

# The PAN, party of drug-trafficking, organized crime, and dirty money

by Tim Rush

The PAN is a "cut-out" for the giant economic interests which make up the Mexican branch of "Dope, Inc." Watch a kid on a U.S. street die of an overdose of heroin, and chances are you can thank a *PANista* for helping get the drugs here.

The heart of the Mexican dope cartel since the 1940s has been a nexus of entertainment, tourism, and banking interests which coalesced in its present form under President Miguel Alemán (1946-52). Think of Henry Kissinger's Acapulco crowd of cocaine-sniffing jet-setters, and you have one key control-point. The PAN always played a role in the banking side of this cartel. Typical was the case of **José González Torres**, PAN presidential candidate in 1958. As soon as the campaign was over, he was hired to handle insiders' investment portfolios for Manuel Espinoza Yglesia's **Bancomer**, the giant of Mexican banking of the time.

Through most of these years, the *Alemanista* wing of the PRI was sufficiently strong to give Dope, Inc. forces a safe niche in the ruling party, and the PAN was merely kept in tow as a rowboat for emergencies.

The dope interests first hit troubled waters in 1975-77, when Presidents Echeverría and López Portillo launched one of the world's most successful anti-drug crackdowns, Operation Condor, in Sinaloa, Sonora, and Baja California. The "bail-out" button was pushed in 1982, after López Portillo responded to the heist of the century—\$25 billion smuggled out of the country by Mexican bankers in league with international creditors—by nationalizing the banks. Suddenly the rowboat became the main vessel.

Today, top drug-linked operatives look to the PAN not only as a political protection racket but as a private army in the wings, ready to be deployed to protect drug production and transportation areas in much the way Colombian guerrilla groups work in league with cocaine mafiosi Carlos Lehder and Pablo Escobar. The map of the drug-transshipment and drug-producing regions of Mexico today is a precise overlay of the areas of the PAN's political strength.

## The drug bankers: the Chihuahua case

On the dramatic evening of Aug. 31, 1982, when López Portillo summoned all cabinet-level officials to co-sign the nationalization order, only one banker refused. He was **Adrián Lajous**, a French-descended oligarch who headed the Mexican Foreign Trade Bank, an official who had served in

top posts for three governments. The reason for his refusal to sign took three and a half years to emerge, but on April 26, 1985, on the pages of the daily *Excélsior*, Don Adrián tipped his hand. He wanted a free rein for the banks' growth industry: drugs. He would call for legalizing drugs in Mexico, he wrote, but the death of U.S. Drug Enforcement Administration official Enrique Camarena forces him to be "more prudent. For now, I will only propose that it be legalized inside the United States."

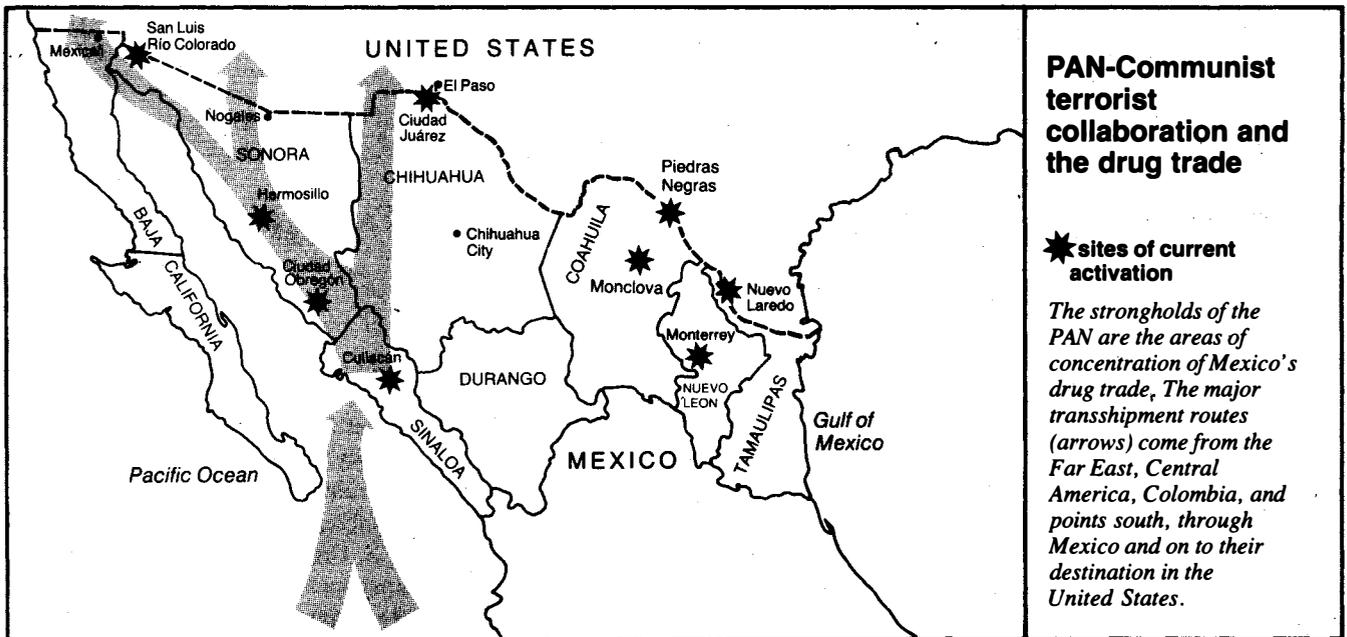
A much quicker reaction came from drug-banker **Eloy Vallina**, the head of the powerful Chihuahua Group of businesses, and owner of Mexico's then fastest-growing bank, **Comermex**. "They took the banks away from us, but we will take Chihuahua away from them," he declared.

The reason Comermex was one of Mexico's fastest-growing banks was drugs. The case of one **Lorenzo Arce Flores** illustrates the point. Arce Flores was the Bancomer public relations director in Tijuana, nabbed in 1975 with 15 kilos of pure cocaine on his person. This was a positive recommendation for Vallina's Comermex. When Arce Flores was nabbed again four years later, this time for "being involved in one of the biggest drug-trafficking operations ever known in the history of Tijuana," in the words of the local press, he was serving as manager of Comermex's booming Tijuana office.

Vallina was as good as his word. During the electoral campaigns in Chihuahua in the summer of 1983, he reportedly channeled millions of pesos directly to the PAN. The PAN's sophisticated media packages were worked out in U.S. ad agencies, and paid for with funds drawn on an El Paso bank, of which Eloy Vallina was a secret owner.

In the elections of July 3, the PAN swept the state. PAN mayors entered the town halls of the two most important cities—Ciudad Juárez on the U.S. border opposite El Paso, and the state capital of Chihuahua City—and a host of smaller towns. The victory sparked PAN campaigns in key drug states Baja California and Sinaloa later in the year, campaigns which were only narrowly defeated through activity of the Mexican Labor Party.

The Vallina-engineered surrender of the state to the PAN opened the doors to the ambitious marijuana and cocaine empresario of the Caborca region of Sonora, **Rafael Caro Quintero**. When Caro Quintero's gigantic marijuana plan-



## PAN-Communist terrorist collaboration and the drug trade

★ sites of current activation

*The strongholds of the PAN are the areas of concentration of Mexico's drug trade. The major transshipment routes (arrows) come from the Far East, Central America, Colombia, and points south, through Mexico and on to their destination in the United States.*

tations in the mountains of Chihuahua were dismantled in November 1984, he lost a reported \$5-10 billion in cash, equipment, and drug inventory.

### The PAN's 'border gateways'

The PAN controls the local governments in four of the top border crossing points for the drugs pouring into the United States. These are San Luis Río Colorado, Agua Prieta, Ciudad Juárez, and Piedras Negras (site of a flare-up of violence in January 1985, which is being resolved with a PRI figurehead mayor fronting for a PAN regime).

Sonora, the state most touted as the likely breakthrough point for the PAN in foreign press accounts, is a nightmare of PAN-protected drug-running. The PAN runs a "parallel government" in the state which has made it almost impossible for Gov. Samuel Ocaña and anti-drug allies to effectively crack down.

The PAN took control of Agua Prieta in 1979, and since then, according to law enforcement agents in the area, it has become a playground for drug mafiosi. The PAN moved on San Luis Río Colorado, across the border from Yuma, Arizona, in 1982. PAN mayor **Fausto Ochoa Medina** was put into office with aid of money from the Meraz family, the pre-eminent financial interests of the region who established strong drug connections in the 1970s to Phoenix, Tucson, Yuma, and Los Angeles, according to sources inside the Meraz gang.

Both Agua Prieta and San Luis are interfaced with the empire of long-time mafia boss of the San Diego region, **Johnny Alessio**, via special gambling operations in the local bars, which accept bets on U.S. dog- and horse-racing relayed on closed-circuit TV. This gambling operation serves as a premier drug-laundering conduit, and as a foot-in-the-

door for the casino gambling the PAN's mafia allies seek in Mexico. Mexican casinos were banned in the 1930s, but in 1983, one of the financial angels of the PAN in Sonora, a warehouse proprietor named **Javier Castelo Parada**, attempted to build a casino on the island of Huiyulai. PRI Gov. Ocaña stepped in and expropriated the island. Today, Hollywood-Las Vegas circuits are advertising plans to put a casino into the Caborca drug-producing region.

The list of PAN office-holders in San Luis reads like a *Who's Who* of drugtraffickers and drug protectors. **Conrado Flores Tapia**, PAN city councilman, is tied not only to narcotics dealers but also weapons-smugglers, according to security specialists in the region. **Enrique Fletes**, the head of the municipal tourism department for the PAN, is involved in drugs, say the same sources. PAN mayor Ochoa Medina's first city police chief, **Calalo Payán Martínez**, was forced out of office for drug connections in the middle of Ochoa's term. **Isidro Miranda Araujo**, a PAN operative originally based in the San Luis/Mexicali area, and seconded to PAN mayor **Casimiro Navarro's** city government in Hermosillo as treasury secretary, was involved in a drug operation in the 1970s which prompted a police raid on his ranch, Las Aguilas, and the discovery of a marijuana cache on the site.

But most notorious—and perhaps of most interest to Americans outraged by the killing of DEA agent Camarena—is the case of PAN state assemblyman **Orozco Ocegüera**, the brother-in-law of Meraz family patriarch, Olegario. In the early 1970s, when two DEA undercover agents traced major dope operations to Orozco Ocegüera's wood company in San Luis, Las Palmas, an ambush was set up for the agents by three employees of the company, and the agents were shot to death. Only strenuous efforts by Meraz and Orozco were sufficient to cover up the crime.