

Mr. MORALES. Tom Hughes. He is incarcerated now in Maxwell Camp. He is incarcerated for the same charges that I'm serving time at the present time.

Diego Real.

Senator KERRY. Can you spell that?

Mr. MORALES. Diego--D-i-e-g-o. R-e-a-l.

Senator KERRY. Where is he incarcerated?

Mr. MORALES. I do not have no idea.

Senator KERRY. All right.

He was in the same enterprise as you were?

Mr. MORALES. Yes.

And Lucas Harmony.

Senator KERRY. Would you spell that again, please?

Mr. MORALES. L-u-c-a-s. Last name is Harmony--H-a-r-m-o-n-y.

Mr. YAVITZ. We should point out that's an alias.

Mr. MORALES. Sorry about that. [Laughter.]

Senator KERRY. Let me come back to that.

Are the other names aliases?

Mr. MORALES. Gary Betzner.

I'm sorry. That was my fault.

Gary Betzner--B-e-t-z-n-e-r.

Senator KERRY. Thank you.

Is that the only one that's an alias?

Mr. MORALES. No. There's quite a few more. [Laughter.]

Senator KERRY. Now, wait, wait.

Mr. MORALES. Oh, no, no. I'm sorry, Senator. Do you mean the---

Senator KERRY. I know there are quite a few more who have aliases.

Mr. MORALES. No. I thought---

Senator KERRY. Of the other names you gave me, were those aliases or were those the real names?

Mr. MORALES. No, no, no. The real names.

Senator KERRY. Their real names?

Mr. MORALES. Yes.

Senator KERRY. Let me do this, because my colleague is also under some pressure.

I want to ask you a few questions about one area, and then we'll come back. But I do want the record to go through this detail. I know it's tedious, but it's very important.

In 1984, you said your shipments began to change.

Is that correct?

Mr. MORALES. Yes, they did.

Senator KERRY. Is that the point in time in which you were approached by people you knew to be part of the Contra organization?

Mr. MORALES. Yes.

Senator KERRY. Can you describe specifically when that took place and what took place?

Mr. MORALES. That was right after my indictment.

Senator KERRY. When was your indictment?

Mr. MORALES. March 3, March 3 or March 6, 1984. Right after that, few weeks, maybe a month, I was introduced by the Contra leaders in south Florida.

Senator KERRY. Who were you introduced to?

Mr. MORALES. I was introduced by Popo Chamorro, Octaviano Cesar, and---

Senator KERRY. Popo Chomoro.

Mr. MORALES. Yes.

Senator KERRY. Octaviano Cesar.

Mr. MORALES. Yes, and Marcos Aguado.

Senator KERRY. And Marco Aguado.

Mr. MORALES. Which they represent themselves as being leaders of the Contras and also represent themselves as CIA agents.

Senator KERRY. Now when you say they "represented themselves," did you know of them at that time?

Mr. MORALES. I heard about they being CIA agents. Yes, I did.

Senator KERRY. When you say "their being," who was a CIA agent?

Mr. MORALES. Marcos Aguado and Cesar Octaviano.

Senator KERRY. How do you know that?

Mr. MORALES. It's being very well known through many people for a long time around Central America and south Florida.

Senator KERRY. You knew that at the time?

Mr. MORALES. Yes, I did.

Senator KERRY. Did they have to tell you that for you to know that?

Mr. MORALES. Not whatsoever.

Senator KERRY. And what happened at that point in time?

Mr. MORALES. I was asked for help, financial help, any type of help that they were looking to have, because they had to be in this problem, they didn't have enough money, whatever. And also for exchange of taking care of my legal problems at the moment.

Senator KERRY. I just want to understand this very clearly.

You're saying that they asked you for help?

Mr. MORALES. Yes, they did.

Senator KERRY. Were they specific about the kind of help they asked you for?

Mr. MORALES. Yes, they did.

Senator KERRY. All right.

Who specifically asked you for what help?

Mr. MORALES. Octaviano Cesar was the one doing most of the talking in my office.

Senator KERRY. What did he say to you?

Mr. MORALES. He said that I was looking for airplanes, money, training, weapons, explosives, any type, any kind of help.

Senator KERRY. Did you agree to help?

Mr. MORALES. Yes, I did.

Senator KERRY. What did you agree to do?

Mr. MORALES. I agreed to give him some planes, money, and to help him, to help him out.

Senator KERRY. When he asked you for explosives, and guns, and other weapons, did you agree to get those weapons?

Mr. MORALES. Yes, I did.

Senator KERRY. Did you know where to get those weapons at that time?

Mr. MORALES. Yes, I did.

Senator KERRY. How did you know where to get them?

Mr. MORALES. I used to buy the weapons in south Florida, in a gun shop, before that meeting. It was very obvious that I can buy more guns after I have the meeting with these particular fellows.

Senator Kerry. How many times did you meet with these leaders to discuss your help?

Mr. MORALES. Many times, Senator. Many times.

Senator KERRY. In what year?

Mr. MORALES. Since 198--the first time that I saw him, not met him, but I saw him, was in 1983, around this time, July or so. And then I was introduced formally to them, and the people, the person who was going to introduce me, told me who they were. And I became to be introduced formally with them in 1984.

Consequently to that meeting, I have several, several meetings.

Senator KELLY. Now you agreed to give the Contras a plane?

Mr. MORALES. I agreed to give the Contras quite a few planes.

Senator KERRY. How many planes did you give them?

Mr. MORALES. The first time I agreed to give them a DC-4, a DC-3, a helicopter, a Piper Navajo.

Senator KERRY. You just gave them? You gave them away?

Mr. MORALES. Yes, I did.

Senator KERRY. What was in it for you?

Why did you give away these planes?

Mr. MORALES. Well, Senator, like I told you before, I was arrested long before that time, and I was facing one of the most critical charges because of my indictment. So, they promised me that they would take care of the legal activities, the legal activities that I was charged for.

Senator KERRY. Who promised you that?

Mr. MORALES. Cesar and Popo.

Senator KERRY. He said he could take care of your legal problems?

Mr. MORALES. Yes, yes.

Senator KERRY. Specifically?

Mr. MORALES. Yes.

Senator KERRY. Was he more specific about that?

Mr. MORALES. Yes.

Senator KERRY. How?

Mr. MORALES. Many times I talked to him and he told me that he had plenty of friends, being him, the CIA, can advise the superiors about my financial support and airplane and training, and, therefore, they will finally, eventually will take care of my problem, which they did. To an extent, they did. As a matter of fact, they did

Senator KERRY. We'll come back to that in a little while.

If you'd make a note on that, we'll come back to that in a while.

I want to just run through this so Senator McConnell can have his round.

Mr. MORALES. Excuse, me one second. [Pause.]

Senator KERRY. Was the plane that you gave the Contras used by them?

Mr. MORALES. Yes, it was.

Senator KERRY. And you know that for a fact?

Mr. MORALES. For a fact, sir.

Senator KERRY. At this point in time, did you make some agreement about running guns down to various locations and bringing drugs back?

Mr. MORALES. Yes, I did.

That was part of the agreement.

Senator KELLY. When you say "that was part," can you be more specific?

Precisely how did that discussion come about?

Mr. MORALES. I was supposed to give him financial support, also buying guns for them, supplies, safety houses for them, in south Florida, buying equipment, different type of equipment, boats, engines, boots, uniforms, whatever it was they need for them to have.

Senator KERRY. How were you supposed to buy this? Did they give you money?

Mr. MORALES. No.

I was the one who was going to buy, from my own money.

Senator KERRY. Where was the money coming from?

Mr. MORALES. Drugs.

Senator KERRY. Did they know that?

Mr. MORALES. Of course they know that.

Senator KERRY. Why do you say "of course they know that"?

How do you know they know that?

Mr. MORALES. Because we discussed, as a matter of fact, we dis-

cussed to bring drugs that did not belong to me. They were their own drugs.

Senator KERRY. Whose drugs?

Mr. MORALES. The Contras drugs.

Senator KERRY. How do you know they were Contra drugs?

Mr. MORALES. They told me.

Senator KERRY. What?

Mr. MORALES. They told me. As a matter of fact----

Senator KERRY. What did I they tell you? Did they say here's drugs, these are Contra drugs?

Mr. MORALES. No, no, no.

They say, there was a few trips that I was supposed to do for them in drugs. I did not ever ask him where the drugs come from other than that they were the drugs.

Senator KERRY. Did you do those trips?

Mr. MORALES. Yes, I did.

Senator KERRY. When you say you did, did you personally fly them?

Mr. MORALES. No.

I instruct my pilot to fly them.

I was waiting on the runway for some of them, and I saw the drugs.

Senator KERRY. Now, in 1984, did you personally load weapons into an airplane in Fort Lauderdale?

Mr. MORALES. Yes, I did.

Senator KERRY. Did you see those weapons?

Mr. MORALES. I bought them.

Senator KERRY. Where did you buy them?

Mr. MORALES. I bought them, some of them I bought them in the gun shop in south Miami.

Senator KERRY. What kind of weapons were they?

Mr. MORALES. Machineguns, automatic rifles, high powered rifles, pistols, explosives.

Senator KERRY. Were these fully automatic machineguns?

Mr. MORALES. Oh, yes. They were.

Senator KERRY. Did you buy fully automatic machineguns on the open market in Florida?

Mr. MORALES. I did.

Senator KERRY. In what quantity did you buy them?

Mr. MORALES. We sent many planes full of weapons down there. I really don't recall specifically the amount of items, but it was very considerable.

Senator KERRY. Did you load these weapons onto the airplane in daytime or nighttime?

Mr. MORALES. I did load them in the daytime, 12 noon in the daytime.

Senator KERRY. Right in the full view of people?

Mr. MORALES. Yes. Many times.

Senator KERRY. And were you at the airport when the planes came back?

Mr. MORALES. Yes, I was.

Senator KERRY. What did you unload from those planes when they came back?

Mr. MORALES. I was in the beginning of the runway. The plane lands and unloads the drugs into the end of the runway.

Senator KERRY. How did you know they were drugs?

Mr. MORALES. I saw them.

Senator KERRY. What did you do with those drugs?

Mr. MORALES. Sell them.

Senator KERRY. What did you do with the money?

Mr. MORALES. Give it to the Contras.

Senator KERRY. All right.

I'm going to come back to this because there's obviously considerably more detail that needs to be filled in.

Mr. MORALES. Let me make myself clear, Senator.

Senator KERRY. Please.

Mr. MORALES. I gave them back to the same people because the Contras means a lot to a lot of people. I gave them back to Mr. Octaviano Cesar, who works for, used to work for the CIA, and Mr. Popo Chammoro, and Marcos Aguado.

Senator KERRY. We're going to come back to go after some of the details on this.

I'd like to let Senator McConnell have an opportunity here.

Senator McCoNNELL. Thank you, Mr. Chairman.

We've heard a lot of allegations in both executive sessions and in public sessions from people who are currently in jail about a variety of different individuals who are not in jail.

For example, 3 weeks ago, Mr. Chairman, my staff asked yours to confirm whether or not certain individuals were or were not members of the CIA, if such allegations were to be made in public.

We have here today two suggestions, of two individuals, that Mr. Morales, who is currently in jail, say were members of the CIA.

I just wonder if counsel has found the answer to that, since we have made that request several weeks ago.