

VI. 31 Oct 86

MEXICO

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U.S. DRUG TRAFFICKING LAW DRAWS PROTEST NOTE

FL301452 Mexico City NOTIMEX in Spanish 0340 GMT 30 Oct 86

[Text] Mexico City, 29 Oct, (NOTIMEX) -- The Foreign Secretariat has announced that the Mexican Government today formally protested to the U.S. State Department for using pressure tactics against Mexico based on inexact statements, in the sense that Mexico does not observe its cooperation commitments in the struggle against drug trafficking.

In the document presented by the Mexican ambassador to Washington, the Mexican Government insists that one should not lose sight of the fact that actions aimed at combating the complex drug trafficking problem in Mexico are Mexico's responsibility.

In the protest, Mexico expresses its bewilderment at the inclusion of provisions that affect Mexican interests in the narcotics control law signed by the U.S. Congress on 18 October and signed yesterday by President Ronald Reagan.

The Mexican Embassy, the note says, considers referent provisions evidence of an unfriendly attitude which explicably ignores reality.

The note adds that the Mexican Government has repeatedly and promptly informed U.S. congressmen and officials about diverse actions taken in Mexico, which are included in the referent law as if they had emanated from the country's congress.

Information on the investigation and criminal processes against those responsible for the deaths of DEA agent Enrique Camarena and the pilot Zavala and alleged abuses of authority against Victor Cortes has been made public, the note continues.

The [U.S.] Congress' attitude in the referent law is surprising since it chooses to ignore differences between the U.S. and Mexican judicial systems, each derived from different judicial traditions, which have been explained by Mexican officials to U.S. officials, the communique says.

The note adds that Mexico has repeatedly demonstrated in international forums that it efficiently utilizes all available resources to combat drug trafficking and the violence that this illegal activity generates, not only on the border, but throughout the national territory.

It is a source of concern to note, the document says, that while Mexico has promoted bilateral dialogue with the United States and multilateral dialogue with area countries in the search for solutions to the drug trafficking problem, the referent law contains threats in that it warns U.S. tourists about traveling to Mexico, denies favorable tax treatment to Mexican export products, restricts future appointments of the stabilization fund, and hints possible abstention from voting in favor of Mexican credit requests from multilateral development banks.

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VI. 31 Oct 86

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U.S. DRUG LAW SEEN AS BORDER 'MILITARIZATION'

PA301638 Havana International Service in Spanish 2300 GMT 29 Oct 86

[Report by correspondent Francisco Ramirez from Mexico City]

[Text] The new U.S. antinarcotics law approved by President Ronald Reagan will bring about an accelerated militarization of the border with Mexico and make more acute the already serious bilateral problems, observers in the Mexican capital have predicted.

The antidrug legislation issued by the U.S. Government will transform the 3,000-km border with Mexico into a vast center of strict air and electronic surveillance with the pretext of stopping drug traffic across the border.

With a budget of \$1.7 billion for that purpose, the U.S. Government will send to the Mexican border modern radar equipment, special aircraft to pursue and capture planes suspected of transporting narcotics, helicopters, and a beefed-up group of antidrug agents. The Reagan administration claims that large volumes of marijuana, heroin, and cocaine enter the United States from Mexico. Therefore, an important part of the efforts in the new law will be geared toward stopping that illegal traffic.

The new law has been described by skeptics as a mere offshoot of the antidrug frenzy that characterizes this election year. However, its passage reflects a concern over the growing use of drugs in U.S. society.

The hostility toward Mexico is clearly manifested in a document entitled: The Sentiment of the Congress, included in the new antinarcotics law. In this document, senators state that Mexico has fallen short of its responsibilities in the struggle against drug traffic, and propose economic sanctions against that country. However, the Mexican authorities believe differently. They have said that the United States is the principal market for drugs -- not only from Mexico, but from other nations -- and that this kind of activity cannot be eradicated simply through policing measures that are generally unilateral and affect Mexican interests.

HAVANA RADIO VIEWS UN SOUTH ATLANTIC RESOLUTION

PA301255 Havana International Service in Spanish 2300 GMT 24 Oct 86

["Our America" commentary read by Manolo Ortega]

[Text] With an overwhelming majority -- 124 votes in favor and 1 against -- the UN General Assembly has approved an important resolution, which, if scrupulously respected, will substantially contribute to the maintenance of peace in the South Atlantic Ocean. In declaring the waterway between Africa and South America a peace zone, the leading international organization was very clearly stating mankind's desire to check the arms race and gradually eliminate the areas of tension in the world.

VI. 7 Nov 86

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PRESIDENT DEFENDS 'CLEAN' ELECTORAL PROCESSES

PA061331 Mexico City Red Nacional 13 Imevision Television in Spanish 0300 GMT 6 Nov 86

[Report by Humberto Mares Navarro from Tepic, Nayarit -- passages within quotation marks recording of President Miguel de la Madrid]

[Text] President Miguel de la Madrid said in Nayarit that electoral processes in Mexico are normal, clean, and reflect popular will despite unfounded slanders and criticism at home and abroad. He acknowledged that there are a few imperfections in electoral processes, and to correct them, he proposed a new federal electoral code: "With these proposals, we wish to achieve several objectives: First, to ensure the efficiency of the Mexican political system, which is why we continue to support the principle that the majority must rule in a democracy with the respect and participation of minorities. However, we maintain the fundamental trademark of our democratic system and try to prevent excessive elimination [pulverizacion] of parties, which would only provoke instability and inefficiency in our government."

The president of the republic added that imperfections and irregularities are natural occurrences in a country with 80 million inhabitants and 30 million voters with cultural and social differences: "We have mechanisms, which we want to improve, to ensure that these few imperfections will be corrected to create an increasingly clean and less questionable electoral system; we want to strengthen the mechanisms in the face of slanders regarding the Mexican political system. That unfounded criticism -- which is based on wrong tactics -- sometimes thrives internally, but at times it also comes from abroad with suspicious frequency to discredit the republic's institutions and basically to weaken the Mexican people's sovereignty and to subject it to the dictates of foreign hegemonical powers."

During his speech, President Miguel de la Madrid said that the government of the republic has supported and respected all national political inclinations, because we live in an integral democracy. He said that Mexicans cherish our political, economic, and social independence and do not accept foreign political systems. He said that in Mexico, the freedom to criticize and voice opinions and views is complete: "There is neither repression nor control of the press, television, or radio in Mexico. All opinions are vented; sometimes there is bitter criticism that perhaps lacks objectivity at times. However, we Mexicans will always prefer to run the risk of abusing the freedom of speech rather than having systems to control expression, opinion, and criticism."

During this work tour, President de la Madrid inaugurated social projects totalling 3.7 billion pesos and handed land titles to 17,000 peasants.

NAVY SECRETARIAT REPORTS ANTI-DRUG ACTIVITIES

FL061731 Mexico City NOTIMEX in Spanish 0355 GMT 6 Nov 86

[Text] Mexico City, 5 Nov, (NOTIMEX) -- The Navy Secretariat has reported that over 2,000 members of the Mexican Armed Forces are involved in the Mexican Caribbean area alone in anti-drug smuggling activities. They are located in the naval zones of Ciudad del Carmen, Campeche; Yucaltepen, Yucatan; in the areas Champoton, Lerma, and Progreso in Yucatan; and on Isla Mujeres and Cozumel in Quintana Roo.

VI. 10 Nov 86

M 2

MEXICO

It is an essential and unpostponable task to improve bilateral relations significantly because we are nations that will always have to coexist with each other; it is preferable to do so and to avoid the need for unjustified pressure from the most powerful country in the world toward a neighbor that only wants respect for and understanding of its struggle to upgrade living conditions for its people and its political system.

DEA SHOULD 'OBSERVE,' NOT EXCEED AUTHORITY

PA091330 Mexico City EL UNIVERSAL in Spanish 7 Nov 86 pp 21, 24

[By Manuel Ponce]

[Text] The Mexican Senate's Foreign Affairs Commission stated that the foreign drug enforcement agents misinterpret and distort their duties in our country.

Likewise, the commission announced that in an attempt to prevent future bilateral problems, as in the case of DEA agent Victor Cortez, the agents will be assigned a status, and specific sanctions will be established for those who exceed their authority.

The commission also stated that the struggle against drug trafficking in our country is the exclusive duty of Mexicans, and clarified that the presence of these people [drug enforcement agents] in our territory, some of whom have diplomatic status, is to observe and to receive or provide information that could be useful in the struggle against this problem.

During a news conference -- in which the attitude of some North American sectors that have tried to ignore the efforts put forth by the Mexican authorities in their struggle against drug trafficking was criticized -- Senator Celso Humberto Delgado Ramirez stressed that the United States is not doing its best to fight the use of drugs. The senator stressed that the United States is not acting in accord with international feelings.

The senator went on to say that we have even met with open opposition in some cases. In this regard, he said that, while the international community condemns this crime "as a crime against humankind," there are some regions in the neighboring northern country where there is a strong movement to legalize the production, possession, and consumption of drugs.

Regarding the presence of foreign agents in the struggle against drugs in our country, the senator said that in an attempt to prevent future problems like the one caused by the arrest of DEA agent Victor Cortez, the Senate is drafting a treaty that will include guidelines establishing the status and duties of these officials.

In doing so, the senator added, we seek to establish some type of punishment for any of these persons who may exceed their authority.

Delgado Ramirez stated that he is aware of the requests, claims, and charges presented by civic organizations, political parties, and businessmen in the northern area of the country. They are asking for implementation of "procrastinating" measures [medidas de "tortuguismo"] similar to those practiced by the North American authorities along the border with the excuse of struggling against drug trafficking.

# CIA zeros in on Mexico corruption

## Wiretaps called confirmation of charges of dishonesty in police, elected officials

By Jon Standefer  
and J. Stryker Meyer  
Staff Writers

The CIA has been conducting a wiretap operation in Mexico that has corroborated allegations of corruption among law enforcement and political officials in that country, *The San Diego Union* has learned.

The CIA's cooperation in drug investigations is a recent departure from its traditional role of intelligence-gathering, sources say, and resulted from pressures generated by the kidnap-torture slaying of Drug Enforcement Administration agent Enrique Camarena Salazar last year in Guadalajara.

Policy differences recently surfaced between the CIA, which began passing information relating to drug-related corruption to the DEA, and Department of Justice lawyers, who are planning future prosecutions.

The CIA passed along the incriminating conversations for "intelligence purposes only," said one source, while the Justice Department wants to use the wiretapped conversations as evidence in any court trials that arise from the current investigations.

The wiretap operation was done without the knowledge of the Mexican government, the sources said, because of fear that the operation would be endangered.

U.S. Attorney Peter K. Nunez was

called to Washington, D.C., last week to discuss the case, the sources said. Nunez would not comment on his trip, but other sources said the spy agency is no longer providing information to the DEA.

The extent of the wiretap operation could not be confirmed. Although one source in the intelligence community said it involved taps on the telephones of several high government officials, others said the information passed to the DEA came from a tap on the Mexico City telephone of a U.S. citizen in contact with numerous police officials, state officials and drug traffickers.

"If the CIA is doing more, they're not telling DEA," said a Justice Department official who would not speak for attribution.

A spokesman for the CIA yesterday had no comment.

The wiretap of the American citizen raises a legal question.

For wiretap evidence gathered in a foreign jurisdiction to be used in a U.S. court, a Justice Department source said, the wiretap generally must be in accordance with that country's laws. However, the source added, in the case of Mexico — where vast numbers of government officials are believed to be in league with drug traffickers — to apply for a legal wiretap might be tantamount to alerting the suspects.

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The source said there was no dispute between the CIA and Justice Department, but merely discussion about how far the CIA would be willing to go publicly, including possible disclosure of methods of operations, to authenticate the wiretaps. The Justice Department needs to know that information before any prosecution is undertaken, the source said.

Another source said the wiretapped conversations gathered in Mexico are notable for their candor.

"There's no pretense, no subtlety," said the source. "They just say, 'Bring 20 kilos of s--- (heroin) here by tomorrow or I'll have your b--- cut off.' No cute talk like in the U.S., where people might say, 'How many oranges do you want?'"

The cooperation of the CIA in a drug investigation has been a rarity until recently.

Many DEA field agents and supervisors who have worked in foreign countries relate stories about past cases where a drug trafficker has been targeted, only to have the CIA intervene and discourage the investigation on grounds that the trafficker was working for the spy agency.

That was possible because law enforcement agencies working in a foreign country must report the names of their foreign informants to the CIA station chief at the country's U.S. embassy.

This massive investigative effort was undertaken after the kidnapping and torture-slaying of DEA agent Camarena, who was seized on a Guadajajara street on Feb. 7, 1985.

"Operation Leyenda" is the name of the year-and-a-half investigation into the Camarena murder. "Leyenda" is Spanish slang for "lawman," a nickname by which the gung-ho Camarena was known to his colleagues. The investigation included presenting evidence before a federal grand jury in Washington, D.C., last year. The probe recently shifted to a federal grand jury in San Diego and is headed by two special prosecutors from Department of Justice headquarters.

Sources say U.S. investigators in Mexico reached and otherwise developed so many contacts that they did not keep the CIA fully informed of their activities.

After high-level discussions, the sources say, the DEA agreed to make the CIA aware of their informants and the spy agency, in turn, agreed to provide to the DEA information it developed pertaining to the Camarena killing or to drug-related corruption in Mexico.

The interagency cooperation comes nearly five years after President Reagan signed Executive Order 12333 on Dec. 4, 1981, authorizing the CIA to "collect, produce and disseminate intelligence on foreign aspects of narcotics production and trafficking."

But the order includes clear limitations on what the CIA can do when its surveillance involves a U.S. citizen in a foreign country.

It requires the CIA to use "the least intrusive collection techniques feasible" and expressly prohibits the use of such techniques as "electronic surveillance, unconsented physical search or monitoring devices unless they are... approved by the attorney general."

The order states that such approval is not to be granted "unless the attorney general has determined in each case that there is probable cause to believe the (surveillance) technique is directed against a foreign power or an agent of a foreign power."

A Justice Department spokesman yesterday refused comment on this.

CIA spokesman George Lauder yesterday said the agency has a standing policy against discussing its operations and, therefore, would not comment publicly on the wiretap allegations.

But a senior intelligence official said the U.S. intelligence community, including the CIA, collects information on narcotics and passes it on to other government branches, including the DEA.

The official, who spoke on the condition that he not be identified, said: "Narcotics in Mexico is not (the CIA's) cupcake. Other organs of the United States government are deeply enmeshed in it."

The State Department and DEA lead the U.S. anti-drug effort in Mexico, including the gathering of narcotics-related intelligence, the official said, adding that the CIA's role is to provide narcotics information that other agencies cannot get.

The official declined to say whether that includes information from wiretaps, electronic intercepts or other forms of surveillance.

An administration official familiar with U.S. intelligence activities in Mexico said yesterday, "You bet... (the CIA) collects information on narcotics (there and in other nations). It's one of the agency's priorities." The administration official also declined to be identified.

White House spokesman Don Mathis said he is absolutely certain there is an exchange of drug-related information between the State Department, the National Security Council and the DEA. But he had no comment on any CIA role.

DEA Administrator John Lawn was in Palermo, Sicily, yesterday and could not be reached for comment. DEA Public Affairs spokesman William Alden said the agency would make no comment.

*Contributing to this story were Copley News Service Washington correspondents Benjamin Shore and Marcus Spera.*

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WASHINGTON TIMES

DATE 20 NOV. 86PAGE 3A

## Story on Mexico wiretaps prompts denial by CIA

By Michael Hedges  
THE WASHINGTON TIMES

A report in a San Diego newspaper that the CIA tapped the phones of Mexican police and government officials to gain information in the slaying of a U.S. drug enforcement agent has provoked an unusual official denial from the CIA.

"The CIA doesn't normally comment on stories alleging CIA activities. We are making an exception because the San Diego Union story is untrue, and misleads the American people," the CIA said in a statement late yesterday.

The story published yesterday quoted unidentified "intelligence

sources" as saying taps were placed on the phones of high-ranking Mexican officials and that the information gained confirmed charges of corruption among Mexican officials.

The newspaper said the operation was conducted without the knowledge of the Mexican government because of fears that would endanger the probe into the kidnapping and torture-murder of Drug Enforcement Administration agent Enrique Camarena Salazar, whose body was found in March 1985 outside Guadalajara, Mexico.

"The suggestion that the CIA has been targeting Mexican officials in connection with narcotic trafficking is false," the CIA statement said.

State Department officials also denied the report, saying, "Any suggestion that we are targeting Mexican officials is untrue."

The Mexican Embassy in Washington said it was considering a response, but had not released a statement at press time yesterday.

The office of Karin Winner, managing editor of The San Diego Union, was contacted yesterday, but she did not return calls by early evening.

President Reagan signed an executive order five years ago authorizing the CIA to "collect, produce and disseminate intelligence on foreign aspects of narcotics production and trafficking."

It requires the CIA to use "the least intrusive collection techniques feasible" and prohibits the use of "electronic surveillance, unconsented physical search or monitoring devices unless they are . . . approved by the attorney general."



Wall Street Journal  
Date 20 Nov. 1986  
Page 1

## Southern Exposure

### How the Mexican Trail In Drug Agent's Death Yields Cache of 'Crack'

Accused Trafficker Is Caught  
After Kidnap of Girl, 17,  
But Big Dealers Escape

The Lure of the U.S. Market

By JOHN J. FIALKA

**Staff Reporter of THE WALL STREET JOURNAL**  
MEXICO CITY—Amid one of the largest manhunts in Mexican history, the beautiful 17-year-old daughter of one of Guadalajara's most socially and politically prominent families was abducted by 15 rifle-toting thugs in two new American cars.

The abduction was a clue, almost as distinctive as a fingerprint, leading U.S. and Mexican investigators to the main target of their manhunt: Rafael Caro Quintero, 32 years old, who authorities say is a member of a multibillion-dollar confederation of drug dealers that directed the torture and murder of Enrique Camarena Salazar, a U.S. Drug Enforcement Administration agent, early last year. Mr. Caro Quintero also is charged with operating a huge marijuana production and distribution business.

The connection between Mr. Caro Quintero and the young woman, Sara Cristina Cosio Martinez, was comparatively simple: He was in love, so he arranged to have her kidnapped and flown to his mansion hide-out in Costa Rica, where he was later arrested. A more difficult question—one that still puzzles Mexican and U.S. authorities investigating the sprawling, convoluted anatomy of the Camarena case—is the cocaine connection.

At the time of Mr. Camarena's torture and death, in February 1985, DEA agents here and in Washington were absorbed in a major, super-secret investigation called Operation Padrino, aimed at breaking up an aerial shuttle service that was taking ton-sized loads of cocaine from South America through Mexico into Arizona.

DEA investigators theorized that suspected top Mexican drug dealers such as Mr. Caro Quintero, faced with repeated raids on their marijuana farms, were beginning to move to an alternative product. They wanted something that could be smoked like marijuana but that didn't require the vast farming and shipping operations and the constant police bribery needed to protect the home-grown marijuana trade.

The superior product was cocaine, which in its new, crystalline form, called crack, could be smoked. Because it was imported, one didn't need to hire, guard and maintain armies of Mexican peasants to grow it. Because it was much less bulky, it could be shipped by air, reducing the large numbers of federal, state and local police that had to be bribed to make the marijuana fields, warehouses and trucks "invisible."

### The Cocaine Shuttle

The cocaine-shuttle plan, DEA investigators say, was hatched with the connivance of some well-connected and well-paid law-enforcement officials in the administration of former President Jose Lopez Portillo, who left office in 1982.

The police bribery was otherwise confined to the area of Vera Cruz, where a fleet of the Gulfstream Commander 1000s, the drug smugglers' favorite aircraft, touched down at the midpoint of shuttle flights from Colombia and Peru to dry lake beds in Arizona.

Because it was controlled and capitalized by members of the same gang that had used corporate-like accounting and management practices to build Mexican marijuana into an efficient, multibillion-dollar business in the early 1980s, nearly everything about the cocaine shuttle was first class.

The turboprop engines of the Gulfstreams, for example, allowed the deliveries to be made at almost jet speed, yet the planes could land and take off on short desert airstrips. At Vera Cruz there was a paved airfield, as well as special hangars where the planes were guarded by agents of Mexico's Federal Security Directorate, or DFS, an agency similar to the U.S. Central Intelligence Agency and run by Mexico's Ministry of the Interior.

### Gross: \$30 Million a Month

A DEA investigator estimates in an interview that the cocaine sellers were pulling in a gross of \$30 million a month by 1984, when the agency began to penetrate it. (The Mexican DFS, which was also heavily involved in "protecting" the marijuana trade, has since been reorganized after over 400 agents were fired following the Camarena inquiries.)

By Feb. 7, 1985, the day Mr. Camarena was kidnapped in front of the U.S. consulate in Guadalajara, where he worked, DEA agents had seized 3,000 pounds of cocaine, had frozen \$55 million in bank accounts and had broken the cryptic radio code that guided the Gulfstreams down to their secret rendezvous in the Arizona desert. "We were getting fairly close to some good arrests," says one DEA official, who believes that Mr. Camarena was tortured by drug dealers desperate to know who the informants were in Operation Padrino.

The strong reaction of the U.S. and Mexican governments to the disappearance of Mr. Camarena was like a rock being tossed into a small pool. Drug dealers in Guadalajara, which had become home

for Mr. Caro Quintero and other rich marijuana traders, scattered in all directions as the manhunt grew.

One clue that appears to link the kidnap-killing to cocaine traffic is a picture of Mr. Camarena that was found in the hastily abandoned Guadalajara home of Miguel Angel Felix Gallardo, who DEA officials believe was the connection between the marijuana trade and the growing traffic in cocaine.

Mr. Felix Gallardo is also regarded by the DEA as the chief strategist and money launderer of the Guadalajara drug dealers. Like most of them, he had also worked for the late Pedro Avilez Perez, a legendary drug dealer who took over the marijuana trade in the state of Sinaloa in the late 1970s and who was killed in a police ambush in 1979.

Most of Mr. Avilez's gang members formed their own gangs and continued in the same tradition. But Mr. Felix Gallardo is different, a DEA investigator says. "He is at home in a business suit, travels to Europe. He understands international banking, so he knows how to hide money. He is also subtle. You didn't see him buying huge homes or fleets of flashy cars."

Mr. Felix Gallardo was so subtle, in fact, that he was able to disappear despite world-wide efforts of Mexico and the U.S. to arrest him for his alleged involvement in the Camarena killing.

As for other members of his "confederation," their old habits led to their downfall. For Mr. Caro Quintero, for example, it was his love for the young Miss Cosio, who is related to a leader of Mexico's ruling Institutional Revolutionary Party. She had spurned Mr. Caro Quintero's advances, even after he had given her a Ferrari and a Cadillac and serenaded her. He had even kidnapped her once before, a messy affair that Miss Cosio told police interrogators was settled only after he presented a commander of the Mexican Federal Judicial Police with a gift of \$21,000.

### Supplying the Gunmen

This time, Mr. Caro Quintero had Miss Cosio flown to his Costa Rica hide-out, where, according to her later statement to police, she saw him and his rifle-toting bodyguards acting strangely. For example, she said, Mr. Caro Quintero kept his gunmen supplied from a one-pound plastic bag of cocaine tied to his belt.

By then, Mexico was awash in cocaine. According to the office of Mexico's attorney general, cocaine seizures by police had jumped from 13 pounds in 1982 to almost three tons in 1985. (In this year's first seven months, Mexican cocaine seizures jumped to five tons.)

Mr. Caro Quintero told police during his interrogation that he didn't deal in cocaine but that he had become addicted to it. He had also become addicted to the whims of Miss Cosio. He let her go shopping in Costa Rica and chat on the phone with her friends in Guadalajara and even with her mother. The calls were picked up by a police wiretap. In the cold dawn of April 4, 1985, two months after Mr. Caro Quintero fled Guadalajara in his luxury jet, his heavily armed gunmen looked out to see an even more heavily armed Costa Rican police SWAT team taking positions around the mansion. The fugitive surrendered, and his hostage was freed.

Ernesto Fonseca Carillo, 57, allegedly another major member of the Guadalajara drug federation, was apprehended soon thereafter. An inordinate desire for protection became his downfall. He had taken 18 policemen with him as bodyguards when he had fled to his villa hideaway in the Pacific resort of Puerto Vallarta. Then four more officers, members of the corrupt

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2

DFS, knocked on his door seeking a place for the night.

#### Arrival of the Army

On April 9, 1985, one of the visiting policemen wandered downtown to a bar and became involved in a drunken brawl with some of the locals. He ran back to Mr. Fonseca's villa for reinforcement, hastily pursued by local police. A firefright ensued, ending when the Mexican army arrived. The soldiers arrested 24 people, including Mr. Fonseca and 22 current or retired policemen living with him in the villa.

For Juan Ramon Matta Ballesteros, it was the Colombian connection that tripped him up, but only temporarily. Mr. Matta Ballesteros, a Honduran alleged to be Mr. Gallardo's source for cocaine from South America, was tracked by the DEA to a Mexico City apartment.

At that point, according to DEA investigators, the director of the Mexican Federal Judicial Police, Manuel Ibarra Herrera, intervened, refusing to allow the apartment to be searched for three days. (Mr. Ibarra was later removed from his job in what Mexican authorities describe as a government-wide budget reduction.)

Meanwhile, Mr. Matta Ballesteros fled to Colombia, where the DEA found him again and had him arrested. Somehow, he escaped from jail there and fled to Honduras, where he was arrested on an unrelated criminal charge. Despite strenuous U.S. efforts to extradite him, the Honduran charges against Mr. Matta Ballesteros were recently dropped, and he was freed.

#### Walking Out of Jails

DEA records show Mr. Matta Ballesteros to be an expert at walking out of jails. A convicted criminal, he should still be serving time here in a Mexico City prison, investigators say. In the early 1980s, however, he found himself in the same cellblock with Alberto Sicilia Falcon, the former head of a multimillion-dollar cocaine and marijuana trafficking network broken by DEA agents and the Mexican Federal Judicial Police after a five-year investigation in the late 1970s.

After learning Mr. Sicilia Falcon's cocaine sources, the enterprising Mr. Matta Ballesteros allegedly managed to gain an early release by impersonating his brother-in-law, who was then serving time in the same prison on a lesser charge. DEA investigators believe he went straight to Mr. Felix Gallardo.

Mr. Felix Gallardo, using money and the organizational skills the Guadalajara confederation had used in the marijuana trade, is then believed to have reconnected the Sicilia Falcon cocaine network, using Mr. Matta Ballesteros as his contact with South American producers.

A fifth member of the Guadalajara drug confederation, Juan Jose Esparragoza Moreno, allegedly a major trafficker in cocaine and marijuana, was arrested by Mexican Federal Judicial Police in March at his home in a rich suburb here.

A sixth member, Manuel Saucido Erzueta, alias "Crazy Pig," is described by Mexican authorities as "unlocatable." DEA officials say they think Mr. Saucido is hiding behind a considerable army of gunmen on a marijuana ranch in the Sonoran desert. "He is locatable but unarrestable," says one investigator.

Nearly all of the captured defendants in the case, including Messrs. Caro Quintero and Fonseca, have repudiated earlier confessions, charging that they were extracted by police torture. Lawyers representing the major suspects recently published an open letter here to the president of Mexico's Supreme Court charging that the case is flawed by "serious irregularities and abnormalities" by judges and police.

Efrain Garcia Ramirez, a lawyer for Mr. Caro Quintero and Mr. Fonseca, asserts that the charges against them are a frame-up. "They were scapegoats of pressure exerted by the United States that had to be solved immediately."

#### Continuing Investigation

Sergio Garcia Ramirez, Mexico's attorney general (who isn't related to the lawyer), declines to comment on the Camarena-related cases. An official of his office says that Mexican investigators are still studying new information and new suspects in the cases. The investigation, he says, could take "many years."

Not all the suspects have had to wait that long. Jose Contreras Subias, arrested with Mr. Caro Quintero in Costa Rica, was flown to Tijuana to stand trial on unrelated drug and murder charges. He was installed in a private cell complete with private guards and a computer so he could keep track of outside business transactions. Nonetheless, Mr. Contreras grew tired of his surroundings and disappeared one day in October 1985.

The chief of the Tijuana jail, Gaston Romo Barragan, later confessed that he and three policemen arranged for Mr. Contreras's escape in exchange for \$16,000. Then Mr. Romo repudiated his confession, saying that Mexican Federal Judicial Police had obtained it by torturing him.

The Camarena case and the arrest of part of the Guadalajara confederation constitute one of the largest and most difficult criminal matters ever brought before Mexico's court system. As a kind of legal backstop to Mexico's proceedings, the U.S. Justice Department is conducting a separate criminal investigation of the Camarena killing, bringing witnesses before a grand jury in Washington.

#### Unusual Procedures

A major complication, according to U.S. investigators, is that Mexican authorities, who control most of the major witnesses and evidence, have so far been unwilling to share them. This impasse has led to some unusual investigative procedures.

In January, DEA agents induced six Mexicans, including four members of the Baja California State Judicial Police, to kidnap Rene Martin Verdugo Urquidez, 34, a wealthy Mexicali "land developer," who was pushed through the fence at the U.S. border at Calexico, Calif., into the waiting hands of U.S. marshals. Mr. Verdugo was later indicted in federal court in San Diego on charges of running a helicopter service that regularly flew "multi-ton quantities of marijuana" into Arizona. The account of his arrest was confirmed by a U.S. attorney in the San Diego proceedings.

DEA investigators are also interested in Mr. Verdugo because they believe he bought his marijuana from Mr. Caro Quintero and may have been present during the torture of Mr. Camarena. So far, Mr. Verdugo isn't talking.

Mexican officials have spent many embarrassing hours trying to explain the tangled intricacies of the Camarena case and the extent of Mexico's drug and police corruption problems. Although U.S. officials say that President Miguel de la Madrid Hurtado has a much better enforcement record than his predecessor, Mr. Lopez Portillo, it has been a difficult image to project abroad.

In summing up Mexico's view of the Camarena case and the vast network of bribery, corruption and drug dealing that it exposed, a Mexican law-enforcement official, who asks not to be identified, admits that it poses the need for major reforms. "We must reconstruct the police," he says, an effort that has already begun with higher

pay and more stringent recruiting standards for Mexican Federal Judicial Police trainees.

What troubles Mexico the most, he notes, is people who see the corruption as a peculiarly Mexican phenomenon. The network, he argues, is almost entirely a wholesale operation aimed at moving drugs north to the U.S. border. "We are a poor country, and we do not yet have a major drug-addiction problem," he says.

The economic structure, he suggests, wouldn't exist without a similarly large U.S. wholesale and retail network, probably also sheltered by wide corruption.

"What we have discovered is like a big, illegal diving board," he says. "On your side, there must be a swimming pool."

VI. 24 Dec 86

MEXICO

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NAVY INCREASES SURVEILLANCE BY 70 PERCENT

PA182300 Mexico City Red Nacional 13 Imevision Television in Spanish 1955 GMT 18 Dec 86

[Text] Navy Secretary Admiral Miguel Angel Gomez Ortega has said that surveillance to protect the sovereignty of our seas has been broadened by 70 percent. Jorge Tenorio has the report:

[Begin recording] [Tenorio] The preservation of our national sovereignty and maritime resources constitutes a real contribution to the reaffirmation of the country's independence, Navy Secretary Adm Miguel Angel Gomez Ortega has stressed. He added that this institution has been modernized to an acceptable degree despite the current crisis.

[Gomez Ortega] The Mexican Navy -- to the extent it has been possible because of the economic crisis -- has modernized to an acceptable degree. Moreover, we must note that this modernization has been carried out partially with Mexican technology and manpower, particularly from the navy itself.

[Tenorio] Adm Gomez Ortega said that additional human and material resources have made it possible to increase the vigilance in our seas by 70 percent. He announced that there will soon be exercises as part of the national contingency plan for oil spills, with the purpose of determining the effectiveness of recently acquired computerized equipment. [end recording]

NAVY SECRETARY REPORTS ON ANTIDRUG DRIVE

FL240145 Mexico City NOTIMEX in Spanish 0001 GMT 24 Dec 86

[Text] Mexico City, 23 Dec. (NOTIMEX) -- President Miguel de la Madrid today held private meetings with Fidel Velazquez, leader of the Confederation of Mexican Workers; Admiral Miguel Angel Gomez Ortega, secretary of the Navy; and Eliseo Mendoza Berrueto, leader of the Chamber of Deputies.

The Navy secretary informed the president of the Mexican Navy's participation in the federal government's program to fight drug trafficking this year.

In the antidrug drive, he said, 43,495 kg and 2,138 plants of cannabis were seized, as were 9,370 kg of cannabis seed, 810 poppy plants, and 233 kg of cocaine.

He noted that more than 67,000 kg of cannabis, 31,000 kg of cannabis seed, and 577,000 cannabis plants were burnt, and 11.5 hectares and 4 marijuana plantations were destroyed, with the arrest of 46 Mexicans, 17 foreigners, and 12 people of unknown nationality.

He also told President de la Madrid that operation "Alerta" will begin in January both in the Pacific Ocean and in the Gulf of Mexico, in order to pursue the constant training of naval personnel. Surface, air, and land units will participate.

WASHINGTON POST

DATE 3 7 Nov 84

PAGE A 2

# 2 Mexicans Arrested in Probe Of Drug Agent's Murder

## *Charges Include Narcotics Trafficking, Conspiracy*

By Mary Thornton  
Washington Post Staff Writer

The U.S. Drug Enforcement Administration said yesterday that after a six-week stakeout, two Mexican citizens have been arrested in Los Angeles in connection with the 1985 kidnaping and murder in Mexico of federal drug agent Enrique Camarena Salazar.

DEA spokesman Robert Feldkamp identified the suspects, arrested Wednesday, as Jesus Felix-Gutierrez, 38, and his nephew Carlos Felix-Gutierrez, 26. Feldkamp said the men, who will be arraigned Monday, will be charged with narcotics trafficking violations and conspiracy to kidnap and murder Camarena and Alfredo Zavala Avelar, who worked part-time for DEA in Mexico as a pilot.

Although Feldkamp said he could not comment further on the case, Justice Department sources said that investigators think that the older Gutierrez was present at the Guadalajara house where Camarena and Zavala were tortured and killed and that the nephew may have been there.

The sources cautioned, however, that although the two men may have been present for a time at the house, they did not carry out the murder and are not considered ringleaders in the conspiracy.

Investigators said the men are considered "significant" to the Camarena investigation because of their knowledge of other key members of the conspiracy. When the men are arraigned Monday before a federal magistrate in Los Angeles, "we'll go as far as we have to go in convincing the magistrate that they can provide information on the murders to a grand jury and [the DEA]," said a federal source.

The sources said they think that the men are part of the organization of Mexican drug lord Rafael Caro Quintero, who is being held in a Mexican prison in connection with the murders. "They were part of the Quintero organization. They work on both sides of the border: in Guadalajara and in the United States through their contacts in California, particularly Los Angeles. They are drug distributors, especially marijuana," one federal official said.

The arrests were made about 11:30 a.m. PST Wednesday by a task force of 45 agents from DEA; the Federal Bureau of Investigation; the Bureau of Alcohol, Tobacco and Firearms, and the Immigration and Naturalization Service.

One Justice Department official said the arrests followed a six-week stakeout of areas in Los Angeles that the men were considered likely to visit. "We've been looking for these guys for six weeks," he said. "We

knew they had friends in L.A. area. We started looking for them around Thanksgiving, but they didn't show. We figured they'd be here for Christmas."

Sources said a woman in the Los Angeles area is believed to be the older suspect's wife or girlfriend. Her house and five others were staked out. One federal source said the elder Felix-Gutierrez went to the woman's house Tuesday night as agents surrounded the area and was arrested quietly Wednesday morning.

The agent said the house was one of about six locations in the Los Angeles area for which search warrants had been obtained in the effort to catch the elder Gutierrez. He did not know whether the younger suspect was picked up at one of the other locations.

Investigators said that search warrants were obtained for each of the locations. At one location, investigators found \$35,000 in cash and 1½ kilos of cocaine. But a DEA official in Washington said the main focus of the investigation was the two suspects, not the drugs.

Camarena was kidnaped Feb. 7, 1985, on the street outside the U.S. Consulate in downtown Guadalajara as he was on his way to meet his wife for lunch. A few hours later, the Mexican pilot, Avelar, was kidnaped.

The bodies of Camarena and Avelar were found a month later in a shallow grave beside the road at a remote ranch about 70 miles outside Guadalajara. Forensic experts said the men had been tortured and murdered elsewhere, then dumped there.

Two other Mexicans are also in U.S. custody in connection with the Camarena case.

Last Monday, a federal jury in San Diego convicted Mario Martinez Herrera, 38, identified by U.S. officials as a Mexican internal security agent, of perjury for lying to a grand jury investigating the Camarena slaying. It was the first conviction in a U.S. court related to the Camarena case.

Mexican officials have denied that Martinez is one of their agents. U.S. authorities allege that Martinez was present when Camarena was interrogated by his captors, thought to be Mexican drug smugglers. Martinez was allegedly linked to the murder scene by hair and blood samples and by fingerprints.

Rene Martin Verdugo, who has been convicted in California on federal drug charges, was apprehended last January by U.S. marshals after a group of Mexican policemen brought him to the California border and pushed him through a hole in the fence. Because of concerns about their safety, the Mexican policemen and their families were given visas allowing temporary residence in the United States.