

CIA Sent Profits from Crack Epidemic to "Contras"

By Katherine Hoyt

Within the African American community, suspicions grew in the 1980s that the flood of cheap cocaine — which until then had been quite expensive and thus largely restricted to the rich and upper middle-class — and its appearance in the form of extra-potent crystals called "crack" could not be an accident. There must, it was felt, be some sort of conspiracy behind this sudden inundation and devastation of inner-city neighborhoods.

Now, a shocking series of articles by Gary Webb has appeared in the San Jose (Calif.) Mercury News which show that it was the U.S. government — namely the CIA — that was supplying the cheap cocaine in large amounts as a way to raise quick money for the counter-

revolutionaries fighting to overthrow the Sandinista government in Nicaragua.

In 1981, according to Webb's articles, Nicaraguan Juan Meneses (a known drug dealer since the 1970's) introduced Danilo Blandon (a rich Somocista with an MBA) to contra leader Enrique Bermudez who told him that "the end justifies the means" and recruited him for the drug operation of the Nicaraguan Democratic Force "Fuerza Democrática Nicaragüense" (FDN). The FDN had been created that year by the CIA from several groups of anti-Sandinista exiles who were organizing to fight against the Sandinista government.

Meneses supplied Blandon with cheap cocaine which the CIA flew into the U.S. on its return flights from Central America. Blandon sold the cocaine to a young African American, named "Freeway Rick" Ross, who at one point had seemed destined for a career in pro tennis. Ross turned it into crack and sold it in poor neighborhoods where cocaine had not been sold before. Ross says that the secret to his success was Blandon's low prices. "It was unreal," Ross says. "We

were just wiping out everybody." In 1981 alone, Blandon sold almost a ton of cocaine in the United States, according to the Mercury News. It is unknown how much of the profits — as much as \$54 million at prevailing wholesale prices — found its way to the contras. Blandon testified later that "whatever we were running in L.A. the profit was going for the contra revolution." The profits that funded the contras also provided sufficient cash for the gangs of Los Angeles and other cities to begin to buy automatic weapons.

The operation lasted as long as the Boland Amendment, which forbade U.S. agencies from aiding the contras, was in effect. When, in June of 1986, Congress appropriated \$100 million in

ating in Southern California. The monies gained from the sales of cocaine ... are laundered through Orlando Murillo, who is a high-ranking officer of a chain of banks in Florida named Government Securities Corporation. From this bank the monies are filtered to the contra rebels to buy arms in the war in Nicaragua."

Blandon served only two years in prison even though he had sold so much cocaine that his mandatory sentence should have been several lifetimes. He then was offered the chance to become a Drug Enforcement Agency informant and paid \$166,000 by the DEA. After setting up his old friend "Freeway Rick" in a sting operation, Blandon retired to Nicaragua where he lives in comfort with a furniture



overt aid for the contras, Blandon went private. But he had temporarily lost U.S. government protection and in October of that year his operations were raided. He was, however, notified in time to clear everything out. Los Angeles County sheriff's Sergeant Tom Gordon said in a 1986 affidavit that is quoted by Webb in the Mercury News articles: "Danilo Blandon is in charge of a sophisticated cocaine smuggling and distribution organization oper-

business while Rick Ross remains in jail.

As a result of these revelations, rage is burning through the African American community. Comedian Dick Gregory and black radio talk show host and NAACP leader Joe Madison were arrested for "creating a disturbance" when they tried to deliver a letter to Director of Central Intelligence John Deutch

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at CIA headquarters in Langley, VA.

Congresswoman Maxine Waters, whose Los Angeles district has suffered greatly as a result of the crack epidemic, held a hearing on September 12 at the Washington, DC, Convention Center which was attended by four members of Congress, three panelists and about 900 angry, mostly black citizens in town for the 26th Annual Black Caucus Foundation Legislative Conference. Black Caucus chair Donald Payton (D-NJ) has called for a special prosecutor; Representative Waters wants a special committee to hold hearings. The Los Angeles City Council passed a resolution calling on the Attorney General to "conduct a complete, thorough and independent investigation."

It has been known for years that the CIA brought Colombian cocaine into the U.S. on its return trips after delivering arms to the contras. What was not known was that this was the cocaine which, as Mercury News reporter Gary Webb stated in the first of his articles, "flooded in [and] helped spark a crack explosion in urban America and provided the cash and connections needed for Los Angeles' gangs to buy automatic weapons." The Iran-Contra Hearings and the hearings held by Senator John Kerry (D-MA) on the contra-drug connection were all prevented by the Executive Branch from bringing out the entire truth based on national security concerns.

We cannot, of course, be sure that this call for hearings and a special prosecutor will be any more successful in bringing guilty parties to justice. However, there are several factors which give cause for hope: 1) The end of the Cold War and peace in Central America should mean that the "national security" excuse no longer applies; 2) The CIA is under attack from many sides at this moment and is being forced to release information about other excesses in Central America particularly in Guatemala and Honduras; 3) The fight against drugs and gang crime resonates in many more communities than did the fight to preserve the Constitution against the attacks of Bill Casey and Ollie North in the 1980's; and most important of all: 4) the African American community is extremely angry and willing to fight long and hard to bring out the truth and see justice done on this issue.

The Nicaragua solidarity movement must join the African American community in its efforts. We can bring to the "Cocaine-Contra" campaign information about what the

Sandinista Revolution was trying to do for the Nicaraguan people and the barbaric attempts of the CIA to keep the work of the Revolution from bearing fruit: the attacks on literacy teachers and cooperatives, the blowing up of fuel tanks and mining of harbors. And now we know that the money that was paying for these barbarities was coming from selling highly addictive drugs to U.S. children and their mothers and fathers.

At the hearing on September 12, speakers praised black talk radio hosts, including Kathy Hughes and Joe Madison, for disseminating the message and refusing to let the white-owned press hide the issue. Rep. Waters also praised the Mercury News for reaching out to the black community with the information that they had compiled. "Gary Webb sent the articles all around," she said. "Mine reached me while I was at the Democratic Convention. When I had time to read it, I was furious. I gave it to my husband to read and he was furious." Waters said that "We must be prepared for the long haul organizing, organizing, organizing!" Congressmen Elijah Cummings, Mel Watt and Jesse Jackson, Jr. supported her

Congressman Jesse Jackson, Jr. introduced panelist John Newman, a professor at the University of Maryland, who, Jackson told the audience, served 21 years in Army Intelligence. Newman researched the articles with Gary Webb and is writing a book on what he called the "cocaine-contra" case, which he described as "an American tragedy." According to Newman, U.S. intelligence knew what was going on in 1982 but, in our zeal to win the cold war, "We sacrificed our ethics, our Constitution, and our people." Those who promoted this plague are free, he said, "while street dealers of crack are doing life. We must demand the release of all of them!" He went on: "There comes a time when secrecy violates the trust the American people have in their government. This is one of those times.

When we have evidence of malfeasance, secrecy is not acceptable. We cannot wait for freedom of information requests to run their course. We need a civilian review board to see all these documents. The members of Congress here today need your support to keep this issue alive."

The next panelist, Phyllis Newton, was the staff person for the presidential Commission on Sentencing Disparities. She said that her commission recommended that penalties for offenses involving power cocaine, which re-

mains expensive and largely the preserve of white drug-users, and crack cocaine, prevalent mostly in low-income African American and Latino communities be equalized. Congress has rejected that recommendation, but, she stated "It will come up again." Newton pointed out the 100 to 1 disparity: A person sale crack cocaine worth \$750. She said that the number of life sentences for drugs has doubled since the 1980's and has become mostly people of color. In 1989, there were 19 people serving life sentences for drugs; one was an African American. In 1993 there were 148 and 100 of them were people of color. Sixty percent of the sentences were related to crack cocaine; the average age of the inmates was 34; and they were in for life with no opportunity for parole.

Maxine Waters added to this that the mail in her office from young black men serving time in jail for drug offenses piles up to the ceiling. Jesse Jackson, Jr. remarked how extraordinary it is that the government is unable to stop \$180 billion in drugs from getting into this country but you can be sure that not one single slim Cuban cigar will make it in!

"What do we do?" was the question Maxine Waters asked at the end of the hearing. She then answered with the following list of actions:

- 1) Flood Newt Gingrich's office with calls and letters asking for a special committee and hearings.
- 2) Call your own elected officials, both Senators and Representatives with the same request. The capitol switchboard phone number is: (202) 224-2131.
- 3) Get the information out to your community through discussion groups and meetings.

"Then," Waters said, "we will decide whether we will descend on Washington, DC, in huge numbers and not move until we get satisfaction on this issue!"

Order reprints of the Mercury News series from the Nicaragua Network for \$3.00.

*Or call the Mercury News at
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