

CIA Series 'Fell Short,' Editor Says

San Jose Paper Probed Rise of Crack Trade

By Howard Kurtz
Washington Post Staff Writer

The executive editor of the San Jose Mercury News has acknowledged that its controversial series suggesting a link between the CIA and cocaine trafficking was "oversimplified," omitted important conflicting evidence and "fell short of my standards."

In a column Sunday, Jerry Ceppos told readers that the "Dark Alliance" series "strongly implied CIA knowledge" that a drug ring linked to the Nicaraguan contras was selling crack in Los Angeles in the 1980s. "I feel that we did not have proof that

San Jose Mercury News

valleying itself a job? even there's all for human contact.

'Crack' plague's roots are in Nicaraguan war

Colombia-Bay Area drug pipeline helped finance CIA-backed Contras. Efforts to control guerrillas left legacy of drugs, gangs in black L.A.



The Mercury News Comes Clean

The San Jose Mercury News made a courageous gesture on Sunday when it admitted that articles charging the Central Intelligence Agency reported began on Mr. Ceppos and to the story whole.

The CIA and Crack: Evidence Is Lacking Of Alleged Plot

Nicaraguans Had Limited Role In Bringing Drug to U.S. Cities

By Roberto Suro and Walter Pincus
Washington Post Staff Writers

On March 2, 1991, Rocky Hunter-River, a parolee crack dealer, thought he was looking up with an old-time mugger when he went to pick up \$1 million worth of cocaine at a department store parking lot near San Diego.

Instead, River found himself surrounded by federal agents—the supplier had turned government informant. The story might have ended there, but the informant was Oscar Thoiné Rondon, a Nicaraguan who has claimed that he never saw cocaine profits to help contras rebels who later received CIA support in his homeland's civil war.

As recounted in three articles published in August by the San Jose Mercury News, the story of Rona, Rondon and another Nicaraguan drug dealer named Marvin Menares has become the focus for charges by politicians, commentators and others that the CIA helped launch and played a major role in promoting the crack plague that swept America's largely black inner cities in the 1980s.

The Story of the Crack Explosion

The articles alleged that Rondon and Menares gave money to the contras and sometimes met with rebel leaders meeting closely with the CIA early in the decade when they also hunted mass amounts of them running into Los Angeles's streets. Such was the general belief generated by reports in the San Jose paper's account that helped bring attention to the CIA and the CIA and Justice Department and was open to Congress and court. The authors credit, if they fall short of the CIA helped launch and played a major role in promoting the crack plague that swept America's largely black inner cities in the 1980s.



Ceppos.



Webb

Exposé on Crack Cocaine and C.I.A. Was Flawed,

◆ Contra-Cocaine: Big Media's Big Mistakes

By Robert Parry

On Nov. 27, 1991, a *Washington Post* editorial began: "What is one to make of the riveting assertion, made by a convicted Colombian drug kingpin at Manuel Noriega's Florida drug trial, that the Medellin cartel gave \$10 million to the Nicaraguan contras? Carlos Lehder is a key prosecution witness; the U.S. government cannot lightly assail his credibility."

Lehder's testimony also did not stand alone. It matched testimony from other cartel-connected figures, including money launderer Ramon Milian Rodriguez, that the cartel had funnelled millions of dollars to the CIA-backed contra rebels in the 1980s. Another Colombian trafficker, George Morales, supplied aircraft and money to contras based in Costa Rica, allegations that contra leaders have confirmed.

The Colombian cartel apparently was trying to ingratiate itself with President Reagan who had hailed the contras as "freedom fighters" and the "moral equal of our Founding Fathers." Top contra pilot Marco Aguado told Congress that the smugglers "took advantage of the anti-communist sentiment ... and they undoubtedly used it for drug trafficking."

These alleged cartel pay-offs, in turn, were part of a larger body of evidence that the contras and their supporters had protected drug flights, employed known drug traffickers for supply operations and smuggled cocaine directly into the United States to raise money. In Iran-contra testimony, U.S. officials had acknowledged that the contras were implicated in this drug trafficking, as were many who

worked with them: the Cuban-Americans, the Panamanian Defense Forces and the Honduran military.

By mid-1984, Oliver North's courier Robert Owen warned North at the National Security Council that the "Cubans [working with the contras are] involved in drugs."

Another North aide, Col. Robert Earl, acknowledged to Iran-contra investigators that the CIA was worried because around the pro-contra Cuban-Americans, "there was a lot of corruption and greed and drugs and it was a real mess."

CIA Central American task force chief Alan Fiers testified that "with respect to [Costa Rican-based drug trafficking by] the Resistance [the administration's name for the contras], it is not a couple of people. It is a lot of people."

In Honduras, the situation was no better. One pro-contra general, Jose Bueso-Rosa, had even planned to finance the assassination of the country's civilian president with a cocaine shipment. After Bueso-Rosa was caught, North intervened to gain the general more lenient treatment because of his past help for the contras -- and out of fear Bueso-Rosa might divulge some secrets.

[For more details on the contra-drug evidence, see the "Drug, Law Enforcement and Foreign Policy" report by the Senate Foreign Relations subcommittee on Terrorism, Narcotics and International Operations, Dec. 1988, or *Cocaine Politics* by Peter Dale Scott and Jonathan Marshall.]

Testimony and documents -- disclosed during the Iran-contra scandal -- also made clear that senior Reagan administration officials sought to avoid embarrassing public disclosures that could undercut the contra cause. Indeed,



one of the administration's greatest public-relations victories in the 1980s might have been steering the big media away from the contra-drug story.

So, that November 1991 editorial in *The Washington Post* was an unusual acknowledgement of the problem. The editorial even went on to quote favorably from Sen. John Kerry's drug investigation which concluded, in 1989, that:

"Individuals who provided support for the contras were involved in drug trafficking, the supply network of the contras was used by drug trafficking organizations, and elements of the contras themselves knowingly received financial and material assistance from drug traffickers. In each case, one or another agency of the U.S. government had information regarding the involvement either while it was occurring, or immediately thereafter."

The *Post* editorial then offered a gentle criticism of the performance of the mainstream media, presumably including the *Post*. "The Kerry hearings didn't get the attention they deserved at the time," the editorial acknowledged. "The Noriega trial brings this sordid aspect of the Nicaraguan engagement to fresh public attention."

But the *Post* and the rest of the mainstream press went no further. There were no critical internal reviews of why the big newspapers had pooh-poohed one of the biggest stories of the decade. There was no hand-wringing about how the media had failed to protect the public from government-connected cocaine smugglers. There was no renewed investigation of the evidence which might have implicated figures at the highest levels of Washington power, including possibly close aides to the sitting president, George Bush.

Still, that failure of the big newspapers, briefly recognized by the *Post* a half decade ago, is relevant again today as some of those same papers revel in a self-criticism published by the *San Jose Mercury News* for its 1996 series linking contra cocaine trafficking to the origins of the nation's crack epidemic. *Mercury News* executive editor Jerry Ceppos admitted that the series "fell short of my standards" in the reporting and editing of a complex story that contained many "gray areas."

Among the weaknesses of the series, Ceppos said were instances where the paper included "only one interpretation of complicated, sometimes conflicting pieces of evidence," such as assertions by Nicaraguan drug dealer Oscar Danilo Blandon about when he stopped sharing profits with the contras and the total amount of his assistance. "We made our best estimate of how much money was involved, but we failed to label it as an estimate, and instead it appeared as fact," Ceppos said.

In essentially distancing himself from investigative reporter Gary Webb, Ceppos stated that the series "strongly implied CIA knowledge" that a contra-connected cocaine

ring was instrumental in launching the "crack" epidemic in Los Angeles in the early 1980s. "I feel that we did not have proof that top CIA officials knew of the relationship," Ceppos said.

(There is no doubt, however, that senior CIA officials knew of the broader contra-drug problem. As early as 1985, a CIA National Intelligence Estimate cited a contra faction in Costa Rica using cocaine profits to buy a helicopter. [AP, Dec. 20, 1985])

While noting these shortcomings in Webb's stories, Ceppos still maintained that "our series solidly documented disturbing information: A drug ring associated with the contras sold large quantities of cocaine in inner-city Los Angeles in the 1980s at the time of the crack explosion there. Some of the drug profits from those sales went to the contras." [*Mercury News*, May 11, 1997]

Though nuanced, Ceppos's correction created an opening for *The Washington Post* and *The New York Times* to resume a decade-long assault on the contra-drug story, the 1991 *Post* editorial notwithstanding. Both papers splashed stories about Ceppos's column on page one, highly unusual treatment for a media self-criticism. [WP, NYT, May 13, 1997] The *Post* story was written by media critic Howard Kurtz, who had used his column last fall to ridicule Gary Webb. At one point in mocking Webb, Kurtz chortled: "Oliver Stone, check your voice mail." [WP, Oct. 28, 1996].

Switching into his objective reporter hat for the front-page news story, Kurtz continued piling on. Kurtz quoted Rem Reider, editor of the conservative-leaning *American Journalism Review*, who called Ceppos's column a "significant, major correction" and referred to the original series as "another dark day for journalism."

The *Post* and *Times* -- and *The Los Angeles Times* -- all hailed Ceppos for so publicly undercutting his reporter. "I give him high marks for openness and candor, which is something newspapers don't have a very good record of doing," *Los Angeles Times* bureau chief Doyle McManus said in Washington. "We tend to bury our corrections in small type on page 2." [WP, May 13, 1997]

In an editorial entitled "The Mercury News Comes Clean," *The New York Times* said Ceppos's "candor and self-criticism set a high standard for cases in which journalists make egregious errors. ... Mr. Ceppos suggested that editors got too close to the story while it was being written and lost the ability to detect flaws that might have been obvious had they maintained a more skeptical distance." [NYT, May 14, 1997]

In truth, however, these major newspapers have taken almost no steps themselves to ameliorate their decade-long underplaying of the contra-cocaine story, nor to correct outright inaccuracies in their frequent debunkings of other people's work.

Though that 1991 *Post* editorial found fault with the media's inattention to "this sordid aspect" of the contra op-

eration, the newspaper never explained why its reporter, Michael Isikoff, wrote a 700-word kiss-off of Kerry's contra-drug report when it was issued in 1989. The story, buried on page A20, presented little of the evidence that Kerry had marshalled, focusing instead of alleged weaknesses in the investigation. [WP, April 14, 1989]

But the *Post* was not alone in mishandling the contra cocaine story. On Feb. 24, 1987, *The New York Times* published a story by Keith Schneider, quoting "law enforcement officials" as stating that the contra-drug allegations "have come from a small group of convicted drug traffickers in South Florida who never mentioned contras or the White House until the Iran-contra affair broke in November" 1986.

The *Times* article failed to note that the contra-drug allegations were first disclosed in an *Associated Press* dispatch (that I co-wrote with Brian Barger) on Dec. 20, 1985, nearly a year before the Iran-contra story broke. By April 1986, federal investigators in Miami were examining allegations of contra gun-running and drug-trafficking, as were Kerry's investigators. The *Times* even ran a pick-up of an AP story about that investigation on April 11, 1986.

Despite the *Times*' clear errors, there was no public coming-clean on how Schneider and his editors could have bungled such an obvious fact as when the contra-drug charges had surfaced. The story also fit into a pattern of Schneider's faulty work on the topic. He seemed to see his job less as reporting the numerous cocaine-trafficking allegations than as protecting the contras' image and defending the U.S. government officials who nurtured them.

"This story can shatter a republic," Schneider explained to *In These Times*. "I think it is so damaging, the implications are so extraordinary, that for us to run the story, it had better be based on the most solid evidence we can amass." [ITT, Aug. 5, 1987]

How Schneider approached that task was revealed in a Senate deposition taken from FBI informant Wanda Palacio. She had been regarded as a credible source until she began alleging that she had witnessed planes owned by Southern Air Transport, a CIA-connected airline, flying cocaine from Colombia to Miami.

Palacio identified Wallace Sawyer, one of Oliver North's contra flyboys, as a pilot who flew a cocaine-laden SAT plane out of Barranquilla, Colombia, in early October 1985. Amazingly, Palacio's spotting of Sawyer in Barranquilla was corroborated after Sawyer died in a plane crash in Nicaragua on Oct. 5, 1986, and his recovered flight logs showed him piloting SAT planes to and from Barranquilla on three dates in early October 1985.

But when Schneider and a Cuban-American associate interviewed Palacio in Miami for *The New York Times*,

she complained about their bullying tactics which seemed designed to break her down, rather than draw out her story. The Cuban man "was talking to me kind of nasty," Palacio told Senate investigators. "I got up and left, and this man got all pissed off, Keith Schneider." [For more details, see *Lost History: Contras, Cocaine & Other Crimes*, p. 104-5]

Having run off -- or run down -- witnesses to contra-drug trafficking, Schneider was able to conclude that except for a few convicted drug smugglers from Miami, the contra-drug "charges have not been verified by any other people and have been vigorously denied by several government agencies." [NYT, July 16, 1987]

In another blast at the contra-drug charges four days later, Schneider wrote "investigators, including reporters from major news outlets, have tried without success to find proof of ... allegations that military supplies may have been paid for with profits from drug smuggling." [NYT, July 20, 1987] This story, too, conflicted with the public record. As noted earlier, the original AP contra-drug story cited a CIA report establishing that drug profits were used to buy contra military equipment.

Ironically, it was not until Webb's series in 1996 that the major newspapers acknowledged, in a back-handed way, that their dismissal of the contra-drug allegations in the 1980s had been wrong.

'This story can shatter a republic,' a New York Times correspondent fretted.

"Even CIA personnel testified to Congress they knew that those covert operations involved drug traffickers," wrote the *Post's* Walter Pincus as part of a package of several stories seeking to

debunk Webb. [WP, Oct. 4, 1996] *The Los Angeles Times*, which published its own anti-Webb series, also noted that "the allegation that some elements of the CIA-sponsored contra army cooperated with drug traffickers has been well-documented for years." [LAT, Oct. 22, 1996]

But by effectively blacking out the issue of contra-drug trafficking in the 1980s -- as the cocaine was flowing into the United States -- the big newspapers made the administration's task of covering up those crimes much easier. Kerry's chief investigator Jack Blum complained about running into "an absolute stonewall" when seeking relevant information from the administration. [Testimony before the Senate Intelligence Committee on Oct. 23, 1996] The Washington news media had helped the Reagan administration build that "stonewall" and maintain it.

There is also the question of the big media's hypocrisy. While *L.A. Times* bureau chief McManus praised the Mercury-News internal critique of Webb's series, his paper showed no similar self-criticism over a 1984 front-page story that he wrote about U.S. charges that the Nicaragua's Sandinista government was involved in drug trafficking. That story turned out to be essentially a propaganda hoax,

but was never retracted and continues to be cited by conservative publications to this day.

In a joint DEA-CIA "sting" operation in 1984, drug pilot Barry Seal flew a load of cocaine into Nicaragua. Sandinista military forces shot down the plane, but Seal then flew in a second plane to pick up the drug load. Seal snapped grainy photographs that purportedly showed Nicaraguan soldiers and Colombian drug smugglers transferring sacks of cocaine to the second plane.

Though the DEA's investigation was still at an early stage, the Reagan administration leaked the Sandinista allegations to the conservative *Washington Times*, right before a congressional vote on CIA military aid to the contras. When formal charges were filed in July 1984, only one Sandinista official was named, Federico Vaughan, a shadowy figure about whom little was known. But *The New York Times* carried a statement from unidentified "senior administration officials" claiming that U.S. surveillance had implicated top Sandinista officials, including Interior Minister Tomas Borge and Defense Minister Humberto Ortega. [NYT, July 19, 1984] Picking up the theme in one televised speech, President Reagan accused Nicaragua's rulers of "exporting drugs to poison our youth."

But the Sandinista drug story had plenty of what Ceppos might have called "gray areas." When I questioned Drug Enforcement Administration officials at the time, they acknowledged that they had no evidence against any Nicaraguan official other than Vaughan and knew of not a single cocaine shipment that had come out of Nicaragua since the Sandinistas seized power in 1979 -- except for the Seal load. And that cocaine had been flown into and out of Nicaragua by the U.S. government.

The main reasons for this lack of cocaine smuggling through Nicaragua should have been obvious: there were embargoes on U.S.-Nicaraguan trade and the CIA maintained tight surveillance of air and sea traffic out of the country. Those two realities made Nicaragua an unappealing transit site to Colombian drug traffickers, who preferred countries that traded heavily with the United States. But the mainstream press showed almost no skepticism about the illogical charges brought by the Reagan administration -- or the scant evidence.

In 1988, the State Department acknowledged that it had "no evidence" of Sandinista drug connections, since the Seal case. [International Narcotics Control Strategy Report, March 1988, p. 144] Then, on July 28, 1988, a House Judiciary subcommittee held hearings at which DEA officials complained that their investigation had been compromised to sway the outcome of the contra-aid vote.

Even more troubling, Rep. William Hughes, D-N.J., the subcommittee chairman, stated that when his investigators called Vaughan's number in Nicaragua, the phone was answered at a house which had been rented by a U.S. em-

bassy official. The phone number had been controlled by the U.S. embassy or some other Western embassy since 1981, the subcommittee discovered. It was never clear for whom Vaughan was really working -- whether for the Sandinistas or U.S. intelligence.

Though the Judiciary subcommittee hearing might have seemed newsworthy -- raising serious questions about a major Reagan administration propaganda claim -- the testimony received little notice. *The Los Angeles Times* ran only a brief wire-service pick-up. [LAT, July 29, 1988] The day after the Hughes' hearings, *The New York Times* and *The Washington Post* ran nothing at all.

Not surprisingly, the Washington media's sloppy reporting on the contra-drug issue was evident, too, in the staunchly pro-contra *Washington Times*. Last summer, editor-at-large Arnaud deBorchgrave slammed Webb for allegedly not realizing that the contras were awash in CIA money in the early 1980s -- and thus had no motive for dealing drugs.

"Maybe Mr. Webb is too young to remember that the CIA had no need for illicit contra funds in those days," deBorchgrave wrote. "It was all legal. Congress had voted \$100 million in military assistance to the contras." [WT, Sept. 24, 1996]

But it was deBorchgrave who was wrong. Congress did not approve \$100 million for the contras until the fall of 1986. Webb was writing about cocaine shipments in the first half of the decade, when the contras were always scrambling for money. Indeed, the contras' financial crisis was the motive for North's decision in early 1986 to divert money from arms sale to Iran to the contras, the reckless act that gave the name to the scandal, Iran-contra.

Despite this history of clearly erroneous reporting by the Washington news media, there has been no known case of any major news organizations engaging in an internal review of these inaccurate stories or publicly apologizing. None of the reporters who gummed up important facts in defense of the contras is known to have faced discipline or public repudiation. For those reporters who have gone with the establishment flow, there has been only easy work, no headaches and never a demand to say "I'm sorry."

All the mainstream press criticism, it seems, has gone the other way. It's been concentrated on the few reporters who dared to go against the grain and sought to expose a serious crime of state. These reporters had the audacity to examine the substantial evidence that the U.S. government in the 1980s failed to protect the American people from criminal acts by the contras and their drug-connected friends, crimes that the big newspapers have done their best to protect, too.

Gary Webb was just the latest journalist to take on that challenge -- and the latest casualty. ~