

The truth about Carlos Andrés Pérez

by the Venezuelan Labor Party and
the Ibero-American Solidarity Movement

On May 19 of this year, one day before the Venezuelan Supreme Court was to announce its verdict on whether there were sufficient grounds for trying President Carlos Andrés Pérez (known as "CAP") for corruption, the Venezuelan Labor Party and the Ibero-American Solidarity Movement (MSIA) jointly published a pamphlet entitled "The Truth About CAP." EIR is publishing the translated text of the pamphlet in six installments. The first chapter, "CAP Destroyed the Productive Economy," appeared in our July 30 issue, and the second, "Washington's Man and the New World Order," in our Aug. 6 issue.

"The Truth About CAP" is not only important for Venezuela and Ibero-America, but also for the United States. President Bill Clinton has continued to apply the major elements of George Bush's policy toward the continent, for which Pérez—currently suspended from the presidency—considered himself the spokesman.

Chapter 3: Venezuela's drug traffic under CAP's rule

On June 21, 1991, in the midst of serious public denunciations of corruption, terrorism, and drug trafficking against his "inner circle," President Carlos Andrés Pérez called upon his supporters to rally at the Teresa Carreño Theater, a hall reserved for great occasions, at which he proclaimed himself the "chief of the war on drugs."

The act had no real impact, not even a propagandistic one. But during that same period, CAP's decades-long chief of security, Orlando García Vásquez, was forced to resign and flee the country under charges of having compromised the nation through deceit, drug trafficking, and terrorism.

CAP's second chief of security, Lázaro Rogelio Ugarte Breslau, had to take his multiple passports and flee Venezuela after being interrogated by a congressional commission, which led to a Miami police investigation of his dubious company Celere, Inc., where 572 pounds of cocaine was seized. The daily *El Globo* had reported that Celere, Inc. actually belonged to the Diego Cisneros Organization, run by magnate and CAP intimate Gustavo Cisneros. His third ally on security matters, Gen. Herminio Fuenmayor, then chief of the Bureau of Military Intelligence (DIM), also had to resign during that same period, in the face of charges of abuse of power, assaults on journalists, assassinations, and links to drug trafficking.

Thus, just like the equestrian statue of Simón Bolívar in CAP's hometown bearing CAP's features, or the museum being built in CAP's honor by the Cisneros Foundation, his solemn self-proclamation as Great Chief of the War on Drugs stands exposed—in view of the parallel developments cited—as just one more cynical joke for Venezuelans to laugh at, as their sense of humor about their leaders continues unabated.

The truth regarding the degree of drug trafficking in Venezuela under CAP's rule is much more serious. If one reviews what has come out about CAP himself, and what has happened during his administration, particularly the last four years, one can conclude the following:

1) As the most recent report of the United Nations Commission on Narcotic Drugs reports, Venezuela has become the "major center of money laundering in Latin America." As indicated earlier, in Chapter 1, the destruction of the national productive apparatus under CAP's administration, and his financial reform, have turned Venezuela into an international money-laundering paradise.

2) The endemic corruption in all aspects of national life has permitted an entire underground economy of finance,

imports, production, local and international drug trafficking, and drug money laundering to flourish—activity which could not exist without legal, political, and security protection from the highest levels of public power. Rhetoric aside, the CAP administration has done nothing to stop it.

The degree of protection and coverup of the drug trade that has come to Venezuela during the CAP administration is reflected, among other things, in the quantity of drugs confiscated abroad but originating from Venezuela. Compare this quantity with the ridiculously small quantities of local seizures; and many of those local seizures were the fruits of undercover police operations.

According to the United Nations report, “The U.S. anti-drug agency, DEA [Drug Enforcement Administration], estimates that in 1992, some 200 tons of cocaine passed through the country on its way to the United States, Canada, and Europe, of which only seven tons were seized in the first months of the year. In all of 1991, only nine tons of drugs were seized total. In the opinion of the commission, faced with the offensive against drug trafficking in Colombia, Venezuela became the key center of narcotics distribution coming out of the Andean countries” (*El Nacional*, Feb. 15, 1992).

Never before, in any period of the country’s history have there been seen such serious cases of corruption and drug trafficking in the national leadership. From security chiefs of the President’s “inner circle,” to judges, police chiefs, and prominent politicians, even an ex-governor and a deputy minister of interior, these have been linked to drug trafficking or have been reported as such. One particularly illustrative case of protection and coverup of drug-trafficking activities is the so-called Italo-Canadian drug connection. We will look at this later on.

3) CAP’s political base, the financiers and magnates of his inner circle, are economic groups whose operations have been interdicted on numerous occasions, to say the least. As we will see in Chapter 4 on CAP’s “apostles”—with whom he has an almost symbiotic relationship in many ways—some of them have been identified on various occasions as linked to individuals or networks of drug money laundering in Venezuela, Spain, Santo Domingo, the United States, and Colombia. Some of this is reported in the famous book *Narcotráfico, S.A.*, prepared by a group of investigators from *Executive Intelligence Review* and published in Spanish in 1985, whose circulation in Venezuela, however, was banned by the authorities in early 1986 at the behest of the Cisneros group. Despite recent appeals by a prominent group of Venezuelan congressmen—with the backing of congressmen in Peru and the Dominican Republic—to lift the measures against the book, today it still remains banned under the CAP administration’s ruling.

Dossiers have circulated concerning banker Orlando Castro, one of the financiers tied to CAP’s inner circle, which link him to presumed money laundering and supposed personal ties to the Colombian drug kingpin Pablo Escobar. There has also been talk against the financial operations of

Banco Consolidado’s discreet banker José Alvarez Stelling, and of the “strange financial operations” of the Grupo Latino that were being carried out by its vice president Gustavo Gómez López.

4) Members of CAP’s personal inner circle, especially his immediate security advisers, have also been linked to criminal activities that include drug trafficking, as we will see in Chapter 5.

5) Finally, not only his personal and financial inner circle and finances, but CAP himself has been linked on repeated occasions to mafia drug kingpins and to prominent drug money-launderers. It is sufficient to recall the case of the horse given to CAP by Fabio Ochoa, father of the Colombian drug traffickers known as “the Ochoa brothers”; and CAP’s personal connections with the Spaniard Enrique Sarasola, and with Ghaith Pharaon of the so-called “World Bank of Drugs,” the Bank of Credit and Commerce International (BCCI).

The story of a pacing horse

Recently, a group of journalists were analyzing the equestrian statue of Bolívar with CAP’s face, in the plaza of his hometown, and were comparing the horse with the description given by Fabio Ochoa, father of the Medellín Cartel kingpins, of the famous mare Porcelana, which he gave to CAP.

According to the story, during the 1988 election campaign, the Caracas press charged that drug money was financing the campaign, and that one of the leading candidates had ties to the drug trade. Is it CAP? Is it Eduardo Fernández? asked the electorate. “I have not been referred to, nor will I ever be referred to, for an activity so terrible and so damaging to all of humanity as drug trafficking,” CAP declared (*El Diario de Caracas*, Feb. 14, 1988).

Both campaign headquarters—that of Democratic Action (AD) and of the Social Christian Party (Copei)—got scared and began to hurl mutual accusations in order to show that it didn’t have to do with their own candidate, but only the rival candidate. Henry Ramos Allup of AD published photos showing the Copei candidate, Eduardo Fernández, with a group of Italo-Canadian drug mafiosi—several of whom were wanted at the time by the justice system—in a fundraising event for his campaign.

It was then that the story of the horse came out. Leonardo Ferrer, of Copei, responded by alluding to a pacing horse that the Ochoa brothers had given to CAP. The affair went beyond the merely anecdotal, as witnessed by how contradictory and out of control the usually unflappable CAP became when the matter surfaced.

CAP first denied he had any relations with Fabio Ochoa, and denied he had received any horse. The Colombian and Venezuelan press then interviewed the senior Ochoa, who declared: “It is very strange that former President Pérez would say he never received any horse. For that reason, I call upon him to clarify that. He has the mare there in his stable, and enjoys it every Sunday. . . . Fabio Ochoa always does

what he promises.”

Ochoa gave more details to the Bogotá daily *El Tiempo*, and said that around 1986 he delivered to CAP “the famous mare Porcelana,” one of Colombia’s best specimens, worth 20 million pesos (\$80,000). “I raised her,” said Ochoa, who insisted that CAP had her at his ranch near Caracas. “I’m mortified to appear a liar when Carlos Andrés has that mare and rides her, because I saw the photos,” assured Ochoa.

According to the press, Ochoa also explained that he gave the mare to CAP “in gratitude for his intervention in freeing [Ochoa’s] daughter Marta Nieves Ochoa, who had been kidnapped by M-19 guerrillas.” “According to Fabio Ochoa’s version,” said an AP wire datelined Medellín and published by *El Diario de Caracas* on Feb. 28, 1988, “about nine years passed between CAP’s action to free Marta Nieves and the delivery of the horse. Ochoa told *El Tiempo* that ‘I delayed in doing it,’ but he did not explain the reason.”

On March 11, 1988, *El Diario de Caracas* published two new interviews on the subject, one with Fabio Ochoa and the other with Carlos Andrés Pérez. Below is part of the dialogue with Fabio Ochoa, speaking of another horse named Cúpido, and why he made two gifts to CAP:

FO: I gave [the mare] to CAP for my daughter’s kidnapping; he helped to find my daughter.

DC: But you have also given him Cúpido.

FO: Yes, but Cúpido I gave . . . it was a different thing.

DC: Why did you give it to him?

FO: Cúpido was because Carlos Andrés was going to help me with the King of Spain, with the President of Spain, so that they would free my son, who was in prison there.

DC: Jorge Luis?

FO: Yes, Jorge Luis.

CAP, for his part, responded very strangely in his interview with *El Diario de Caracas*:

DC: Ochoa says that you were going to intercede to free his son in Spain.

CAP: Absolutely not. Never. I have no relations with Fabio Ochoa. I only said that I met him at a horse show at San Cristóbal. I have no relations with him. I would never get involved in helping an infamous drug trafficker like his son. . . . I have never conversed with Fabio Ochoa. I would never ever offer to intercede for him in any case. I have no relations with him. I have never had one, except for that service I did to free his daughter Marta Nieves.

DC: But you were seen at the Maturín Horse Club. . . . There are witnesses that say you met Ochoa there, that you went riding together.

CAP: I never saw that gentleman. I went to the Maturín Horse Club to ride horseback, but that gentleman was never at that place.

DC: But if he ran that club . . .

CAP: I went to the Horse Club. . . . I went to the stables to take a mare from José Ramón Arellano. I rode a mare, and returned . . . without going to any horse club. . . . But when are you going to stop asking questions about horses?

In another interview during that same period, published in the daily *El Nacional* May 2, 1988, CAP, then a candidate, went from the thorny topic of the horse, to another even more difficult one: whether or not he personally uses drugs.

The reporter tells him that Leonardo Ferrer, head of Copei, besides the topic of the horse, had proposed: “1) that the presidential candidates willingly submit sworn statements about their assets; 2) that there be an investigation of whether they have bank accounts abroad; 3) that they take a drug test.” CAP began by responding to the final point: “That seems impertinent to me. It tries to suggest in a form that doesn’t enrage me, but saddens me, that my energy, my dynamism that provokes so much envy, is the result of drug use.”

With Ghaith Pharaon and BCCI

As the implications of the BCCI’s international money laundering were becoming known in other countries, in Venezuela the alleged connections of Venezuelans with this bank also began to be published. In a way similar to the denunciation of the financing of the campaign of social democrat Alan García in Peru, so, too, in Venezuela letters were published from BCCI allegedly referring to certain financial help for CAP’s campaign.

According to former Sen. Leonardo Montiel, who in October 1992 called on Criminal Judge 26, Braulio Sánchez, to open an investigation into BCCI, the bank “financed the campaign of President Pérez, according to a report produced by U.S. Senators John Kerry [D-Mass.] and Hank Brown [R-Colo.], dated Sept. 30, 1992, and approved by the U.S. Congress” (*El Nuevo País*, Oct. 27, 1992).

A Venezuelan magazine also published a copy of the receipt for a supposed BCCI deposit of \$400,000 by CAP’s private inner circle. The publication of the copy led to a legal suit against the magazine, brought by the lawyer of CAP’s mistress Cecilia Matos.

In June 1992, Sen. Cristóbal Fernández Dalo, president of the senate commission investigating Venezuelan financial sector links to drug money, traveled to the United States to obtain more information on the problem of money laundering in Venezuela and the alleged ties with BCCI. There he met with the New York District Attorney Robert Morgenthau and with a U.S. Senate committee. Upon his return, he presented his conclusions. According to the daily *El Nacional* of May 30, 1992, Senator Fernández Dalo “brought a batch of documents and unexpected evidence showing that large international financial groups have a plan to turn Venezuela into a ‘paradise for money laundering.’”

To illustrate this, Fernández Dalo pointed to a letter sent by Mazher R. Zuberi, director of BCCI in Colombia, to the bank’s central director in London, where “he takes note of the facilities Venezuela has for installing exchange houses, import-export firms, and others that would permit laundering of dollars, as well as of the great flood of money that passes through the regions bordering with Colombia.”

In another letter, this one from BCCI’s representative in

Venezuela, Akber Bilgrami, a deposit by the Venezuelan Investment Fund into BCCI for more than \$26 million is noted. The senator urges an investigation into the funds' final destination, since deposits were lost when the bank was shut down.

Moreover, Fernández Dalo referred directly to CAP. On the letter from BCCI allegedly giving money to his campaign, Fernández Dalo said CAP must explain "what type of relations existed with the directors of BCCI, and demonstrate that these deposits were made in good faith." He added: "He must also clarify the situation with regard to Mr. Ghaith Pharaon [of BCCI], about whom it is said that while a fugitive from U.S. justice, he was harbored on the island of La Orchila [presidential residence] in the middle of last year. Further, he must tell if he knows of the activities of Alberto Calvo, BCCI representative in Argentina, who seems to be operating in Venezuela."

CAP, friend of Sarasola 'the snake charmer'

In March 1989, Enrique Sarasola, financier and impresario of the Socialist Workers Party of Spain (PSOE), and the Venezuelan Gonzalo Colimodio—both old friends of CAP—came into play in mounting a triangular operation to trade sugar involving Cuba, Spain, and Venezuela. The scheme was cooked up during the visit to Caracas of Fidel Castro and Felipe González some days earlier, for CAP's inauguration as President.

The affair is described in the book *El dinero de poder: la trama económica en la España socialista (The Money of Power: Economic Fraud in Socialist Spain)* by José Díaz Herrera and Ramón Tijeras (Madrid: Editorial Cambio, 1991): The Venezuelan government wanted to acquire, through international public bidding, some thousands of tons of sugar. To win the bid, Sarasola and Colimodio, with the support of Spain's foreign trade agency Focoex, buy "350,000 tons of sugar from Cuba through the Panamanian company Carib-Sugar; they finance the operation with a credit hastily granted by the Spanish government to Venezuela, which includes the exchange of part of the foreign debt of Cuba with Spain." The sugar is supplied to Venezuela. "The sugar that arrived in Venezuela . . . was not sold at 'political prices.' . . . According to press reports in that country, the cost to the Venezuelan government was almost \$70 more per ton than New York and London commodities market quotations for the product. The scandal broke. The analysis of the sale terms ended up in the Venezuelan parliament, and in the debate there, new and revealing data emerged: Venezuela had overpaid by \$21 million."

Although illustrative of how the social democratic governments operate businesses, what is most important is the troubled history of Enrique Sarasola Lechundi, an intimate friend of Felipe González, and a good friend of CAP and Gustavo Cisneros. According to *El dinero de poder*, Sarasola went to Colombia "to do America," establishing himself in Medellín. In 1963, he created the "International Security Corp. (Iseco), headquartered in Curaçao, and begins to sell

bonds through a company registered in Nassau (Bahamas)." He ended up opening 28 Iseco offices in 20 countries. "Shortly afterward, it is discovered that the bond sale is nothing more than a monumental swindle involving such tainted individuals as Robert Vesco and Bernard Cornfeld." Sarasola closed the business and returned to Spain. Although Díaz Herrera and Tijeras's book does not mention it, Vesco is the man who entered the drug business of Colombian trafficker Carlos Lehder, according to Lehder's own statements. From his exile in Costa Rica, under the protection of former President José "Pepe" Figueres—a man with many ties to CAP, as we will see in Chapter 6—Vesco went to Cuba, where he still lives as a guest of Fidel Castro.

In October 1977, the young leader of the PSOE, Felipe González, came to Venezuela for the first time, accompanied by Sarasola. They were received in Caracas by CAP and by businessman Gustavo Cisneros, in whose private airplane they traveled to Panama and Costa Rica in search of financing to pay the debts for the first political campaign of the PSOE in post-Franco Spain. So well did his hosts in Venezuela treat him, that upon his return to Spain, Felipe would say, "Venezuela! Yes, that is quite a country, that is certainly the life!" And it is the case, according to *El dinero de poder* (pp. 302ff.), that "the reception that his Socialist International companions gave him was the kind that one would remember one's whole life. Venezuela's former President and leader of the Democratic Action party, Carlos Andrés Pérez, had gone to meet him at the airport at Maiquetía, and the Venezuelan businessman Gustavo Cisneros had invited him to his home, a mansion . . . where David Rockefeller always stayed when he traveled to Caracas. Cisneros, moreover . . . placed his own airplane at the disposal of the future prime minister of the Spanish government."

Felipe González, by now prime minister of the Spanish government, returned to Venezuela in 1983, where he vacationed on the island of La Orchila, property of the Venezuelan government. Cisneros placed his yacht *Paraíso* at his disposal. Some years later, for a song, the government of Felipe González would sell to Cisneros the famous Galerías Preciados, one of the many companies that Felipe's Social Democratic government had seized from Ruiz Mateos.

Over the following years, Sarasola made numerous trips to Venezuela and Colombia (his wife is Colombian and the sister of Carlos A. Marulanda, who was development minister in the Virgilio Barco government). According to press reports, some of Sarasola's trips were made in CAP's own airplane.

In late 1982, Sarasola went all-out to celebrate Felipe González's victory. According to reports, including photos, in the Spanish and Colombian press, he hosted Pablo Escobar Gaviria—who, as it was later learned, was the head of the Medellín Cartel—and other figures such as the Colombian drug politician Alberto Santofimio (*Cromos*, Sept. 17, 1990).

Among the various businesses Sarasola set up in Ibero-America, always taking advantage of his links with Felipe's government, was that of the construction of the metro in

Medellín, a project in which then-President of Colombia, Belisario Betancur, was involved. Companies from several countries bid on the project, which Sarasola finally won under circumstances that led President Betancur himself to name a special commission to investigate the affair.

It is also worth noting that when the bid was granted to Sarasola, the manager of the Medellín subway company was Diego Londoño White, much later accused of being an "investment" front man for the Medellín Cartel. Londoño, known as the builder of kingpin Pablo Escobar's bunkers, is now imprisoned in Colombia. His brother Santiago in 1984 arranged the notorious meeting in Panama between the drug kingpins and former Colombian President Alfonso López Michelsen, who worked on their behalf. It was also Santiago who in 1982, together with drug legalizer Ernesto Samper Pizano, accepted hot money from the drug-trafficking mafia for the election campaign of Alfonso López Michelsen, for whom CAP has served as a lawyer on occasion.

While the authors of *El dinero de poder* say that there is no proof of Sarasola's connections with the drug trade, they report the episode in 1990 in which the confessed Spanish drug trafficker Ricardo Portabales implicated Sarasola in drug-trafficking activity in testimony before the Spanish anti-drug judge Baltázar Garzón. According to Portabales, Sarasola participated in a meeting in Huelva, Spain with Syrian arms trafficker Monzer al Kassar (who is protected by the Spanish government) and drug traffickers Laureano Oubiria and Paz Carballo, to sell AK-47 rifles to the Colombian drug lords.

Despite this, the authors of *El dinero de poder* write that in Spain, Sarasola "is one of the people who without having any public office or state representation, boasts the largest quota of real power in the country." Thus operates CAP's friend, Enrique Sarasola, whom a Colombian daily dubbed "the snake charmer."

The Cuntrera mafiosi

The issue of Fabio Ochoa's horse resurfaced in the Venezuelan press following the deportation from Venezuela to Italy in September 1992 of the leading heads of the Italo-Canadian mafia, the brothers Pascuale, Paolo, and Gaspare Cuntrera. Rafael Rivero Muñoz, the police commissioner who in 1979 began the investigation of this network, explained to the press that the so-called "Cuntrera clan" played a key role in the links between the mafia and the Colombian drug cartels. This connection resurfaces at a meeting that took place in Marbella, Spain in 1984, during which an interchange of the cocaine and heroin networks of the Italo-North American Cosa Nostra and the Colombian cartels was supposedly agreed upon.

"Fabio Ochoa Vásquez and [Gilberto] Rodríguez Orejuela, members of the Medellín and Cali cartels," declared Commissioner Rivero Muñoz, "travel to Spain in 1984 to organize the cocaine route to Europe and to contact the Spanish and Italian mafias, regarding the heroin distribution opera-

tion. But Ochoa Vásquez and Rodríguez Orejuela are arrested, and the United States requests their extradition, which was circumvented by two important politicians, one Venezuelan and the other Colombian, friends of Felipe González. For that intervention, the Venezuelan politician received an excellent pacing horse." And he added: "I would think that whoever secured Ochoa's non-extradition [to the United States] belongs to the third level of organized crime. . . . The third level of the mafia in Venezuela, like that in Italy, is untouchable because it is the connection between politics and organized crime" (*El Globo*, Aug. 21, 1992, and *Ultimas Noticias*, Sept. 14, 1992).

Ultimas Noticias added that this information about the Venezuelan connection involved in not extraditing the imprisoned Colombian kingpins to the United States, "was what the late drug trafficker Ricardo Morales Navarrete used to win his release from jail in the United States, where he was about to be tried for drug trafficking. It was said at the time that someone from Caracas sent approximately \$1 million so that 'El Mono' ['The Monkey'] would stay quiet, and to obtain his release on bail."

"El Mono" Morales Navarrete belonged to the drug-trafficking and terrorism networks connected to the U.S. Central Intelligence Agency. During the first CAP administration he worked as commissioner of the Disip (Venezuelan political police) under CAP's chief of security, Orlando García. After his arrest and release in the United States, he was murdered in a Miami bar.

In May 1992, Venezuelan Justice Minister José Mendoza Angulo met in Rome with his Italian counterpart Claudio Martelli, and with the famous anti-mafia judge Giovanni Falcone. "The problem was always the Cuntreras. The Latin American minister had committed himself to solving the problem," reported the Italian daily *Corriere della Sera*, citing sources from Interpol. Three days later, on May 23, Falcone was assassinated. Several weeks later, so was Prosecutor Borsellino.

In July 1992, the statements of the Italian foreign minister, virtually accusing Venezuela of permitting Cosa Nostra activities, triggered a furor. "There is no Italian mafia in the country," declared CAP's Minister of the Interior Luis Piñerúa. Nevertheless, faced with the supposed threat of a commando operation to kidnap and take them from the country, the Cuntrera brothers were finally deported to Italy on Sept. 13 of that year, under extraordinarily tight security.

According to a news report from the EFE wire service, datelined Rome the day the deportees arrived, the Italian dailies "lament Venezuela's delay in delivering the Cuntreras, which is attributed partially to their connivance with the activities of certain financial and political figures in said country." *Corriere della Sera* went even further, reporting that "Caracas only agreed to arrest and turn over the Cuntreras because the United States threatened a military action by international police to kidnap the three brothers," and added that the extradition request had been made on three previous

occasions, without any result.

That same day, the anti-mafia judge Antonino Caponetto wrote in the Italian daily *La Stampa* that the Cuntrera brothers "are the undisputed bosses of the cocaine trade between Venezuela and Europe, besides being the heads of a criminal financial consortium." The same newspaper stated on its front page that "it should not be dismissed that these mafiosi chieftains may have decided on the assassination of the anti-mafia judge Paolo Borsellino because he had managed to uncover a part of their international trafficking."

Almost at the same time, in Venezuela, President Carlos Andrés Pérez explained why the Cuntreras had not been arrested in Venezuela, with a statement that even his party comrades considered "unfortunate": "The Cuntreras did not commit crimes in Venezuela."

Some 'peccadillos'

Many investigators and police chiefs worldwide do not share President Pérez's commentary on the criminal capacities of the Cuntreras. In a chapter dedicated to Venezuela in the book by Claire Sterling, *Octopus: The Long Reach of the International Sicilian Mafia*, published in 1990, she states: "The Venezuelan branch has organized deliveries of heroin to the United States by the ton—three tons per year through 1982—half the total that enters the country, according to the FBI. It functions as a money laundry for almost two-thirds of the cocaine that passes through Venezuela; and 80% of the cocaine that leaves Colombia now passes through that country. It launders money for Colombians as well as for Sicilians. Billions of narco-dollars have been recycled through its colossal financial empire, an estimated \$2 billion or more in 1983 alone."

Sterling writes that "to look backwards is to see where the two giants of the world narcotics trade, the Sicilian mafia and what then became the Medellín Cartel, formed their working alliance."

From Venezuela, the Cuntrera clan has also been linked to the so-called "Golden Triangle" of Asian heroin. In addition, according to the Italian and Dutch authorities, "they have turned the Caribbean island of Aruba into a kind of 'Costa Nostra' state; the godfathers practically bought the island" (*El Nacional*, March 4, 1993).

But in Venezuela there were no more arrests. The octopus's tentacles remain intact and protected. There is no information of any in-depth investigation of these networks inside Venezuela. Deputy Luis Hernández, ex-president of the Anti-Drug Commission of the Congress, posed the necessity of investigating the financial and political connections of the clan through a special commission. He asked to determine "the control of a group of ranches located to the south of Maracaibo Lake, all provided with airports, by the association of Genaro Scaletta and of a prominent individual, Javier Uzcátegui Briceño, against whom numerous investigations have been sought to no avail." According to Deputy Hernández, Uzcátegui Briceño is related to important politicians,"

and "is married to a daughter of Fabio Ochoa."

Deputy Hernández also mentioned Esperanza Martino, president of the Bank Deposit Guaranty Fund (Fogade), "who stated before the Deputies' Accounting Commission that she had received a loan from Genaro Scaletta in the amount of \$6 million." Dr. Martino, who according to the press is very closely tied to Cecilia Matos and belongs to CAP's inner circle (she was married to Erasto Fernández, another CAP security adviser), has shown up on various occasions. She was the lawyer for mafiosos Recarey and Tony Canaves, the latter deported to Canada in 1989. As vice president of Banco Industrial, she was accused in 1990 of using hundreds of millions of bolívares so that the Cuban-Venezuelan financier Orlando Castro could take a good part of the stock of the Bank of Venezuela. From Fogade, she had pushed for the delivery of this bank into the hands of Orlando Castro and Alvarez Stelling.

Deputy Hernández formally sought a congressional investigation of the relation between the president of Fogade and the Cuntrera clan. According to *El Diario de Caracas* of Sept. 16, 1992, the other suggestion made by Deputy Hernández regarding the connections of the Cuntrera clan points precisely to inner circle financier Orlando Castro, whom Hernández in 1991 pointed to as having direct links to Pablo Escobar of the Medellín Cartel.

Nothing came of the congressional commission to investigate money laundering. According to an AP wire datelined Miami, Sept. 20, 1992, the commission was going to investigate "if the high-level political contacts of the Cuntreras were involved with the apparent immunity that was protecting them," and mentioned that "that immunity began to break when some officials of the Armed Forces attempted a coup in February."

Europeans concerned about CAP

In December 1992, a book was published in Germany by two independent German investigators, Jürgen Roth and Marc Frey, specialists in organized crime. The book was titled *Die Verbrecher Holding: Das Vereinte Europa in Griff der Mafia (The Criminal Holding Company: United Europe in the Grip of the Mafia)*. The book contains two chapters that deal with Venezuela, one on President Carlos Andrés Pérez, and the other on the networks of the Cuntrera clan. Among other things, the book says that CAP intervened in different ways to guarantee the extradition of Jorge Luis Ochoa to Colombia (instead of the United States) in the mid-1980s.

The authors of the book say that Venezuela is an important drug transit center; they indicate that the DEA believes that the drug traffickers are buying many Venezuelan companies; that Gilberto Rodríguez Orejuela, head of the Cali Cartel, frequently visits Venezuela, and that he even has a Venezuelan passport.

They also indicate that "the drug mafia has reached the highest circles of the Presidential Palace. . . . Involved in it are the President's closest collaborators."