

The CIA and Crack: Evidence Is Lacking Of Alleged Plot

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

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On March 2, 1995, Ricky Donnell Ross, a paroled crack dealer, thought he was hooking up with an old-time supplier when he went to pick up \$1 million worth of cocaine at a department store parking lot near San Diego.

Instead, Ross found himself surrounded by federal agents—the supplier had turned government informant. The story might have ended there, but the informant was Oscar Danilo Bandon, a Nicaraguan who has claimed that he once sent cocaine profits to help contra 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 Ross, Bandon and another Nicaraguan drug dealer named Norwin Meneses has become the basis 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 articles alleged that Bandon and Meneses gave money to the contras and sometimes met with rebel leaders working closely with the CIA early in the decade when they also funneled massive amounts of cheap cocaine via Ross into Los Angeles's African American neighborhoods, leading to a nationwide epidemic of addiction and violence.

The articles did not say directly that the spy agency knew about the two Nicaraguans' drug dealing, although the stories hinted strongly at CIA involvement. The resulting outcry led both the CIA and the Justice Department to open probes, even as officials denied the charges.

A Washington Post investigation into Ross, Bandon, Meneses and the U.S. cocaine market in the 1980s found that the available information does not support the conclusion that the CIA-backed contras—or Nicaraguans in general—

See CRACK, A19, Col. 1

The CIA and Crack: Nicaraguans Had Limited Role in Drug Trade

CRACK, From A1

played a major role in the emergence of crack as a narcotic in widespread use across the United States.

Instead, the available data from arrest records, hospitals, drug treatment centers and drug user surveys point to the rise of crack as a broad-based phenomenon driven in numerous places by players of different nationalities, races and ethnic groups.

Although Nicaraguans took part in the drug trade of that era, most of the cocaine trade then can be attributed to Colombian and Mexican smugglers, and distributors within the United States including Jamaicans, Dominicans, Haitians and Americans of varying backgrounds, according to widely accepted evidence from government reports and academic studies.

The Mercury News stories echoed decade-old allegations that some contras had engaged in drug trafficking, but the articles triggered protests with the new charges on the origins of crack. The Congressional Black Caucus, the NAACP and Jesse L. Jackson were among those demanding an investigation. On radio talk shows and in other forums, some prominent African Americans have argued that the CIA, in an act of pernicious racism, wanted blacks to become addicted to crack.

The articles provided what appears to be the first account of Nicaraguans with links to the contras selling drugs themselves in American cities—as opposed to smugglers operating in Central America. That went beyond findings in the 1980s, by congressional investigators and journalists, that a few of the contras, and some of the rebels' suppliers and supporters, were involved in drug smuggling in the region at a time when the CIA was deeply involved in contra operations there. The CIA knew about some of these activities and did little or nothing to stop them, according to accounts from then-senior CIA officers and other government officials.

However, even considering the total drug trafficking attributed to Blandon, Meneses, other contra sympathizers and contras themselves, the Nicaraguans accounted for only a small portion of the nation's cocaine trade.

The Mercury News characterized Blandon as "the Johnny Appleseed of crack in California" and suggested that the drug later spread throughout the country as a result of his efforts. But Blandon's own accounts and law enforcement estimates say Blandon handled a total of only about five tons of cocaine during a decade-long career. That is enough to have damaged many lives, but it is a fraction of the nationwide cocaine trade during the 1980s, when more than 250 tons of the drug were distributed every year, according to official and academic estimates.

Meneses, who was Blandon's original supplier, may have handled more cocaine than Blandon at times. But experts said no single drug network, much less a pair of dealers, can be held accountable for the rise of crack.

"So many different individuals and operations were involved in the initial spread of crack that you could eliminate any one person or group from the picture and be certain that the outcome would have been the same," said Jonathan Caulkins, a professor of public policy at Carnegie Mellon University, who has conducted extensive research on the dynamics of cocaine trafficking.

In addition, significant contradictions in testimony between Blandon and Ross cast doubt on the articles' racially charged allegation that "the CIA's army" of contras deliberately targeted the black community in an effort to expand the market for a cheap form of cocaine.

The hypothesis that the CIA was behind Blandon was undercut by a court filing by federal prosecutors last month saying Blandon "was never involved in any drug dealing with or for the CIA." Since he became a Drug Enforcement Administration informant, Blandon on several occasions has denied having worked for the CIA, according to federal law enforcement officials.

Gary Webb, the Mercury News reporter who wrote the articles, and Ross's lawyer, Alan Fenster, said that Webb gave Fenster the idea, several weeks before Ross's trial, that the CIA was involved with Blandon's drug sales. Webb met with an investigator on Ross's defense team and supplied him with information about Blandon, drugs and the CIA, according to an affidavit filed in the case. Webb also suggested questions to Fenster in the courtroom, according to Webb and Fenster.

During Fenster's cross-examination of Blandon, Assistant U.S. Attorney L.J. O'Neale objected that the only foundation for Fenster's questions was suggestions that Webb made to him during breaks in the testimony, according to a transcript of the trial. This took place five months before the articles were published.

Webb subsequently used some testimony by Blandon, elicited by Fenster, in one of his articles to support the thesis of CIA involvement. Fenster subsequently cited the Mercury News articles as the basis for a motion to overturn the conviction of his client on grounds of government misconduct.

Prosecutor O'Neale complained in a recent court filing that the articles depend on the Ross case "as the primary source of information" and Ross "then waves the articles aloft as 'proof' that he was right."

Asked in a telephone interview yesterday why he went to Fenster before the trial and suggested questions to ask Blandon about the CIA, Webb said that otherwise "I would not have had his testimony at the trial" to use in the stories.

Mercury News Executive Editor Jerry Ceppos said yesterday he did not know that Webb had met with Fenster's investigator or provided questions to be asked of Blandon during the trial. But Ceppos said another editor, who supervised Webb and is now on vacation, "may have." Ceppos added, "I'm not sure any of [Webb's] actions were central to the information that came out in the series."

Since the eruption of public protests over the allegation that the CIA played a role in promoting crack, Ceppos and Webb have said that the articles did not draw the conclusion that the CIA was directly involved.

The first article in the newspaper said that cocaine "was virtually unobtainable in black neighborhoods before members of the CIA's army started bringing it into South Central in the 1980's at bargain basement prices." An illustration for the series that appears on the newspaper's Internet Web site has the CIA's insignia superimposed over a man smoking crack and below the title, "Dark Alliance—The Story Behind the Crack Explosion."

An Issue Revisited

Regardless of how they were crafted, the Mercury News articles would not have generated so much interest if the allegations had not fallen on fertile ground. The contras have been associated with intrigue since the Iran-contra affair rocked the Reagan administration in late 1986 with the news that weapons were sold to Iran to help free hostages from Beirut, and the proceeds ended up helping finance the contras. And since the earliest days of the Cold War, the CIA has faced accusations that it tolerated drug trafficking by groups it supported, because it considered communism a greater evil.

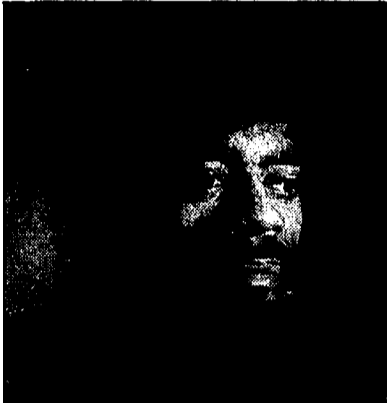
All of these strands came together once before. Following a two-year investigation, a Senate Foreign Relations subcommittee concluded in a 1989 report that the turmoil created by the Nicaraguan civil war was "exploited easily by a variety of mercenaries, pilots and cartel members involved in drug smuggling." In some cases the committee found that drug smugglers were hired to move contra supplies and that "individual contras accepted weapons, money and equipment from drug smugglers."

Although it did not reach definitive conclusions about

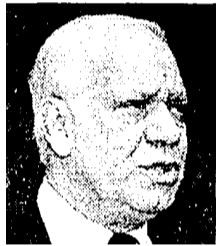
DEALERS AND LEADERS



BY GARY WEBB—SAN JOSE MERCURY NEWS
Norwin Meneses, now imprisoned in Nicaragua on drug charges, was a source of cocaine for another anti-Sandinista, Oscar Danilo Blandon.



BY PATRICK TEHAH
Los Angeles dealer Ricky Donnell Ross, who had bought drugs from Blandon, was caught in sting operation when Blandon turned informant.



Contra political leader Adolfo Calero was photographed with Meneses at a 1984 fund-raiser, but says he did not know of his background.



FILE PHOTO
The late Enrique Bermudez, a contra military leader, met with Meneses and Blandon at a contra camp in Honduras in 1982 or 1983, Blandon has said.

CIA involvement, the committee report stated, "There are serious questions as to whether or not U.S. officials involved in Central America failed to address the drug issue for fear of jeopardizing the war effort against Nicaragua."

Asked how the latest allegations squared with these findings, the subcommittee chairman, Sen. John F. Kerry (D-Mass.), said, "There is no question in my mind that people affiliated with, on the payroll of and carrying the credentials of the CIA were involved in drug trafficking while involved in support of the contras, but it is also important to note that we never found any evidence to suggest that these traffickers ever targeted any one geographic area or population group."

Among individuals cited in the latest case, the one with the best-documented links to both the contras and drug trafficking is Meneses. He allegedly had a long history of criminal activity in Nicaragua before the leftist Sandinista takeover in 1979, and Blandon says Meneses recruited him to be a drug dealer in 1982.

Meneses is now in prison in Nicaragua on charges of trying to smuggle 1,650 pounds of cocaine into the United States in 1991. Earlier, sometime around 1988, he began a sporadic, three-year relationship providing information to the DEA, according to knowledgeable sources. U.S. law enforcement officials said that while they had long suspected Meneses of being a drug dealer, they never succeeded in catching him in a sting operation, involving undercover officers posing as drug dealers, of the kind that brought down Blandon and Ross.

According to the Mercury News, Meneses went into exile in San Francisco while the Sandinistas were in power from 1979 to 1990, conducted a massive drug trade in California, and "funneled millions in drug profits" to the contras so they could buy weapons and equipment for their fight against the Sandinistas.

Nicaraguan court records reviewed by The Post show that a former associate who turned informant against Meneses testified that Meneses had boasted about sending drug money to the contras, and about using Salvadoran air force facilities to transship the drugs.

Adolfo Calero—the contras' chief political leader, who worked closely with the CIA in combating the Sandinista government—confirmed in an interview that Meneses did attend a 1984 fund-raising dinner in San Francisco and was photographed with him in a group shot on that occasion, as described by the Mercury News. And Calero said Meneses visited contra camps in the early 1980s and met with Enrique Bermudez, military leader of the Nicaraguan Democratic Force—the contras' largest organization, known by its Spanish initials FDN—which the CIA actively supported.

Calero denied having other dealings with Meneses or knowing of his criminal activities.

"We would arrive and be received by members of the community, and most of the time we did not even know the names," Calero said. "We had no crystal ball to know who they were or what they were doing."

He also said that neither Meneses nor Blandon were "leaders of the FDN, any time or any place."

The way Blandon has told the story of his life, the contras were the reason he got into drug trafficking.

As the Sandinistas completed their takeover of Nicaragua in the summer of 1979, Blandon was working on a U.S.-supported project by the Nicaraguan government to develop wholesale agricultural markets. He fled to the United States, as did many Nicaraguans with ties to the collapsing government of strongman Anastasio Somoza, according to his accounts in federal court testimony when he was appearing as an informant.



Rep. Maxine Waters (D-Calif.) addresses student rally last month concerning allegations of CIA involvement in drugs.

Shortly after he established himself in Los Angeles, Blandon said, he joined other exiles in raising money for the band of former Somoza soldiers and other Sandinista opponents who had joined to oppose the new leftist regime.

In 1982 Meneses, a distant relative then living in San Francisco, persuaded Blandon to sell a few pounds of cocaine to raise money for the contras and gave him a basic education in drug dealing, Blandon said. At one point in 1982 or 1983, Blandon said, he was with Meneses when Meneses went to the contra base in Honduras and met with Bermudez.

Bermudez offered Blandon and Meneses instructions that Blandon summarized as "the ends justify the means." Blandon said he took that as a kind of order that he should raise money for the contras, although drug trafficking was never mentioned.

According to law enforcement officials, Blandon sold \$30,000 to \$60,000 worth of cocaine in two transactions and delivered the money to Meneses for shipment to the contras. A year or so after the visit to Honduras, Blandon said, he broke off that relationship with Meneses so he could go into the drug dealing business for himself. He said he did so because the CIA had begun financing the contras and they didn't need his money anymore.

Once "Reagan got in power," Blandon testified in a San Francisco case in 1994, when he was a DEA informant, "the contras got a lot of money from the United States . . . and the people that were in charge, it was the CIA, they didn't want to raise any money because they . . . had the money they wanted."

No evidence of specific transactions or of explicit financial links has emerged to back up Blandon's and Meneses's claims of sending money to the rebels.

But if the two did send funds, that would raise new allegations on the extent and the nature of drug operations associated with the rebels. It would implicate the contras and their direct supporters in the drug trade in U.S. territory, rather than merely as smugglers using remote airstrips in Central America.

Before the start of Ross's trial, prosecutors learned that his lawyer Fenster was going to claim Blandon sold cocaine to raise money for the contras and "did so in conjunction with, or for, the Central Intelligence Agency," according to a motion filed in federal court. Government lawyers said they believed such an allegation was "not true" and was being made to "dissuade" the prosecution.

Citing the Classified Information Procedures Act, the prosecutors asked the court to require Fenster to notify the court in advance if he was going to bring up such an accusation because it would necessarily involve classified information, even to be disproved. The court agreed, and Fenster did not mention the CIA in the trial but referred to the contras and the U.S. government in questioning Blandon.

Prosecutor O'Neale said he did not contact the CIA about the matter and that no agency personnel talked to him about his motion.

Contradictory Accounts

The fury provoked by the newspaper series has been fueled in large part by the allegation that Blandon, a member of the "CIA's army," helped Ross to expand drug sales among African Americans in South-Central Los Angeles and thus triggered a new drug epidemic among blacks. Last weekend a crowd of 2,000 people, mostly African Americans, marched in Los Angeles demanding that U.S. officials be held accountable for the damage done by crack.

Rep. Maxine Waters (D-Calif.), a leading member of the Congressional Black Caucus, made the case in a letter to Attorney General Janet Reno last month that reviewed the allegations posed by the Mercury News articles and concluded: "Thus, portions of this country may have been exposed, indeed introduced, to the horror of crack cocaine because certain U.S.-government paid or organized operatives smuggled, transported and sold it to American citizens. . . . As someone who has seen how the crack cocaine trade has devastated the South Central Los Angeles community, I cannot exaggerate my feelings of dismay that my own government may have played a part in the origins and history of this problem."

This argument rests on the newspaper's contention that Meneses and Blandon "turned Rick Ross into L.A.'s first king of crack, the men who, for at least five years, supplied him with enough Colombian cocaine to help spawn crack markets in major cities nationwide." The story said Blandon achieved this by charging Ross a low price for the cocaine.

A review of sworn testimony by Blandon and Ross, and interviews with law enforcement officers familiar with Ross's career, cast doubt on the allegation that Blandon was the major cause of Ross's success.

Testifying as a prosecution witness in Ross's federal court trial last March, Blandon said that he first met Ross and began selling cocaine to him in 1983 or 1984, by which time he had broken off with Meneses and had stopped sending money to the contras. While he was uncertain about the precise date, Blandon was consistent in claiming that Ross was already "a big coke dealer" by the time they connected and that Ross immediately began buying several kilos of cocaine a day from him.

The relationship continued until 1986, when Blandon said he decided to leave Los Angeles and give up drug trafficking after police searched his home. Blandon said that Ross had other sources of supply from the start and was acquiring large quantities of cocaine from these dealers all along.

In 1992 Blandon was nabbed selling cocaine in an undercover sting by the DEA. Because he became an informant, a possible life sentence and \$4 million fine were reduced to 28½ months in prison and no fine, and he retained the right to remain in the United States. In exchange, Blandon offered information that led to the indictment of a corrupt U.S. government official, helped solve a murder investigation and contributed to the prosecution of various drug dealers, according to court re-

cords. The deal did not include Blandon's help in Ross's case.

The Mercury News uses testimony from Blandon in establishing that Nicaraguans selling drugs in California sent profits to the contras. But if the whole of Blandon's testimony is to be believed, then the connection is not made between contras and African American drug dealers because Blandon said he had stopped sending money to the contras by the time he met Ross.

And if Blandon is to be believed, there is no connection between contras and the cause of the crack epidemic because Blandon said Ross was already a well-established dealer with several ready sources of supply by the time he started buying cocaine from Blandon.

Ross, who was convicted at his trial and faces a mandatory life sentence because it was his third drug felony, gave a very different account of his relationship with Blandon. Ross testified that he was just a poor street dealer in South-Central Los Angeles when he met Blandon in 1982. Ross said he idolized the Nicaraguan, who taught him how to weigh drugs, sold him his first guns and transformed him into a high-stakes trafficker.

"Well, he was always the top—you know, he was the top man," Ross said of Blandon. That account fit with Ross's contention that Blandon "made" him.

Ross's account is at odds with Blandon's testimony that in 1982 Blandon was a political refugee selling used cars who had just been recruited by Meneses to help finance the contras by selling cocaine. At the time that Ross says Blandon was the "top man" handling 100 kilos at a time, Blandon said he was struggling to sell his first two kilos over the course of three or four months a few grams at a time.

The fact that Ross and Blandon are responsible for the sale of large quantities of cocaine to African Americans is not at issue. In his court testimony, however, Blandon mentions that several of his customers were Mexicans and other Latinos, while Ross appears to be the only African American identified as a client. Similar information appears in an affidavit by one of Blandon's fellow Nicaraguan dealers. So if Blandon had an overall marketing strategy, it was not entirely based on race.

According to the Mercury News, Ross was able to jump-start the crack epidemic in Los Angeles because Blandon sold him vast amounts of cocaine at bargain prices and taught him how to market crack by constantly undercutting his competition. However, Blandon testified that he gave Ross good prices because Ross bought in large quantities and because Ross always bargained down prices.

In addition, under cross-examination, Ross contradicted his own assertion that Blandon made him a successful crack dealer. Ross admitted that he first started selling crack in 1979—years before he met Blandon—and rapidly expanded his business by emphasizing volume sales and offering prices that undercut his competitors. Confirming the contents of a 1994 interview with the Los Angeles Times, Ross said he felt that God "put me down to be the cocaine man"; that lengthy autobiographical account by Ross makes no mention of Blandon or any other Nicaraguans.

Moreover, the idea that Blandon and Ross alone could have launched the crack epidemic is contradicted by well-documented evidence about the nature of the cocaine trade and the emergence of crack. In Los Angeles, the initial usage of crack appears to have been concentrated in black communities but was distributed through widespread networks, according to Malcolm Klein, director of the Social Science Research Institute at the University of Southern California.

Klein and his colleagues have made detailed searches of arrest records in an effort to trace the origins of crack in the city. The rapid expansion of crack use from 1982 to 1985 in the black communities "does not fit any clearly recognizable patterns such as gang territory," Klein said.

Ross, who was associated with the Crips gang throughout his career, would not have been able to work in all these areas, Klein said. Instead, he said, "there were several well-known and highly visible middle men, like Ross, and probably several more that are unknown. Crack became so widespread so quickly within South Central alone that there must have been multiple routes into that community."

The Mercury News articles alleged that Ross was responsible for bringing cheap crack not only to Los Angeles but to major cities nationwide. Ross pleaded guilty to federal charges that he set up a group of Crips to sell crack in Cincinnati in 1987 and that he sold cocaine to relatives in Texas, but otherwise there is no evidence that Ross conducted large transactions outside Los Angeles. Moreover, the mere idea that any one person could have played a decisive role in the nationwide crack epidemic is rejected out of hand by academic experts and law enforcement officials.

"If Freeway Ricky Ross had become a born-again Christian and gone to build Habitat for Humanity houses, crack would still have happened," Carnegie Mellon's Caulkins said. "We are talking about mid-level operators who were not causes of these events but rather participants in something that would have occurred without them."

Correspondent Douglas Farah in Managua and researcher Nathan Abse contributed to this report.

FOR MORE INFORMATION

To read the Mercury News series referred to in this article and related documents, click on the above symbol on the front page of The Post's site on the World Wide Web at <http://www.washingtonpost.com>