

Peruvian government takes on world cocaine mafia

by Luis Vásquez and Sara Madueño

Now that a three-nation anti-drug operation has wiped out the world's largest cocaine-refining complex, in a remote section of the Peruvian Amazon, it is not only the hoodlums from the jungle who are sweating. Peru produces 60% of the world's raw cocaine, and the bankers who make millions from it are worried. The "citizens above suspicion," the high-level political protectors and financiers of the drug traffickers, are beginning to find their own dossiers under scrutiny by Peruvian President Alan García and his lieutenants. "We will eradicate the drug trade, no matter at what cost or who falls," warned García. And developments in the first weeks since García's July 28 inauguration show that he means it.

President García has rung up two major victories in his declared war on drugs: the first, capturing and dismantling the gigantic narco-complex of Callaru; the second, dismantling the Lima-based mafia of **Reynaldo Rodríguez López**, "godfather" of the Peruvian drug trade. Rodríguez is linked to an international drug-trafficking network and has connections to the previous Peruvian government of **Fernando Belaúnde Terry** (1980-85). He had also succeeded in corrupting a large section of the country's police forces, and exported 15% of the cocaine that fed the United States market.

The new Peruvian government's anti-drug actions shatter the 10 years of complacency with the drug trade that characterized the governments of **Francisco Morales Bermúdez**

and **Belaúnde Terry**. During those years, Peru was turned into a major world exporter of cocaine. It is estimated that as much as 135,000 hectares are currently devoted to coca production in the country and, according to experts, the drug trade generates some \$35 billion a year in Peru, of which \$6 billion are the profits of the local mafia.

With the fall of the nationalist government of Gen. Juan Velasco Alvarado in 1975, Peru's doors were slowly but surely opened to the drug trade. Morales Bermúdez, through the good offices of his finance minister, **Javier Silva Ruete**, allowed the establishment in Lima of the Banco Ambrosiano Andino, a branch of the Ambrosiano Bank of the Italian masonic lodge Propaganda-Two (P-2), notorious for its ties to international terrorism, arms- and dope-trafficking. Morales also issued a law in April of 1978, by which, under the pretext of promoting forest exploitation, huge chunks of the Peruvian jungle were left to the mercy of the foreign drug mafias. During the Belaúnde administration, a law mandating harsh punishment for drug-trafficking was overturned; it was substituted by legislation which lowered the penalties for drug-pushing and granted immunity to members of the police forces, judges, and public officials caught covering for or directly involved in the dirty business!

The dizzying growth of the drug trade could not have been possible without the "free enterprise" measures dictated

by the International Monetary Fund to Peru, carried out successfully by the finance ministers Javier Silva Ruede and **Manuel Ulloa**. These are the men whose policies White House Chief of Staff Donald Regan has promoted as a "show-case" of "free enterprise" in South America.

Ulloa, David Rockefeller's representative in Peru, became the economic czar of the Belaúnde government, and liberalized banking regulations to the point that a free market for narco-dollars was allowed to exist at the very doorstep of the National Palace in Lima. Under the regime of the "Ulloa team," the coca industry boomed, and Ulloa himself went so far as to advocate legalizing the coca trade, evoking the untold economic benefits that would accrue from this. The economic implications of coca, he told *Debate 24* magazine in December 1983, "are diverse and significant. It begins with the economy of the peasants, and ends, in imprecise ways, in our balance of payments. . . . This perspective opens unimagined horizons, and would permit the channeling of the majority of coca production to a legal market."

Ulloa began his career in the late 1940s working for W.R. Grace and Co., later served as Peru branch president for David Rockefeller's Chase Manhattan Bank, and by the 1960s had become a kingpin of the Rockefeller Empire in Ibero-America, including directing Rockefeller's Deltec Banking Corp.

Now, according to *El Popular* of Aug. 22, Ulloa's name has been listed among 200 members of Belaúnde's Popular Action party currently under investigation by Peru's banking superintendency, for possible connections to the drug mafia.

The mafia under fire

With just 20 days in office, the government of Alan García has dealt major defeats to the drug mafia:

- The day after his inaugural ceremony, in which García promised to restore economic sovereignty and rescue the morals of the nation, hundreds of money-changers who flourished in the streets of the capital city were arrested and many thousands of narco-dollars confiscated. Following the instructions of the President to determine the origins of this money, investigators learned that the chief of homicide of the PIP (Peruvian Investigative Police), **Col. Leonel Zevallos**, was involved in the dirty money operations.

- On Aug. 1, Zevallos was fired, and it was revealed that he, along with other members of the PIP, supplied a number of exchange houses and hundreds of money-changers, to whom he brought dollars from Tingo María and Huanaco, the major coca zones of the country.

- On Aug. 4, the Peruvian press began to report on the scandalous link of top government figures to the drug mafias. It seems that the cocaine pushers had won the sponsorship of several PIP generals, as well as of high-level figures of the Belaúnde government, including former Prime Minister **Luis Pércovich Roca** and former Vice-President **Alva Orlandini**,

presidential candidate of the Popular Action party in the recent elections.

- On Aug. 12, President García announced that he would present to the Congress an anti-drug bill, increasing the criminal penalties for drug traffickers. The bill called for no less than 20-25 years in jail for public officials—singling out police and judicial personnel—who participate in the drug trade. The weight of the law would fall equally upon those who run protection for the traffickers and those directly involved in the trade.

- On Aug. 13, despite the opposition of the congressional minority of Popular Action and the Popular Christian Party, President García won approval for a law which gave him extraordinary powers for 90 days to reorganize the Peruvian police forces, and which de facto gave him personal charge of the war on drugs.

- That same day he launched "Operation Condor," the three-nation military action against the illegal drug production hidden in the Peruvian jungle region of Caballococha, near the border with Peru (see article, page 6).

The secrets of 'Villa Coca'

On July 24, a house in the Higuiereta neighborhood, one of the most exclusive parts of Lima, blew to bits. The explosion, apparently accidental, exposed the largest cocaine refinery ever found in the city. The house was part of a residential complex of 11 interconnected homes and belonged to one family: that of Rodríguez López. Among those automobiles found in the complex was one belonging to the interior ministry and assigned to **Luis López Vergara**, principal adviser to Belaúnde's former prime minister, Luis Pércovich.

From the very beginning of the investigations, evidence emerged showing that the Rodríguez López mafia had ties to Mexico, Colombia, Bolivia, and the United States. The sophisticated telephone network found in the residential complex—dubbed "Villa Coca"—directly hooked up to the home of the Mexican vice-consul in Lima, **Ricardo Sedano**, who lived in a house near the property of Reynaldo Rodríguez López, the "godfather" of the drug-trafficking clan. It was learned, in addition, that Rodríguez López had been a prisoner in a Mexican jail for smuggling undocumented immigrant labor into the United States.

According to a report of the U.S. Drug Enforcement Administration (DEA), the partners of Rodríguez López in Mexico were **Arturo Izquierdo Ebrard**, a mafioso from Guadalajara, and **Miguel Angel Félix Gallardo** (alias "Felix the Cat"), one of Mexico's top mafiosi. Mexican authorities are searching for Félix for the murder of Enrique Camarena Salazar, the DEA agent assassinated in February of this year. An ANSA cable also reported the possible connection of Rodríguez López with another Mexican vice-king, ex-police chief of the Federal District General **Arturo Durazo Moreno** ("El Negro"), whose extradition to Mexico was recently ap-

proved by the U.S. courts.

The Rodríguez López case has become a true Pandora's box; from it is expected to come to light the real story of the drug wealth encrusted in the highest spheres of the Belaúnde government. The cocaine mafia covered its real activities with a maze of more than 30 companies—tourist agencies, language centers, etc.—through which many of their drug carriers, or “mules,” were recruited and sent abroad, principally to Mexico and the United States. In the companies that were raided, documents were found compromising a shocking number of police officials and high officials of the previous government.

At the present time, the activities of some 158 PIP and Civil Guard officers are being investigated, among them some 41 generals. Out of fear of exposure, 16 PIP generals have presented their resignations. President García, however, refused to accept their resignations, saying that all implicated officers would be tried and publicly thrown out of office if found guilty. “Punishment will also reach those officers who have played dumb,” said García, “because there are crimes both of commission and omission.”

Among the compromised generals thus far exposed are **Gen. José Jorge Zárate** and **Gen. Rómulo Alayza Tejada**. The first, until recently director of the Peruvian Fiscal Police, was a close companion of Reynaldo Rodríguez López and the nephew of **Zoila Jorge**, of Lebanese extraction and the wife of a PIP general, also named by U.S. naval intelligence as head of one of the most important South American drug-trafficking networks in the 1940s. General Alayza had been cited by Australian law enforcement for his role in the smuggling of Peruvian cocaine to that country.

On Aug. 15, the daily *La República* published a photo that shook the nation, under the headline “Belaúnde on the Shoulders of the Drug Trade.” The ex-President appeared on the shoulders of a man named **Juan Rodolfo Serra Paredes**, his former security chief whose links to López Vergara, Pércovich's adviser, have been uncovered. The surprise and general indignation grew when it was learned that former Vice-President Alva Orlandini, who had maintained iron control over the police apparatus in the country, had personally intervened to give the mafia free access to all the leading airports of the country.

Later, former Prime Minister Pércovich was called before a judge in charge of investigating the case. A militant in the gnostic Tradition, Family, and Property sect, Pércovich was forced to return to Peru from his Miami residence.

As the days pass, more and more names of the hierarchy of the previous administration will be coming to light. Although the “Man from the Bahamas,” Manuel Ulloa, has not yet been directly linked to the Rodríguez López mafia, it is common knowledge that sooner or later the war on drugs in Peru will knock at the doors of his financial empire. Already in the streets of Lima, wall slogans have appeared saying, “The Godfather is Ulloa!”

‘Operation Condor’

by Sara Madueño

The strike against Peru's biggest known cocaine-refining facility, carried out under the personal direction of President Alan García on Aug. 13, was the first phase of “Operation Condor,” the largest operation ever launched against the Ibero-American drug mafias. This was the first collaborative military action of its kind in history, involving the armed forces and police of Peru and Colombia, with the aid of three agents of the U.S. Drug Enforcement Administration (DEA). Landsat photos provided by NASA were used to pinpoint and capture the refinery—shutting off about one-third of the cocaine flowing into the United States, in one fell swoop.

Operation Condor is the first step in implementing the strategy outlined by Lyndon LaRouche in a speech in Mexico City on March 13 (see *EIR*, April 2, 1985, “A proposed strategic operation against the Western Hemisphere's drug traffic”). LaRouche explained: “Without closer cooperation among the United States, Mexico, Colombia, Venezuela and other nations of the hemisphere, neither the United States nor any of the other republics will be able to defeat this monstrously powerful network of financial and political criminal forces led by the international drug trade.” To defeat the transnational occupation force known as Dope, Inc., declared LaRouche, all that is lacking is “a war plan of common action against the international drug traffickers on the part of the governments of this hemisphere willing to carry it out.”

The assault on ‘coca city’

Operation Condor was planned, according to the Lima press, by Alan García, in close coordination with Colombian President Belisario Betancur. The first blow dealt by Operation Condor was in the pre-dawn hours of Aug. 13, when a contingent of 60 Peruvian police officers and three DEA agents descended in three Colombian-piloted helicopters on the largest cocaine-refining complex ever uncovered: Callaru, or “coca city,” located deep in the Peruvian Amazon jungle in the region known as Caballococha, near Leticia, Colombia. Responsibility for Operation Condor was delegated by Interior Minister Abel Salinas, who put his deputy minister, Agustín Mantilla, personally in charge. The commander of the forces which took Callaru was Gen. Walter Andrade Romero, of the Peruvian Civil Guard.

Operation Condor has just begun, and will move on, as