

# I. Dope bankers give the orders

For over a year and a half, Project Democracy's "Operation Overthrow" against Panama's government and military floundered, finding few supporters within Panama, and failing to win active support from more rational strategists within the U.S. military establishment. That picture changed in June 1987, when the war against Panama began in earnest. This time, the secret government in the United States succeeded in rallying "official" Washington behind their plot.

What had changed?

The answer was bluntly stated on Aug. 10, 1987, in a *New York Times* news analysis entitled "Bank Uncertainty in Panama." Author Larry Rother wrote:

"The political crisis follows closely what bankers here saw as a serious breach of bank secrecy regulations. Earlier this year, as part of an American campaign against the laundering of drug money, the Panamanian government froze a few suspect accounts here in a manner that bankers and lawyers regarded as arbitrary. The action, which took place in May, involved about \$10 million in 54 accounts at 18 banks. 'The papers were served without citing any statutes or articles in complete disregard for the legal procedures that are supposed to be followed,' one Panamanian banker said. 'It was done to appease the Americans and was typical of the way this guy works.' "

Indeed. On May 6, 1987, U.S. officials had announced the results of the first phase of "Operation Pisces," an anti-drug operation which they called "the largest and most successful undercover investigation in federal drug law enforcement history." Fifty eight major U.S. and Colombian narcotics runners were arrested in Miami, Los Angeles, and New York, and indictments were issued against 57 more.

The indictments were the fruit of a three-year investigation by U.S. Drug Enforcement Administration agents into drug money-laundering, the aspect of narcotics which bankers would prefer were left unmentioned, never mind investigated and prosecuted. International coordination against drug money-laundering opened a powerful flank against the supranational dope business.

The 54 accounts Panama's government seized in 18 banks of various nationalities operating in the offshore center were opened for examination by U.S. drug agents. Followup investigations by the Panama Defense Forces (PDF) led to the identification of another 85 accounts whose deposits were suspected of being the proceeds of drug sales. Those, too, were frozen.

It was the first implementation of Panama's new banking Law 23, a law designed to curb drug money-laundering through the offshore center, which had been drawn up with the aid of an anti-drug unit of Panama's Defense Forces. As the Bogotá, Colombia daily *El Espectador* noted: "With the decision to freeze bank accounts in Panama, it has been shown that Panama's new laws against drug-trafficking are effective."

U.S. anti-drug officials had already stated that they viewed the Panamanian anti-laundering legislation as a milestone in the fight against drugs. On March 16, 1987, DEA Administrator John C. Lawn sent a letter to Panama's ambassador to the United States, Dominador Kaiser Bazán, conveying the DEA's appreciation. Lawn wrote:

"I was pleased to read Law No. 23, which was recently enacted by the Republic of Panama to more effectively combat the financial laundering aspects of drug trafficking. It is a significant step toward curbing the illegal flow of money through Panama. I hope this initiative your government has taken *will serve as a model for other countries throughout the Americas*" (emphasis added).

On May 27, 1987, Lawn sent a letter to General Noriega personally, to express the DEA's pleasure at the success of the operation.

"Once again the United States DEA and the enforcement authorities of the Republic of Panama have joined efforts to strike an effective blow against the drug-traffickers who plague us all. As you know, the recently concluded Operation Pisces was enormously successful: many millions of dollars and many thousands of pounds of drugs have been taken from the drug traffickers and international money launderers. Your personal commitment to Operation Pisces and the competent, professional, and tireless efforts of other officials in the Republic of Panama were essential to the final positive outcome of this investigation. Drug traffickers around the world are now on notice that the proceeds and profits of their illegal ventures are not welcome in Panama."

Lawn specified that the importance of Operation Pisces extended beyond any individual accounts seized, as the operation provided critical insight into the mechanisms of banking transactions in general which drug-traffickers use. While citing the work of several top Panamanian officials who participated in Operation Pisces, Lawn was fulsome in his personal thanks to General Noriega for this advance. He wrote:

"The operations on May 6 . . . led to the freezing of

millions of dollars in trafficker bank accounts in Panama and the seizure of banking records which will provide enforcement authorities with insight into the operations of drug traffickers and money launderers. . . . I look forward to our continued efforts together. DEA has long welcomed our close association and we stand ready to proceed jointly against international drug traffickers whenever the opportunity arises."

This was not the first time General Noriega's PDF had struck the dope banking apparatus. In December 1984, the Panama Defense Forces provided information to the DEA on the activities of Jorge Luis Ochoa and Gilberto Rodríguez Orejuela which led to their arrest in Spain on charges of masterminding the smuggling of 1,500 kilos of cocaine into the United States from Colombia between the months of February and July 1983 alone.

Then, in an unprecedented act, the government shut down the First Interamericas Bank, after the Defense Forces presented their evidence that the two cocaine traffickers used the bank to launder their profits. At that time, U.S. authorities acknowledged the role of General Noriega in assuring that victory, and warned that the cocaine mafia had vowed revenge.

### U.S. switches sides

But in 1987, the story has been a different one. What had been a worrisome precedent for dope bankers in 1985, had not only been codified in law, but was being enforced.

The offshore bankers' local political apparatus went into action. Opposition papers, *Extra* and *La Prensa*, launched a press campaign against Panama's participation in "Operation Pisces" as a move that "will devastate the Panamanian banking center." *Extra* protested, "The U.S. Attorney has more power to investigate bank accounts in Panama than he has to investigate bank accounts in his own country." *La Prensa* accused the Panamanian Defense Forces of being U.S. lackeys for their action. "Matters dealing with drug-trafficking and money-laundering are handled by Panama's Defense Forces solely for propaganda purposes and to serve U.S. interests," the paper editorialized on May 12, 1987.

In less than a month, "Operation Overthrow" was under way, led by those same forces who protested that Operation Pisces merely "served U.S. interests." The Eastern Establishment wanted to deliver one message loud and clear: Any nation which follows Panama's successful implementation of Law No. 23, may receive the same treatment.

Within the United States elite, the order went out: Noriega must go, and hesitations from U.S. military men or the men on the frontlines fighting drugs, cannot stand in the way. "Operation Overthrow" became the "consensus" policy in Washington—not because military men had changed their evaluation of its dangerous foolishness, nor because anti-narcotics officials had suddenly found "evidence" of drug involvement, but because acquiescence was easier than bucking orders of an angered Eastern Establishment.

## Who is José I. Blandón?

On Aug. 11, 1987, then New York Consul General José Blandón declared on an extraordinary broadcast on Panama's national television that the anti-Noriega war is "a campaign essentially aimed at the liquidation of the government of the Republic of Panama," initiated by the "invisible government led by the group of McFarlane, Poindexter, and North."

Within a month, Blandón was working for that the invisible government, seeking to "liquidate" his government! Blandón reported on Panamanian radio on Feb. 2 that he spent "more than 400 hours" meeting with State Department officials, opposition leaders, and his Socialist International friends, to prepare the way to get rid of General Noriega. Blandón's job was to line up international support. He did, from his friends:

- Former Colombian President Alfonso López Michelsen, Fidel Castro's friend and intermediary for the Medellín Cartel;

- Panamanian opposition representative Gabriel Lewis Galindo, himself a business associate of López Michelsen;

- Former Costa Rican President Daniel Oduber, whose private airstrip on his Costa Rican ranch, the cocaine mafia asked be used for transshipment, DEA informants claimed in a 1986 Florida drug case. Oduber, a member of the Inter-American Dialogue, supports the Dialogue's proposal that narcotics legalization be adopted.

For years, Blandón served as the principal liaison of the Democratic Revolutionary Party (PRD) to the Socialist International. A typical Socialist, he also ran Panama's negotiations with the IMF, and was the right-hand man of Panama's banker President, Nicolás Ardito Barletta. Blandón's closest ally within the Armed Forces was not General Noriega, but the crazy Col. Roberto Díaz Herrera, the self-proclaimed "extraordinary friend" of Fidel Castro. (Díaz Herrera insists he, Castro, and several Socialist leaders in the area make up a political-religious network of occultists in the Caribbean.)

Blandón also claims that it was he *personally* who made sure that President Eric Delvalle did not form an alliance with Peru's Alan García on the foreign debt in 1985, as proposed by Lyndon LaRouche and the Schiller Institute's Ibero-American Labor Commission. Panama must implement an International Monetary Fund austerity program, Blandón argued; LaRouche and García are "crazy," and doomed to failure.

## II. How the narcotics mob runs General Noriega's enemies

As *EIR* documented in its July 1986 *White Paper on the Panama Crisis*, "the principal figures in the 'democratic opposition' movement . . . are neither 'honest' nor democratic, but rather front men working for the drug mafia: drug money-launderers, lawyers for cocaine and marijuana traffickers, terrorists, and gun-runners." We have selected brief profiles of three of the opposition figures most frequently cited in the press these days as the men the U.S. government would now have come to power!

### Roberto Eisenmann and the *La Prensa* group

*La Prensa* owner Roberto Eisenmann has been a familiar face in the get-Noriega campaign for more than 15 years. Eisenmann has reason to be fearful: According to testimony presented in U.S. courts, Eisenmann, his editor at *La Prensa*, and his closest political and personal friends, have been working for the drug mob for years.

In late 1984, Eisenmann and the *La Prensa* group were exposed as an integral part of the "Fernández syndicate," a ring of Cuban-Americans and Panamanians who smuggled at least 1.5 million pounds of marijuana from Colombia into the United States between 1977 and 1981. The gang was indicted on Dec. 12, 1984 by a Florida grand jury. The case became known as the "Sunshine State Bank case," because at the height of their smuggling, the gang bought Sunshine State outright for money-laundering.

The Miami bank owned by Eisenmann and two other opposition leaders, Carlos Rodríguez and Guillermo Ford, was also used by the Fernández group. Named Dadeland Bank of Miami, Eisenmann's bank was cited in court as a headquarters for the syndicate's dope money-laundering:

- The Fernández syndicate owned 9,900 shares of Dadeland;
- A major courier for the gang, Iván Robles, was not only a personal friend of Eisenmann's, but he rented lock-boxes at the bank to store his dirty money before transferring it into Panama;
- Dadeland listed itself as a "reference" for the Panamanian law firm which handled the Fernández group's legal matters: Robles y Robles.

Robles y Robles has two law partners only, the above-mentioned courier, Iván Robles, and his brother, Winston—also the editor of *La Prensa*! The two advised the drug ring's

top money-launderer, and served as go-between for the Fernández group and Pablo Escobar Gaviria's people in Colombia.

The top money-launderer was Steven Samos, married for many years to Winston and Iván's sister, Alma Robles. Samos operated through International Service Company (Interseco), a company he founded after marrying Alma, which by the late 1970s, had grown into "the largest [shell] company-creating company in Panama."

Samos explained in court: "My purpose was to take [the mob's money] to Panama, launder it, and send it back in a clean form. . . . We opened a whole chain of bank accounts in Miami in different banks, either in our respective names as individuals or as trustees, or mostly for a group of Panamanian companies which I had then available in Panama."

Samos testified that it was his lawyers, Robles y Robles, who advised him to help the gang's chief, José Antonio Fernández, turn over assets to the Gaviria mob of Colombia. The court transcripts report the following exchange:

**Samos:** My attorneys advised me to cooperate with Tony Fernández for the liquidation of some of his assets, so that the new owners [the Gavirias] or new representatives or new office could then easier take over control of the assets. . . .

**Q:** What outstanding member of the Panamanian bar told you to deal with the fugitive Tony Fernández in such a manner? . . .

**Samos:** It was the firm, Robles y Robles, yes."

Another courier for the group was a Panamanian lawyer named Alvin Weeden Gamboa, who transported more than a half-million dollars of dope money for the ring. A longstanding enemy of General Noriega, Weeden continues to be praised in the pages of *La Prensa* as a leading champion of "human rights" in Panama, for his collaboration with drug- and gun-runner Hugo Spadafora in preparing a suit against Noriega.

Eisenmann, Weeden, and Winston Robles were old political associates as well, founding a "social democratic" opposition party called the Popular Action Party (PAPO) in the 1970s. From its founding to today, PAPO has opposed not only Panama's military, but cooperation between the U.S. and Panamanian militaries.

The news made public, Eisenmann attempted to argue that none of the principals knew anything about what they were involved in. In a May 9, 1986 signed editorial in *La*

*Prensa*, Eisenmann admitted that Samos had bought shares in Dadeland Bank in 1976, insisted that neither Winston or Alma Robles, nor himself had any idea that Samos worked for drug-traffickers. As for Iván, he wrote, "Iván Robles can confront Panamanian public opinion on his participation in the matter. *I, his friend*, can seek explanations in his state of mind in that moment."

Eisenmann is a business partner with another mob-linked Civic Crusade leader, César Tribaldos. Tribaldos has been both Eisenmann's alternate on the board of Banco Continental, and manager of Eisenmann's department store, Mansión Dante. When the First Interamericas Bank of Jorge Ochoa was seized by Panama's Defense Forces in 1985, Tribaldos was named by one of the Colombian drug-runners caught in that operation as the man who laundered \$40 million through the Banco Continental for the Ochoas. Nonetheless, like Eisenmann, today, Tribaldos is one of the top Civic Crusade coordinators.

Getting caught in the narcotics business seemed to be a family business; brother Ricardo had been indicted the year before on charges of conspiracy to import chemicals for use in processing cocaine inside Panama. Ricardo's links were to our next case, the Paredes connection.

### **The Paredes connection**

Retired Gen. Rubén Daríos Paredes, former Commander of the National Guard, and longtime enemy of General Noriega, is said to be the man the U.S. embassy in Panama wants to see as defense minister in an opposition government. Since July 1987, when he issued an open letter to the Defense Forces threatening civil war if General Noriega did not resign, Paredes has become the Panamanian military man most interviewed by the U.S. press.

He is also a favorite of the Ochoa family of Medellín.

Paredes, touted as an anti-communist, was a factional ally within the military of Fidel Castro's friend, avowed gnostic-Socialist Col. Roberto Díaz Herrera. After the death of General Torrijos, for example, Díaz Herrera teamed up with General Paredes to purge the ruling Democratic Revolutionary Party (PRD) of several nationalist leaders, as part of a plan to gain General Paredes the presidency, and then bring the bankers' opposition to power.

Both men were protected within the Defense Forces by U.S. banking assets and their assets within the U.S. intelligence community for years. Their job was to ensure no nationalist grouping in Panama consolidated enough power to go after the foreign economic interests (including the drug trade) which have enjoyed virtual free reign over the country's economy since its founding.

While in office, General Paredes also provided protection for the Colombian narco-terrorist group, the M-19, inside Panama, law enforcement officials in several countries report. The reports specified that Paredes was known to have invited M-19 members to his home. Under his protection,

Panama was used by them for money-laundering, weapons procurement, and as a safe haven from Colombian military campaigns.

Paredes made public his dealings with the Ochoa family, however, when his son was kidnaped and murdered by the cocaine mob in Medellín in March 1986.

Rubén Paredes, Jr. had traveled to Medellín in the company of his business partner, César Rodríguez. Rodríguez was a Panamanian pilot nicknamed "Captain Poison," "Lavamático," or simply, "Mercenary," for his drug- and gun-running to all sides in Central America—Contras, Salvadoran guerrillas, you name it. The two ran into problems with the mob, when in early March Colombian authorities captured the luxury yacht, the *Krill*, as it refueled at the island of San Andrés. Rodríguez and Paredes, Jr. were the owners of the yacht—and its shipment—304 kilos of 80% pure cocaine.

The two went to Medellín to give an explanation. On March 21, the news broke that the two were missing, believed kidnaped. On March 25, their bodies were dug out of a Medellín cemetery.

The press in Colombia and Panama said the cocaine mafia killed them. General Paredes denied it, not because his son was not involved in drugs, but because he had called the Ochoas, and they assured him they had not! On March 25, *La Estrella* of Panama reported: "General Paredes says that he could establish that his son was not in the power of the Ochoas, because they assured him of that. . . . Apparently Paredes or Rodríguez had commercial relations with the Ochoas, in the buying of walking horses, which is one of the businesses of this family."

Paredes excused his son as "an adventurer."

In August 1986, the Panamanian government published a report, *Sixteen Years of Fighting Drug Traffic*, which detailed General Paredes' own relations with the Ochoa mob. *Sixteen Years* reported that the Ochoa mob in Colombia, had given a "former National Guard Commander" gifts of specially bred pace horses, in return for a promise to allow Panama to become a major cocaine-processing center. Shortly thereafter, *El Tiempo* of Bogotá named General Paredes as the "former National Guard Commander" to whom the *Sixteen Years* referred. Today, it is known that one horse was named "Satan."

The story is a major one, known to anti-drug authorities under the file name of "Melo." Lt. Col. Julian Melo Borbua, a protégé of General Paredes who had risen to executive secretary of the PDF General Command, was dishonorably discharged from the PDF in 1984, accused of working with the Medellín Cartel.

In 1984, investigations by the PDF's investigative police, DENI, uncovered an operation by Colombia's drug chiefs to move major sections of their operations into Panama, to escape the war on drugs in Colombia launched by Justice Minister Rodrigo Lara Bonilla that year. The mob's need to

find a new center of operations became even more urgent, when Colombia's military responded to the mob's assassination of Lara Bonilla by escalating their war.

As *Sixteen Years* reports, the mafia's plan "was designed to get clear transit of cocaine through Panama, to use Panamanian banking facilities for their transactions; and finally to install a big laboratory in Darien, Panama's less-populated jungle province.

"The Ochoa brothers, one of the most powerful drug mafias established in Medellín, had made contact with authorities who had political aspirations, and presented them with costly pace horses and other presents," the Panamanian government's report states. "Melo sold his influence to the Colombian mafia," it adds, noting that "Melo had met the Ochoa group in Colombia when they had presented a previous Commander of the National Guard with pace horses through a rich Panamanian cattle man, who is a member of the political opposition."

The previous commander was Rubén Paredes.

Working with Melo were several civilians, Gabriel and Olmedo Méndez, Ricardo Tribaldos Giraldes, and Jaime Castillo among them. Tribaldos, one of those responsible for importing from Germany into Panama a huge quantity of ethyl ether, a critical element in the processing of cocaine, had received \$250,000 as his first payoff from the Colombian mafia for initiating the new drug operation in Panama. Later, Tribaldos traveled with Melo to Cali, where the two negotiated with the Ochoa brothers both the installation of a cocaine laboratory in Darien, and the regular shipment of ether through Panama to Colombia. This time, Tribaldos and Melo were paid \$4 million for their promises.

When several ether shipments were captured (both by Panamanian forces and by Colombian authorities working off PDF tips), and the cocaine laboratory discovered and dismantled, and those working there arrested, the mafia ordered its Panamanian traffickers to take action—quickly. Tribaldos, Méndez, and Colonel Melo met, and decided upon a multi-front attack on the government, the country's economy, and the military, in hopes of breaking resistance to the cocaine plot. Included in their plans were the assassination of General Noriega, and the triggering of capital flight out of the banking center.

The plot did not succeed. Melo was dishonorably discharged from the PDF to face criminal charges, the same as any other citizen; Tribaldos and Gabriel Méndez were charged with drug-trafficking, and jailed. (All were later released by Panamanian courts.)

Their arrest hit the Panamanian opposition hard. Both Ricardo Tribaldos and his brother, César, himself the brother-in-law and business partner of *La Prensa*'s Roberto Eisenmann, were then, and still are today, active in the anti-government conspiracy.

The mob has not given up its plans to install its people at the head of the PDF. On July 25, opposition daily *Extra*

called for Lt. Col. Julian Melo to be reintegrated into the Armed Forces.

### **The López Michelsen connection: Galindo**

Panama's opposition movement, the Civic Crusade, established its headquarters in Washington, D. C. in June 1987. Running those operations is Gabriel Lewis Galindo, the former Panamanian ambassador to the United States who has named himself "international representative of the Panamanian opposition."

He is known throughout Washington as the key political force, the experienced wheeler and dealer, the "brains" behind the Crusade activities. Crusade members brag that "nothing gets done without Ambassador Lewis's clearance." Maintaining excellent relations with the Eastern Establishment since his days as ambassador, Lewis works closely with the two directors of the get-Noriega project: investment consultant Norman Bailey and Trilateral Commission member Sol Linowitz.

Lewis is heir to one of Panama's "oldest and most distinguished families," and a member of Panama's "millionaire elite," the *New York Times* reports, citing his large real estate holdings (including Contadora Island, which he bought with an eye to building a major resort center), and his bank, the Banco del Istmo.

Judging by some of Lewis's business partners, more than real estate may have gone into making his fortune. According to Lewis's buddy, former U.S. ambassador to Panama William Jordan, Lewis Galindo has been "a long-term business associate" of Colombia's former President, Alfonso López Michelsen.

López Michelsen has made no effort to hide his ties to the narcotics mafia. Under his presidency from 1974 to 1978, López Michelsen oversaw the expansion of the narcotics trade in Colombia. His finance minister, Rodrigo Botero Montoya, set up the mechanisms of drug money-laundering in the country, creating the special window at the Central Bank where black market dollars were exchanged for pesos—no questions asked. In 1982, the mafia repaid the favor—by financing López Michelsen's unsuccessful presidential campaign. His campaign manager, dope-legalization advocate Ernesto Samper Pizano, admitted publicly that he accepted a check for the campaign from dope king Carlos Lehder Rivas.

In May 1984, López Michelsen met secretly in Panama with cocaine chiefs Pablo Escobar and Jorge Ochoa, to discuss how to get the Colombian government to accept the mafia's offer to invest their "capital" in Colombia, if the government would grant an amnesty. López Michelsen agreed to intercede on the mafia's behalf; when the Colombian government rejected the proposal privately, he took the mafia's case before the Colombian nation, telling Bogotá's *El Tiempo* that it were better to reach "some form of arrangement" with the "cocaine organization," than to fight the drug trade.