are doing. I asked Mr. Abrams if we are doing anything about interdiction or Coast Guard or boats, or whatever, and I did not get a reply.

Mr. ABRAMS. I would say that, the problem in Costa Rica is not a grave problem at this point. But——

Mr. SMITH of Florida. Would you not agree, we want to keep it from becoming grave.

Mr. ABRAMS. Exactly, and they need to get their act together, and it is not together.

Mr. SMITH of Florida. Okay.

Mr. ABRAMS. They have divided authority within the government, and they have, you know, it is a country which has not had this kind of, it has not had an army, it has not had military threat, it has not had a civilian disturbance threat, it has not had a drug threat.

So this is a novel experience for them. And they have got to get their act together and figure out how they want to handle it, and who is going to handle it.

And as Secretary Wroblewski says, we are prepared to help them handle it, but the first step really has to be for them to figure out how they are going to organize their government to deal with this drug threat.

Mr. SMITH of Florida. So they are really in very early stages and in rather some disarray, in terms of a very coordinated effort.

Mr. ABRAMS. I would say that they are in an early stage. And they have not figured out how they want to attack it yet.

MEXICO PROVIDING SAFE HAVENS TO TRAFFICKERS?

Mr. SMITH of Florida. All right. Let me just ask a couple of questions on Mexico, and you have all been gracious with your time, and then we will finish this hearing for today.

Next week we are going to hear from Commissioner Von Raab of the Customs Service. The Commissioner has stated that powerful Mexican officials are providing safe havens to drug traffickers and making it possible for narcotics to be smuggled into and out of Mexico with impunity.

Mr. Abrams, Ms. Wroblewski, would you disagree with that assessment?

Mr. ABRAMS. No.

Mr. SMITH of Florida. Ms. Wroblewski?

Ms. WROBLEWSKI. No.

Mr. SMITH of Florida. Mr. Byrne?

Mr. BYRNE. No.

Mr. SMITH of Florida. Mr. Byrne, several years ago the staff reported that virtually every narcotics investigation undertaken in Mexico had been compromised by advance notice to the traffickers. Has there been any change in that situation?

Mr. BYRNE. We have had some recent successful investigations, one which received some notoriety was the cocaine/AK-47's which was about a month ago. The arrest of the Herreras was another example.

Mr. SMITH of Florida. So you would say that that is changed to some extent?

Mr. BYRNE. I would say it was an improvement.

Mr. SMITH of Florida. Improvement?

OPERATION SABER

Mr. Abrams, the Customs Service found it necessary to institute an entire program that they called Operation Saber, to detect and document corruption by Mexican officials.

The same officials who are supposed to be cooperating with us. What does it say about the nature of their cooperation with us when we have to devote major resources to finding out who the bad guys are?

Mr. ABRAMS. Well, we know that there is a great deal of narcotics corruption because the amounts of money available for this purpose from the cartel are enormous, and they have used it to buy plenty of influence and cooperation. So we need to know which officials we can trust.

We have instituted, we the U.S. Government, had to institute a program of our own to determine that. You know our own frustration is in a sense not as large as that of the Mexican officials who have exactly the same problem, that is trying to figure out who among their colleagues may be compromised by the cartel.

We are probably more effective at it in many cases than they are, but it is a measure of the efficacy of the cartel these days in Mexico.

Mr. SMITH of Florida. It is an interesting point, if in fact there is this frustration on the part of the Mexicans. Why is that we still see large areas inside Mexico totally under the sway of the traffickers, where the Mexican federal police seem to not be able to do anything at all, and the army will not go in?

Again in this Sonoma, Sonora and Durango areas they know where the traffickers are, they know who they are and they seem to be operating with impunity. It is a large country, it is not a small country like Costa Rica, it has assets.

It has a standing army, it has a federal police, it has state police, it has a federal attorney general, I mean they have an administrative bureaucracy or hierarchy.

Why is that we do not seem to be able to get them to move on the traffickers directly? Ms. Wroblewski or Mr. Byrne? What seems to be the problem?

Mr. BYRNE. I think that they are. Perhaps not at the level or expectation that we would like, however they are moving. Vast areas do come under very substantial control of the traffickers, it is really not quite that simple.

Those traffickers are very well equipped. Communications, transportation, and they are really not sitting around waiting for someone to come in and arrest them, they are moving constantly.

It is not easy, and they have to take into consideration that any attempt to arrest traffickers in Mexico is almost a guaranteed shootout. If history repeats itself, every arrest is a shootout.

Mexican federal officers have been killed. At a recent raid one was seriously injured, so it is not quite that simple. It is certainly not like arresting somebody in the United States.

When an arrest is going on, it is a paramilitary operation. So I think they are doing it.

Mr. ABRAMS. Just to follow up on that. I remember a conversation I had a few years ago with a high ranking official in Mexico, and this question came up, and he had an interesting response.

He said you know, you take a place, and you say you guys say to me, why do you not clean that place up. The state of x, or that region. And he says well what does that mean to me? It means I need to talk to the governor, let me see.

The local, federal police chief, maybe the local army commander, maybe a couple of the mayors. I do not know who among them I can trust. One of the things is I cannot know then if they may be the problem.

Then if it turns out that I guessed wrong, and they appear to be cooperating but they are really not, okay. Then they tell the traffickers exactly what is coming, and I have telegraphed my thoughts.

He said it is, again, the situation at that point is really pretty far gone. And that is why we felt that it was very important to get Mexico to be more active right now, in the late 1980s, before it becomes another Colombia where you get into a situation in which it is not at all clear who has got more power, the traffickers or the army.

MONEY LAUNDERING IN MEXICO

Mr. SMITH of Florida. All right. But there are other ways to get at traffickers. You do not have to necessarily frontal assault every case. Let us turn to the area of money laundering. Hitting them where they live.

According to your own report, money laundering of narcotics profits through investment in legitimate business is extensive. However, no data is available on the extent of money laundering because Mexican banks, all but two of which are nationalized, do not provide information to the U.S. on their activities.

Now, if you are not going to be able to frontal assault these groups, and they are constantly moving, and there are other reasons why it is not easy, you have to notify all the people that you said, on your list.

Why is that we cannot go out and get cooperation in other ways? Make cases against them by going after them like we did in this country, the first one with Capone on income tax evasion. And he went to jail in the end.

But we do not get cooperation from the Mexicans. We ask for information and they turn us down. Here again, I mean why?

Mr. ABRAMS. Let me just make a general comment. You are up against something which is extremely powerful, and hot pursuit is maybe even a better example.

HOT PURSUIT ISSUE

Mr. SMITH of Florida. That is my next example.

Mr. ABRAMS. You are up against a political culture, which defines itself against us. You are up against a history, which defines itself against us, with an enormous amount of resentment of us. Hot pursuit is the thing that really sets off the most alarm bells, the giving away Mexican sovereignty as many Mexicans would see it, to the U.S. and letting us once again come across the border at will.

Now, from our point of view, this is a very dangerous response, because it is holding up mis-legends of the ages against a current and very dangerous threat. You want to talk about threats to sovereignty, that is the threat to Mexico, sovereignty.

Mr. SMITH of Florida. I agree, couldn't agree more.

Mr. ABRAMS. But we are really up against a very tough and delicate issue in terms of Mexican politics, when you get into these areas of granting the United States the ability to do these things.

Mr. SMITH of Florida. We have offered to put joint crews on surveillance planes to patrol both sides by overfly of the border. They have refused.

You attribute that to this big brother, little brother attitude? Or the fear that we are going to invade their sovereignty?

Mr. ABRAMS. Well, I would not call it a fear of invasion. But I would attribute it largely to an extreme, and I would say, and greatly over sensitivity to that kind of cooperation with the United States.

I say this probably as explanation, not by way of defense.

Mr. SMITH of Florida. I understand.

Mr. ABRAMS. But I think it is there, and I think that especially during an election campaign, where it is quite plausible that it would be an issue, although that does not explain one year ago, two years ago, three years ago. I grant that.

DRUGS NOT AN ELECTION ISSUE IN MEXICO

Mr. SMITH of Florida. Why are drugs not a big election issue? The fact that we want to come in there in hot pursuit is a bigger issue than part of their country is under the sway of the traffickers, so much corruption is rife and endemic in their system. That is not.

I mean, that really is hard for some of us to understand. A lot of good people in Mexico I think are getting the short end of that political argument.

Mr. ABRAMS. It is traditionally not an issue, whereas American intervention is an issue that really jangles nerves.

FIGHT AGAINST DRUGS UNSUCCESSFUL IN MEXICO

Mr. SMITH of Florida. Well, the problem is you see, in the final analysis, that all of these things that you look to or have described for us as reasons why they will not give us the kind of cooperation that we are seeking, also in essence really do prevent the fight against drugs from being very successful.

And no one is willing to say that we should decertify, because we asked them to do everything, and they do not do it and that is all there is to it.

I am not saying that either. I am just adding up on the balance sheet all the pros and cons. And after all of your testimony today, I still have no doubts in my mind that the amount of cooperation we do not get, the amount of things they do not do, far, far outweigh the things that they are attempting to do.

I believe they could do much more. And I think it is a disservice to the people of Mexico and a disservice to the people of the United States to have certified them, even though the certification took the unusual step of explaining or justifying itself.

I would probably agree with a certification based on national security, even though I would not like it, because I would at least feel it was honest with the statutory requirements. I do not think this certification was in fact an adherent to the statutory requirements.

And I would hope, and I think, I am fairly certain that the Mexican government as well as other governments have and will be, and they have an absolutely perfect right, to monitor these proceedings, that somebody in that government is listening. There are a lot of Members of this House that are frustrated by what is not happening. They are frustrated by the amount of drugs coming in this country, and frustrated by the amount of lack of cooperation from other countries.

I have admitted in other forums and will say it again, we need to do a hundred times more than we are doing internally in our own country to reduce demand.

There is no question about that. It is a given, and we have not done it. And we have not had the guts to commit the resources to it, and we have not had the leadership to do it either.

But the reality is you cannot keep hiding behind that alone, because there is a market in Mexico for it, and there is a market in Western Europe for it, and there is a market in Eastern Europe for it, and there is a market in the Middle East, South America, and all over the world people use it.

So if it was even reduced in the United States, there would still be places to ship the drugs, and there would still be people in Mexico growing opium and growing marijuana, and transshipping it, etc., etc.

We just view the lack of significant kind of cooperation, making big inroads on things, and not over a period of two or three or four months, we understand this is a long term fight.

And it is very frustrating, and something which we have to really come to grips with. It is unfortunate that over the years we played footsie with Colonel Noriega, General Noriega. I think he was a colonel when we started.

For all I know, he could have been a lieutenant when we started playing footsie with him. We have asked year after year about the involvement of Noriega in trafficking.

And we have heard a lot of conflicting testimony, and finally this year he was indicted. Confirming what many of us knew for years. It was not anything unusual.

And I hate to see us get in that mode with a lot of different countries, because there is no way that the people in the United States are going to respond to an active campaign to reduce demand, promoted by the government of the United States among other agencies, and I would hope the media promotes it, and schools, religious institutions, social institutions, and civic organizations across the board.

But where the government says, you have got to say no, and then overseas we are lying down in bed with the dogs. It is not going to work and people are not going to trust our judgment that they should involve themselves in this fight.

The fight is going to take people in this country and Mexico, and in Panama, the people. Not only the government officials. And I just think in the end that we do a disservice to our own people and to the people in these countries, when we do certify, when it really is illogical to do it.

I think it is illogical, you may disagree. The point is that I think it is illogical, and there are others who do, to certify countries like Mexico based on what you give us.

I think it just hurts the effort that they could make in Mexico. I think it hurts people who want to get rid of the corruption. What do they point to? They point to a United States who has certified this country? No, they cannot.

The opposition, who may be the corrupt people, point to it and say, what do you mean? If we were corrupt, we would not have been certified.

There is somewhat of a blessing, if you want to characterize it, if you are in a country which the United States has made some comments about. There is somewhat of a perception of a blessing attached to a certification.

Maybe that is a down side of this, that is unfortunate. But it is a reality. And if I was a corrupt politician in another country which was on the list of countries to be certified or decertified, and we were certified, and somebody attacked me, I would say, how could you say that?

The United States has given us our blessing, their blessing. The United States has said we are cooperating fully, and we are. We are doing everything we can, you bet we are.

They make a plausible argument, even if it is factually totally inaccurate, and they are lying to their own people. It is a plausible argument. And I would hope that we would deal more honestly and more openly with this problem.

We, I believe, will only compound the problem, for the long term, when we certify countries that really do not deserve certification. Yes, there are other items to consider.

Yes, our foreign policy dictates you don't just to look at the drug problem only, and then make a decision, no matter what the other consequences. That is why we have, for instance, a national security exemption.

But I think we are making a mistake when we certify countries like Paraguay or like Mexico or like Bolivia or Peru without thinking of the long term ramifications of it. I think they bode very poorly, for the long term international drug fight that the United States has been trying to lead.

We spend all this money, Ms. Wroblewski, and you come in here, and you know for the most part we are not opposed to the money aspect of what you ask us. All we get are reports each year that go higher and higher in production and the acknowledgement by you that more and more is flowing into the United States.

And then we have to hire more DEA agents and put more guys at risk out in the field overseas. It is a very, very difficult and significant problem. And the ultimate is it breeds an enormous amount of drug problem in the United States, which we are having very grave difficulty in coping with.

In Florida, it goes without saying. It is a significant problem, and it is created again for this year, the largest crime rate in the United States.

Those are things we want to stop, and those are things the American people want to stop. I do not know how effective it would be, to decertify some countries which deserve decertification, but it

does not seem to have been effective to have certified those countries, because it does not seem that the certification has promoted any greater efforts.

And so I would like to see some significant attention paid to the possibility of decertifying. We are going to go through, by virtue of these resolutions of disapproval, some of the debate on it.

And I think that is good. I think that the open debate would be important. I think people ought to know what basis was used, and on what basis we certified, and what is going on in those countries.

All I can tell you is that the INCSR reports continue to be a source of great disappointment. I do not mean the report itself, I mean what is contained in the report, because it brings bad news.

And I just hope you keep realizing that over the long term, there is a significant interest of this country in fighting this problem and bringing it as close as we can to eradication.

I think we will never stamp out illegal drugs completely, but I think we can do a lot better and I think those countries overseas that are supposed to be engaged in the fight could do a lot better.

And we are going to go on. This of course was just Central America. We are going to do South America and we are going to do Asia and the Middle East, etc.

And I do not think we are going to get much better statistically, and we are not going to be any happier when we finish all of these areas.

But you heard the frustration today, and you are going to hear it on other days. I am not so sure that the certifications are helping us in our long term interest.

Thank you very much, I appreciate the time and we will see you next week, I believe. Thank you.

This hearing is adjourned.

[Whereupon, at 5:30 p.m., the hearing was adjourned.]

APPENDIX 1

QUESTIONS SUBMITTED TO THE DEPARTMENT OF STATE BY THE TASK FORCE
ON INTERNATIONAL NARCOTICS CONTROL AND RESPONSES THERETO

Honduras

Q: As you know, we are very concerned about the continued presence in Honduras of major trafficker Matta Ballesteros. If you need your memory refreshed, this is the man who is wanted on several DEA indictments in the U.S. for drug trafficking, is wanted for questioning in the Camarena murder, who walked out of a Colombian jail after paying a \$1 million plus bribe, returned to Honduras and apparently bribed an acquittal of the Honduran legal system for a murder rap. He has been living quite happily-and unfettered-in Honduras for the last two years, buying businesses (such as a "security" company), hiring bodyguards from retired Honduran military officers, and generally bribing his way through the country's judicial, executive branch, and congressional system. He even offered a contribution to a radio's charity fund-raising telethon. Why has the Honduran government -- and the U.S. government -- failed to take action against this drug Kingpin?

A: As you know by now, Mr. Matta was returned to the United States on April 5.

We wish to clarify one of the statements in the question: there is no indication that Matta bought an acquittal on murder charges. The evidence in the case was primarily circumstantial and deemed insufficient for trial. The Honduran judicial system detained Matta as long as was legally possible.

The action of the Honduran government in detaining Matta is a clear demonstration that the Honduran government shares our concern over growing political and social influence of narcotics traffickers.

Q: I understand that there are problems with extradition, but it seems to me that at least the Honduran government doesn't have to make it easier for Matta to operate. For example, he has somehow managed to get a permit to establish a security company -- permits which are supposedly very hard to get -- as well as permits to have automatic weapons, which according to my understanding of Honduran law is illegal for private citizens. How has he managed these activities if the Honduran government is truly committed to anti-narcotics efforts?

A: As a Honduran citizen not convicted of any offense in Honduras, Mr. Matta was entitled to same opportunities enjoyed by other Honduran citizens, including right to engage in business activities.

Q: Let me read you a quote from the Miami Herald article dated August 24, 1986. It quotes a spokesman of our Embassy in Honduras saying that "American authorities would continue to explore legal possibilities for bring Matta to trial on the U.S. charges." Now let me read you a quote from a New York Times article dated February 18, 1988. "The United States continues to explore legal means to bringing Mr. Matta to justice", the State Department statement said. Eighteen months later, we are "continuing to explore" these issues? Is that the best we can do?

A: Mr. Matta's return to the United States speaks for itself.

Q: We have been told that a Honduran Congressman has pronounced himself as Matta's "doctor". Can you confirm that? If so, can you provide us his name?

Answer

DEA/Miami received information in February 1988 indicating that Juan MATTA-Ballesteros had a close personal relationship with Dr. Felix CERNA-Callejas and Dr. Claudio AUGESTAS. Reportedly, AUGESTAS is MATTA's personal physician. We have no information concerning his political status.

HONDURAS

QUEST.

1) Has DEA, as reported, provided a list of names to General Regalado of military officers suspected of involvement?

ANS. No, DEA did not give General Regalado a list of military officer names suspected of involvement in narcotic trafficking.

Q: At about the same time that Matta Ballasteros returned to Honduras, the former G-2 (intelligence chief) of the Honduran military, Col. Torres Arias, also returned to Honduras. Press reports indicate that in early 1980's, Col. Torres Arias "dealt drugs by working with Mr. Matta out of Columbia and with General Noriega". They also indicate that he twice visited Cuba to meet Fidel Castro, courtesy of introductions by General Noriega. He also found time to sell guns to the Salvadoran guerrillas and the Sandinistas. We are now informed that this exemplary character is an "influential advisor both to the current head of Honduran military intelligence and to General Regalado". Is that an accurate statement? If so, does it give us cause for concern? Do you believe that the colonel is still involved in drug dealing?

A: Col. Torres Arias returned to Honduras in September 1987 (Matta returned in April 1986). Torres Arias, who was dishonorably discharged in the Alvarez era, reportedly has answered pending military charges and was routinely retired.

To the best of our knowledge, Col. Torres has no official position with the Honduran Armed Forces. We do not believe he is an influential advisor. It is normal that Torres would know Regalado and other Honduran officers with whom he served.

Q: Who is the head of the Honduran police (FUSEP)? Are we confident that he has not been tainted by narcotics-related corruption?

A: The commander of the Honduran Public Security Forces (FUSEP) is Colonel Leonel Riera Lunatti.

Col. Riera -- like virtually all others -- has been included in rumors of military involvement in trafficking in the U.S. and international press. However, we have no evidence to substantiate such rumors.

Colonel Leonel Rieri-Lunati is the head of the Honduran Police (FUCEP). DEA works closely with this organization through our office in Tegucigalpa and formerly through DEA in Guatemala City. We have an excellent working relationship with FUCEP. Colonel Rieri attended the International Drug Enforcement Conference in Guatemala City in March 1988, showing his support for international drug law enforcement.

Q: I understand that a new anti-narcotics squad is in the process of formation. Who will head this new unit? Have we assured ourselves that he is "clean" on the narcotics issue?

A: Colonel Roberto Nunez Montes has been designated to head new anti-narcotics unit within the armed forces. Again, we have no evidence that Nunez is involved in drug trafficking.

Q: One obvious case for concern is Col. Said Speer, a man who almost became head of the Honduran Armed Forces. After losing in that contest, he was made an attache to Columbia. When drug kingpin Jorge Ochoa was arrested, he was arrested in a \$100,000 Porche belonging to Col. Said Speer. Mr. Blandon testified on the Senate side that Col. Said Speer is also an associate of General Noriega. Do you have reason to believe that Col. Said Speer is involved in drug trafficking?

A: Colonel Speer has retired from the Armed Forces since the Ochoa incident. There is circumstantial evidence such as the Porsche incident and rumors, but we have no evidence to substantiate the allegations.

Q: Mr. Abrams, I am sure you remember the case of General Bueso Rosa. He was convicted in a U.S. court several years ago in a bizarre assassination attempt against former President Suazo, which was to be financed by cocaine deals. I have two questions relating to this case: 1) Why did Col. Oliver North attempt (unsuccessfully, as it turned out) to have the General's sentence reduced? 2) Why did President Azcona write a letter to President Reagan urging a pardon for the General who attempted to assassinate his predecessor? And what was President Reagan's response?

The Government of Honduras asked the United States Government to intervene in General Bueso's trial, and after his conviction, asked us to see if his sentence could be lenient or reduced. These requests were refused, as we were unwilling to interfere in the trial or sentencing procedure in any way. After sentencing, President Azcona personally asked that General Bueso serve his sentence at a minimum security institution. This was the recommendation made by the sentencing judge in the case. The Department of State passed on and supported President Azcona's request, which -- again -- was precisely that of the sentencing judge.

That is my knowledge of this matter. Questions about Colonel North's motivation should be addressed to him. With respect to Question 2, President Reagan's response to the Azcona letter was conveyed in a letter from me to President Azcona, stating our unwillingness to grant a Presidential pardon for General Bueso.

Question: Mr. Byrne, I understand that only two DEA agents are being assigned to Honduras. How in the world do you expect two DEA agents to handle the threat of a Colombian-backed drug billionaire like Matta Ballasteros?

Mr. Byrne: We have initially assigned two agents based on agreements between the Department of State and Honduran government. As time progresses and the enforcement activity increases DEA will be re-evaluating its agent staffing in Honduras.

As you know, Matta Ballasteros is presently incarcerated in the United States pending trial.

Question: Mr Byrne, there has been some speculation that DEA closed its Honduras office in 1981 because its work was being impeded by other U.S. government agencies. Is that accurate? If not, why did DEA close your office there?

Mr. Byrne: In 1981 DEA had limited manpower and resources and it was necessary for DEA to strengthen its operation in source countries. Honduras was not a source country and we closed the country office. It should be noted that DEA's Guatemala City Country Office regularly sent TDY agents to Honduras to conduct investigations.

The speculation that DEA closed its office in Tegucigalpa because its work was being impeded by other U.S. government agencies is untrue.

Question: Mr. Byrne, the Hondurans -- and the U.S. Embassy -- have been asking DEA to re-open its Honduras office for more than a year. I understand that your Administrator, Mr. Lawn, turned this request down and that the issue had to go to the National Security Council before it was resolved. Is that an accurate portrayal of events? Why did DEA not want to reopen this office?

Mr. Byrne: In order for DEA to open an overseas office, we must first conduct a feasibility study of the country, we must get the approval of the U.S. Ambassador in-country, the State Department, and the host country government, then we must review our funding and manpower resources.

Once this is completed and if DEA has the funds to open the office, we will, if not, it's because of reallocation of funds. It should also be noted that DEA's staffing of overseas offices is different from State Department or any other federal agencies. DEA must recruit amongst its staff which takes time.

HONDURAS

Question: Honduran authorities state that major areas of drug trafficking activity are the Bay Islands and Swan Island, as well as the major ports. Is this consistent with our knowledge?

Yes.

HONDURASQuestion

News reports indicate that two Hondurans believed to have been involved in a shipment of more than 8,000 pounds of Colombian cocaine that was seized in Fort Lauderdale last November, were arrested in Honduras in late February. One was Jose Rodriguez La Valle, "who has long been suspected of drug trafficking, according to Honduran police;" the other was Ricardo Arguello, who according to Honduran news reports "is suspected of being an important contact between the Medellin Cartel in Colombia and Honduran drug dealers." These reports further indicate that Mr. Arguello, who was a "known drug trafficker in Nicaragua before the fall of President Somoza," was "appointed political coordinator in the Bay Islands of the presidential election campaign of Carlos Orbin Montoya, a leading Liberal Party politician and president of the Honduran National Congress." What can you tell us about these men? Are the news reports accurate?

Answer

According to DEA records, Honduran pilot Jose Augusto RODRIGUEZ-De La Valle was arrested with six other individuals in Honduras in February 1988. However, these individuals were arrested on an unrelated Honduran drug charge, not for their involvement in the four ton shipment of cocaine seized in Fort Lauderdale in late 1987. We are unable to determine if the news reports are accurate.

Q. Several Costa Rican Congressmen involved in investigating drug trafficking activities have received numerous death threats. One of these Congressmen is actively promoting a stiffer anti-narcotics law. Do you have any information on the source of these death threats?

A. Deputies Alex Solis and Luis Manuel Chacon received several anonymous death threats during the course of a recent Legislative Assembly investigation into the drug trade in Costa Rica. Solis and Chacon spearheaded the effort in the Legislative Assembly for passage of a new narcotics bill that significantly enhances GOCR enforcement capabilities. The Legislative Assembly approved the measure on March 21, 1988. The USG has no concrete information on the source of the death threats.

Q. Mr. Abrams, are you aware that our AID mission in Costa Rica has been awaiting guidance for more than one year on the issue of whether it should deny AID funds to drug traffickers? Our discussions with AID officials indicate they are reluctant to issue formal policy guidance on this issue because of possible legal problems and the reporting burden it would place on them. Don't you think it incumbent upon us to ensure that taxpayers' dollars do not finance or support drug trafficking operations?

A. I wholeheartedly agree, as does AID, that drug traffickers should not receive AID financing. The issue is whether AID should pre-screen loan applications of AID-funded intermediate credit organizations to ensure that individuals or

Q: Mr. Abrams, there has been speculation that the United States has "turned a blind eye" to possible Honduran military involvement in Honduras because of that military's crucial role in supporting the contras. Let me ask you, as a hypothetical question, if you had to choose between ignoring drug corruption in the Honduran military in order to supply the contras, or pursuing such corruption at the risk of losing valuable support for the contras' operations, which choice would you make?

A: To the extent HAF supports the Nicaraguan Resistance, they do so because it is in their interest.

I would not sacrifice the Resistance or the fight against drug trafficking. Both issues have consequences far too serious for this nation to be ignored.

organizations seeking financing are free of any involvement in drug trafficking. However, AID is legitimately concerned about the legal implications of issuing regulations that oblige host country institutions to deny financing to individuals or organizations on the basis of information which may be circumstantial or based on hearsay. AID favors improving the capabilities of host country institutions to perform this screening process.

Question: Mr. Abrams, do you believe that a 900 foot tunnel and another tunnel of similar size could have been dug without the complicity of Mexican officials?

Ms. Wroblewski: I understand that the tunnel operation was carried out very skillfully with numerous precautions taken to avoid detection. I know of no evidence of Mexican official complicity.

(NOTE: THIS QUESTION WAS DIRECTED TO MR. ABRAMS, BUT DRAFTER HAS ANSWERED BY WROBLESKI)

Mexico

- (b) Mr. Byrne, have the "investigations" regarding these tunnels produced any results ?

Response

Between late July, 1987 and early November, 1987, joint MFJP/DEA investigative efforts led to the discovery and closing of two tunnels financed by Rafael CARO-Quintero for an escape planned for November, 1987. Each tunnel (located on either side of the Reclusorio Norte Prison in Mexico City), if completed, would have linked the prison to private residences just outside of the prison compound. The first tunnel was 40 feet short of CARO-Quintero's cell at the time of its discovery; the second tunnel was about 975 feet short of the prison at the time of its discovery. On October 30, 1987, the MFJP advised DEA officials in Mexico City that it had arrested four suspects in Guadalajara in connection with their roles in the construction of the first tunnel; under questioning, the suspects admitted that a second tunnel, located on the opposite side of the prison (and 975 feet short of completion) was also under construction.

DEA officials were assured that both tunnels would be filled in with cement.

DEA believes that the four suspects remain incarcerated, since it has received no information to the contrary.

Mexico

(c) Have there been any convictions in the Camarena case?

Yes, there has been one conviction so far.

(d) Mr. Byrne, have the Mexicans ever responded to our letter rogatory of late 1986, which requested physical evidence relating to the murder which is in the possession of Mexican authorities?

No, but DEA has obtained some evidence from them, and DEA is still negotiating for more evidence.

(e) Have there been any convictions in the Cortez torture case?

No

2. Now, let's talk about prosecutions of major drug traffickers. Have there been any prosecutions of major drug traffickers in the past five years?

Yes

3. Mr. Byrne, we have questioned DEA on a number of occasions about the several hundred narcotics fugitives who have been indicted in the U.S. and are living a care-free life south of the border, because Mexico refuses to extradite its nationals to us. Has there been any change in that situation? Have they provided us with any of these traffickers?

No, because it is against their constitution to do so.

4. I assume the situation has not changed with the "JANUS" program, either. That, as you know, was the agreement whereby the Mexicans were supposed to prosecute themselves those traffickers they would not extradite to us. Does that program remain moribund?

The "JANUS" program is a dead issue

cc: Mr. Jack Taylor (Task Force)

F. Question: Mr. Abrams, a convicted Mexican cocaine dealer, Juan Lopez, who is now a protected U.S. Government witness, has said that high-ranking Mexican Justice Department and Federal Judicial Police officials had ordered Camarena's murder because Camarena knew they were involved in a multi-million dollar cocaine deal with Colombian traffickers. Would you disagree with that assessment?

Ms. Wrobleski: I do not know anything about these allegations.

(NOTE: THIS QUESTION WAS DIRECTED TO MR. ABRAMS, BUT DRAFTER HAS ANSWERED BY WROBLESKI)

MEXICO

Question: According to your own report, Ms. Wrobleski, the U.S.-provided air fleet operated at only 65% efficiency during 1987. Even the Bolivians managed an 80% efficiency rate on their aircraft. This low efficiency rate is obviously related to low eradication rates, isn't it?

Miss Wrobleski: The aircraft availability rate for the more than ninety aircraft in the fleet of the Mexican Attorney General's Office (PGR) was 65 percent in 1987. As I have testified before, a primary goal of the International Narcotics Control program in Mexico is to raise the availability as well as the utilization rates of the Mexican aircraft, thereby increasing the eradication effort. The 80 percent availability rate of the six aircraft operating in Bolivia could be more easily achieved because of the substantially lower flying-hour program in Bolivia as compared to Mexico. Higher utilization rates place more strain on a maintenance system.

Question: Isn't it true that Mexican zone coordinators determine where the eradication fleets will fly, and that U.S. personnel are not permitted to attend the meetings where these decisions are made? isn't it further true that the zone coordinators are considered extremely susceptible to narcotics-related corruption?

Miss Wrobleski: Mexican zone coordinators determine where the Mexican eradication fleet will fly. However, U.S. personnel do have access to these meetings. Whenever field advisors from the Embassy's Narcotics Assistance Unit visit a base, they are accorded that opportunity.

I do not believe that I can speculate that Mexican zone coordinators are any more susceptible to corruption than any officials engaged in anti-narcotics efforts in any country. Corruption exists in all countries in which drug traffickers operate.

PANAMA

QUEST. 1. Mr. Byrne, how long has DEA been present in Panama?

ANS. The DEA office in Panama was established in 1971.

QUEST. 2. Mr. Byrne, is it normal practice of DEA to write letters of appreciation to top foreign officials, whether or not you have reason to suspect that they may be involved in narcotics trafficking?

ANS. It is normal practice for DEA to write letters of appreciation to top foreign officials. There may have been occasions when allegations were made against some of these officials. If, however, these allegations are proven to be true or result in criminal action against these officials, it is our practice to condemn the actions of these individuals.

QUEST. 3. Mr. Byrne, do you feel that DEA was "had" by General Noriega? Are you embarrassed by DEA's past unequivocal statements of support for Noriega?

ANS. It was DEA's own lengthy investigation of Panamanian General Manuel Antonio Noriega that led to his indictment by a Miami federal grand jury. General Noriega was charged with exploiting his official position as head of the intelligence section of the Panamanian National Guard and later as Commander-in-Chief of the Defense Forces of the Republic of Panama in order to receive payoffs for assisting and protecting international narcotic traffickers.

QUEST. 4. When you receive reports high-level officials are engaged in narcotic activities, what is your normal response? do you try to confirm these charges? do you accept such problems as the price of doing business? or is it possible in most cases to undertake active investigations against such officials without the strong support and assistance of the State Department and other U.S. agencies?

ANS. We attempt to determine the veracity of the allegations. Often it is impossible to work in some countries without working with corrupt officials. The strong support of the State Department is required if such investigations are to be productive.

PANAMAQuestion

When did DEA first begin to receive allegations of General Noriega's involvement in drug trafficking and money laundering? When did INM first hear of these allegations? Mr. Abrams, when did you first become aware of these allegations?

Answer

The first mention of NORIEGA which DEA has been able to document was in May 1971. Uncorroborated allegations surfaced over the years regarding NORIEGA's alleged involvement in money laundering and facilitation of drug transshipments through Panama.

PANAMAQuestion

Mr. Byrne, various new reports indicate that Floyd Carlton, one of Noriega's drug traffickers and a Senate witness, went to your office in Panama more than two years ago and offered information on Noriega which your agents failed to follow up. Do you dispute that claim?

Answer

Floyd CARLTON approached DEA/Panama in January 1986 and offered to provide information regarding drug trafficking. However, CARLTON offered no information concerning NORIEGA. DEA tried unsuccessfully to recontact CARLTON on several occasions between January and his arrest in July 1986.

On July 30, 1986 CARLTON was arrested in San Jose, Costa Rica. Subsequently, extradition proceedings were initiated. While in Costa Rican custody, CARLTON advised DEA/Miami that he could provide substantial information on the criminal activities of numerous high-level government officials in Central and South America, including General NORIEGA.

On November 14, 1986 the government of Costa Rica ruled in favor of the United States and CARLTON was subsequently extradited to Miami on January 24, 1987. Based on the information provided by CARLTON and others, DEA/Miami initiated an investigation which resulted in an indictment against NORIEGA in early 1988.

PANAMAQuestion

Mr. Abrams, are you aware of a meeting in 1985 in Peru of the major drug traffickers in the region? Isn't it true that General Noreiga attended that meeting? What decisions were made at the meeting? Isn't it true that other traffickers suggested that General Noriega should "take care of" Mr. Spadafora, who had been making accusations about who was involved in drug trafficking?

DEA has no information concerning this question.

GENERALQuestion

What impact has the spread of narcotics-related corruption had on military forces of Latin America? In which countries is this type of corruption particularly problematic? Do you believe that narcotics-related corruption in these militaries is as great a threat to U.S. national security interests, and promotion of democracy in the region, as communism is? Do you consider it your responsibility, or DOD's responsibility, to report and act on narcotics-related corruption in these militaries?

Answer

Government officials, including members of the military are always vulnerable targets of drug-related corruption in Latin America. Despite corruption noted in police forces and other government elements, we have no information indicating that the military establishment of any Latin American country has been corrupted by drug traffickers.

We do not believe that drug-related corruption within Latin American militaries is a threat to U.S. national security interests. We believe that all U.S. representatives abroad are responsible for reporting any allegation concerning drug-related corruption, be it within the military or other government body. We believe, however, that it is DEA's responsibility, not DOD's, to follow-up on these allegations if appropriate.

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Blandon alleges that Torrijos began an investigation of Noriega in 1980, "when Cesar Rodriguez was taking weapons to El Salvador in an airplane owned by the defense forces of Panama which had been seized and used for drug trafficking and was under Noriega's custody." He goes on to say that Noriega had authorized Rodriguez to ship weapons to El Salvador. What do we know about Noriega's involvement in arms traffic to El Salvador and of the results of Torrijos' investigation of Noriega?

Answer

DEA is aware of allegations concerning NORIEGA's involvement in weapon shipments to El Salvador but we have no information to substantiate these allegations.

PANAMA

What do we know of the International Commerce and Credit Bank (ICCB), and its use as a laundry for narcotics profits? What other of the over one hundred banks in Panama do we know is used for money laundering, and which are particularly associated with Noriega.

There is no information in DEA files pertaining to the International Commerce and Credit Bank (ICCB). This bank could possibly be the Bank of Credit and Commerce International (BCCI), which is a large institution based in Luxembourg with branch offices throughout the world, including two branch offices in Panama. DEA files reflect considerable mention of BCCI branch offices, including those in Panama. Some of the money laundered in the Operation Pisces investigation went to accounts at the BCCI.

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GENERALQuestion

Blandon alleges that a "new thread" in drug trafficking by the Medellin cartel, namely their move into Panama, coincided with Noriega's accession to power in 1983. Do we consider this a mere coincidence, or do we in fact have information linking Noriega to the cartel going back that far? When did we receive our first information regarding the Noriega/Medellin connection?

Answer

DEA first began to receive allegations linking NORIEGA to the Medellin Cartel in early 1987 when Floyd CARLTON was extradited from Costa Rica and offered to provide DEA with information against NORIEGA. According to CARLTON, NORIEGA's association with the Cartel dates back to the early 1980's.

GENERALQuestion

What do we know of the Medellin cartel's alleged plot to assassinate Noriega, apparently in retaliation for his destruction of a cocaine processing plant near Darien?

Answer

DEA has no information concerning this allegation.

GENERALQuestion

Mr. Byrne, who is Luis Quiel? What has been his relationship with DEA? How long has this lasted? What is his relationship with Noriega? Has he been linked in any way with the Medellin cartel or any other drug enterprises in the region?

Answer

Inspector Luis Quiel is DEA/Panama's direct counterpart with the Panamanian Defense Forces (PDF). Inspector Quiel is the Chief of the Office of International Coordination and Liason within the PDF and reports directly to General NORIEGA. Inspector Quiel is an aggressive anti-narcotics officer. He has assisted DEA in successfully pursuing numerous sensitive investigations.

GENERALQuestion

At one point in his testimony Bandon observes that "Panamanian justice works in a strange way." He goes on to make a very serious allegation, namely that: "When they (the Medellin cartel through their associates, such as Luis Quiel) have a problem with someone who hasn't paid, then they turn them over to the DEA. So their work is to keep the DEA happy giving (up) those people that they do not want." Mr. Byrne, would you care to respond to this charge?

Answer

In our experience in dealing with Panamanian authorities we do not believe this has occurred. Panamanian authorities have always provided their full cooperation in every request made by DEA.

APPENDIX 2

QUESTIONS SUBMITTED TO THE DRUG ENFORCEMENT ADMINISTRATION BY THE
TASK FORCE ON INTERNATIONAL NARCOTICS CONTROL AND RESPONSES THERETO

HONDURAS

QUEST.

1) Has DEA, as reported, provided a list of names to General Regalado of military officers suspected of involvement?

ANS. No, DEA did not give General Regalado a list of military officer names suspected of involvement in narcotic trafficking.

QUEST.

2) Mr. Bryne, I understand that only two DEA agents are being assigned to Honduras. How in the world do you expect two DEA agents to handle the threat of a Colombian backed drug billionaire like Matta Ballasteros?

ANS. We have initially assigned two agents based on agreements between the Department of State and Honduras government. As time progresses and the enforcement activity increases DEA will be re-evaluating its agent staffing in Honduras.

As you know, Matta Ballasteros is presently incarcerated in the United States pending trial.

QUEST.

3) Mr. Bryne, there has been some speculation that DEA closed its Honduras office in 1981 because its work was being impeded by other U.S. Government agencies. Is that accurate? if not, why did DEA close your office there?

ANS. In 1981 DEA had limited manpower and resources and it was necessary for DEA to strengthen its operation in source countries. Honduras was not a source country and we closed the country office. It should be noted that DEA's Guatemala City Country Office regularly sent TDY agents to Honduras to conduct investigations.

The speculation that DEA closed its office in Tegucigalpa because its work was being impeded by other U.S. Government agencies is untrue.

QUEST.

4) Mr. Bryne, the Hondurans--and the U.S. Embassy--have been asking DEA to re-open its Honduras office for more than a year. I understand that your Administrator, Mr. Lawn, turned this request down and that the issue had to go to the National Security Council before it was resolved. Is that an accurate portrayal of events? Why did DEA not want reopen this office?

ANS. In order for DEA to open an overseas office, we must first conduct a feasibility study of the country, we must get the approval of the U.S. Ambassador in country, the State Dept., and the host country government, then we must review our funding and manpower resources.

Once this is completed and if DEA has the funds to open the office, we will, if not, it's because of reallocation of funds. It should also be noted that DEA's staffing of overseas offices is different from State Dept. or any other Federal agencies. DEA must recruit amongst its staff which takes time.

HONDURASQuestion

News reports indicate that two Hondurans believed to have been involved in a shipment of more than 8,000 pounds of Colombian cocaine that was seized in Fort Lauderdale last November, were arrested in Honduras in late February. One was Jose Rodriguez La Valle, "who has long been suspected of drug trafficking, according to Honduran police;" the other was Ricardo Arguello, who according to Honduran news reports "is suspected of being an important contact between the Medellin Cartel in Colombia and Honduran drug dealers." These reports further indicate that Mr. Arguello, who was a "known drug trafficker in Nicaragua before the fall of President Somoza," was "appointed political coordinator in the Bay Islands of the presidential election campaign of Carlos Orbin Montoya, a leading Liberal Party politician and president of the Honduran National Congress." What can you tell us about these men? Are the news reports accurate?

Answer

According to DEA records, Honduran pilot Jose Augusto RODRIGUEZ-De La Valle was arrested with six other individuals in Honduras in February 1988. However, these individuals were arrested on an unrelated Honduran drug charge, not for their involvement in the four ton shipment of cocaine seized in Fort Lauderdale in late 1987. We are unable to determine if the news reports are accurate.

HONDURASQuestion

One obvious case for concern is Col. Said Speer, a man who almost became head of the Honduran Armed Forces. After losing in that contest, he was made an attache to Colombia. When drug kingpin Jorge Ochoa was arrested, he was arrested in a \$100,000 porsche belonging to Col. Said Speer. Mr. Bandon testified on the Senate side that Col. Said Speer is also an associate of General Noriega. Do you have reason to believe that Col. Said Speer is involved in drug trafficking?

Answer

DEA is aware of the press reports linking Col. Said Speer to OCHOA. We have no additional information to substantiate these accounts.

HONDURAS

Question: Honduran authorities state that major areas of drug trafficking activity are the Bay Islands and Swan Island, as well as the major ports. Is this consistent with our knowledge?

Yes.

HONDURAS

Question: Who is the head of the Honduran Police (FUCEP)? Are we confident that he has not been tainted by narcotics related corruption?

Colonel Leonel Rieri-Lunati is the head of the Honduran Police (FUCEP). DEA works closely with this organization through our office in Tegucigalpa and formerly through DEA in Guatemala City. We have an excellent working relationship with FUCEP. Colonel Rieri attended the International Drug Enforcement Conference in Guatemala City in March 1988, showing his support for international drug law enforcement.

Question

At about the same time that Matta Ballasteros returned to Honduras, the former G-2 (intelligence Chief) of the Honduran military, Col. Torres Arias, also returned to Honduras. Press reports indicate that in the early 1980's, Col. Torres Arias "dealt drugs by working with Mr. Matta out of Colombia and with General Noriega." They also indicate that he twice visited Cuba to meet Fidel Castro, courtesy of introductions by General Noriega. He also found time to sell guns to the Salvadoran guerrillas and the Sandinistas. We are now informed that his exemplary character is an "influential advisor both to the current head of Honduran military intelligence and to General Regalado." Is that an accurate statement? If so, does it give us cause for concern? Do you believe that the colonel is still involved in drug dealing?

Answer

We are aware of allegations concerning Col. Arias' involvement with drug traffickers, but DEA has no information to substantiate these allegations.

HONDURAS

Question

We have been told that a Honduran Congressman has pronounced himself as MATTA's "doctor." Can you confirm this? If so, can you provide us his name?

Answer

DEA/Miami received information in February 1988 indicating that Juan MATTA-Ballesteros had a close personal relationship with Dr. Felix CERNA-Callejas and Dr. Claudio AUGESTAS. Reportedly, AUGESTAS is MATTA's personal physician. We have no information concerning his political status.

News reports indicate that in the early 1980's DEA agents informally proposed impaneling a grand jury to investigate Honduran officials, but that the CIA blocked the move. Mr. Byrne, and Mr. Abrams, is that accurate?

Response

DEA has no information on this allegation.

Mexico

Have there been any convictions in the Camarena case?

Yes, there has been one conviction so far.

Mr. Byrne, have the Mexicans ever responded to our letter rogatory of late 1986, which requested physical evidence relating to the murder which is in the possession of Mexican authorities?

No, but DEA has obtained some evidence from them, and DEA is still negotiating for more evidence.

Have there been any convictions in the Cortez torture case?

No

Now, let's talk about prosecutions of major drug traffickers. Have there been any prosecutions of major drug traffickers in the past five years?

Yes

Mr. Byrne, we have questioned DEA on a number of occasions about the several hundred narcotics fugitives who have been indicted in the U.S. and are living a care-free life south of the border, because Mexico refuses to extradite its nationals to us. Has there been any change in that situation? Have they provided us with any of these traffickers?

No, because it is against their constitution to do so.

I assume the situation has not changed with the "JANUS" program, either. That, as you know, was the agreement whereby the Mexicans were supposed to prosecute themselves those traffickers they would not extradite to us. Does that program remain moribund?

The "JANUS" program is a dead issue

Mexico

Mr. Byrne, have the "investigations" regarding these tunnels produced any results ?

Response

Between late July, 1987 and early November, 1987, joint MFJP/DEA investigative efforts led to the discovery and closing of two tunnels financed by Rafael CARO-Quintero for an escape planned for November, 1987. Each tunnel (located on either side of the Reclusorio Norte Prison in Mexico City), if completed, would have linked the prison to private residences just outside of the prison compound. The first tunnel was 40 feet short of CARO-Quintero's cell at the time of its discovery; the second tunnel was about 975 feet short of the prison at the time of its discovery. On October 30, 1987, the MFJP advised DEA officials in Mexico City that it had arrested four suspects in Guadalajara in connection with their roles in the construction of the first tunnel; under questioning, the suspects admitted that a second tunnel, located on the opposite side of the prison (and 975 feet short of completion), was also under construction. DEA officials were assured that both tunnels would be filled in with cement. DEA believes that the four suspects remain incarcerated, since it has received no information to the contrary.

MEXICO

Isn't it true that Mexican Zone Coordinators determine where the eradication fleets will fly, and that U.S. personnel are not permitted to attend the meetings where these decisions are made? Isn't it further true that the Zone Coordinators are considered extremely susceptible to narcotics-related corruption?

Yes, the 18 Zone Coordinators located throughout Mexico do determine where the eradication aircraft will fly. While U.S. personnel (DEA) do not attend these meetings, we have not been expressly forbidden from doing so. Should staffing reach a level where attendance at these meetings was feasible, our presence there as an observer might be arranged with the Mexican Attorney General's Office.

Zone Coordinators are not considered any more susceptible to narcotics-related corruption than are other law enforcement personnel.

PANAMA

QUEST. 1. Mr. Byrne, how long has DEA been present in Panama?

ANS. The DEA office in Panama was established in 1971.

QUEST. 2. Mr. Byrne, is it normal practice of DEA to write letters of appreciation to top foreign officials, whether or not you have reason to suspect that they may be involved in narcotics trafficking?

ANS. It is normal practice for DEA to write letters of appreciation to top foreign officials. There may have been occasions when allegations were made against some of these officials. If, however, these allegations are proven to be true or result in criminal action against these officials, it is our practice to condemn the actions of these individuals.

QUEST. 3. Mr. Byrne, do you feel that DEA was "had" by General Noriega? Are you embarrassed by DEA's past unequivocal statements of support for Noriega?

ANS. It was DEA's own lengthy investigation of Panamanian General Manuel Antonio Noriega that led to his indictment by a Miami federal grand jury. General Noriega was charged with exploiting his official position as head of the intelligence section of the Panamanian National Guard and later as Commander-in-Chief of the Defense Forces of the Republic of Panama in order to receive payoffs for assisting and protecting international narcotic traffickers.

QUEST. 4. When you receive reports high-level officials are engaged in narcotic activities, what is your normal response? do you try to confirm these charges? do you accept such problems as the price of doing business? or is it possible in most cases to undertake active investigations against such officials without the strong support and assistance of the State Department and other U.S. agencies?

ANS. We attempt to determine the veracity of the allegations. Often it is impossible to work in some countries without working with corrupt officials. The strong support of the State Department is required if such investigations are to be productive.

PANAMAQuestion

When did DEA first begin to receive allegations of General Noriega's involvement in drug trafficking and money laundering? When did INM first hear of these allegations? Mr. Abrams, when did you first become aware of these allegations?

Answer

The first mention of NORIEGA which DEA has been able to document was in May 1971. Uncorroborated allegations surfaced over the years regarding NORIEGA's alleged involvement in money laundering and facilitation of drug transshipments through Panama.

PANAMAQuestion

Mr. Byrne, various new reports indicate that Floyd Carlton, one of Noriega's drug traffickers and a Senate witness, went to your office in Panama more than two years ago and offered information on Noriega which your agents failed to follow up. Do you dispute that claim?

Answer

Floyd CARLTON approached DEA/Panama in January 1986 and offered to provide information regarding drug trafficking. However, CARLTON offered no information concerning NORIEGA. DEA tried unsuccessfully to recontact CARLTON on several occasions between January and his arrest in July 1986.

On July 30, 1986 CARLTON was arrested in San Jose, Costa Rica. Subsequently, extradition proceedings were initiated. While in Costa Rican custody, CARLTON advised DEA/Miami that he could provide substantial information on the criminal activities of numerous high-level government officials in Central and South America, including General NORIEGA.

On November 14, 1986 the government of Costa Rica ruled in favor of the United States and CARLTON was subsequently extradited to Miami on January 24, 1987. Based on the information provided by CARLTON and others, DEA/Miami initiated an investigation which resulted in an indictment against NORIEGA in early 1988.

PANAMAQuestion

Mr. Abrams, are you aware of a meeting in 1985 in Peru of the major drug traffickers in the region? Isn't it true that General Noreiga attended that meeting? What decisions were made at the meeting? Isn't it true that other traffickers suggested that General Noriega should "take care of" Mr. Spadafora, who had been making accusations about who was involved in drug trafficking?

DEA has no information concerning this question.

Costa Rica

Several Costa Rican Congressman involved in investigating drug trafficking activities have received numerous death threats. One of these Congressman is actively promoting a stiffer anti-narcotics law. Do you have any information on the source of these death threats?

DEA has not developed nor does it have any information on the sources of these alleged death threats.

General

Part of the NDPB's new international "strategy" claims that one of our new efforts will be to immobilize trafficking organizations by "proactively targetting" major traffickers. Yet nowhere in the INCSR do you address how to do this overseas. Ms. Wroblewski and Mr. Byrne, in light of our inability to extradite major traffickers from most of these countries, how do you plan to implement this strategy? wait twenty years until the judicial system improves in these countries?

Response

The NDPB Strategy establishes the following goal: "Eliminate major trafficking networks and cartels through increased seizures and arrests, prosecutions and forfeiture of assets." The program objectives include:

1. Motivate and assist foreign governments in their efforts to identify, investigate and immobilize major drug trafficking organizations.
2. Increase the difficulties for traffickers attempting to launder narcotics profits by securing international cooperation on financial investigations, asset seizure and forfeiture.
3. Assist nations to strengthen their legal and judicial systems to eliminate narcotics trafficking organizations.
4. Develop and maintain a corps of high quality informants to penetrate the leadership structure, operations, associations and financial aspects of the major drug trafficking organizations and provide monetary rewards as warranted.

The NDPB Strategy sets forth details on meeting these objectives. The INCSR is structured as a country-by-country description of the international drug situation. It identifies the areas of drug control that are most in need of improvement. In many countries, training investigators and passing tougher drug control laws would improve efforts to immobilize major drug trafficking organizations.

Nevertheless, there are numerous ways of striving for this goal, and DEA's broad presence overseas enables us to collect information on international trafficking groups and to use domestic drug laws as well as those of the host country in trying to bring the traffickers to justice. While all of these means may not be detailed in the INCSR, further elaboration is available in the NDPB Strategy in the Investigations and Prosecutions lead agency reports.

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What impact has the spread of narcotics-related corruption had on military forces of Latin America? In which countries is this type of corruption particularly problematic? Do you believe that narcotics-related corruption in these militaries is as great a threat to U.S. national security interests, and promotion of democracy in the region, as communism is? Do you consider it your responsibility, or DOD's responsibility, to report and act on narcotics-related corruption in these militaries?

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- Q. I understand that a new anti-narcotics squad is in the process of formation. Who will head this new unit? have we assured ourselves that he is "clean" on the narcotics issue?
- A. There is a proposal to form a new anti-narcotics unit; however, the request for funding has not yet been approved. Nobody has been selected to head the proposed unit.

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