

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 2/27/87

[INFORMATION BLACKED OUT] was contacted at the San Francisco Office of the Federal Bureau of Investigation (FBI) by the interviewing Agents who displayed their credentials. [INFORMATION BLACKED OUT] advised that he is a self-employed real estate investor who works out of his residence at 901 Mendocino Avenue, Berkeley, California 94707, telephone 415-524 9242.

[INFORMATION BLACKED OUT] said that the reason he was agreeing to be interviewed by the FBI is that he has certain information in which he believes the Nicaraguan "Contra" organization known as FDN (Frente Democratico Nacional) has become more involved in selling arms and cocaine for personal gain than in a military effort to overthrow the current Nicaraguan Sandinista Government. [INFORMATION BLACKED OUT] said he supported this hypothesis with the following information:

During late January or early February, 1984, [INFORMATION BLACKED OUT] said he became interested in the Contra movement and attended a public meeting at the Sir Francis Drake Hotel in San Francisco. The purpose of the meeting was to encourage support from local members of the FDN within the San Francisco area. At the meeting [INFORMATION BLACKED OUT] met JULIO BENIA whom he identified as a founder of the FDN. A few weeks later [INFORMATION BLACKED OUT] was invited to another private meet with members of the FDN at the residence of DON SINICCO. [INFORMATION BLACKED OUT] said that SINICCO's wife's father was a Nicaraguan diplomat who had become a supporter of the FDN. About eight to ten People, attended the meeting and during the meeting [INFORMATION BLACKED OUT] suggested that ADOLFO CALERO, current head of the FDN come to San Francisco and meet opinion makers to whom [INFORMATION BLACKED OUT] could introduce him.

In June, 1984, [INFORMATION BLACKED OUT] said through the effort of himself and others ADOLFO CALERO did travel to San Francisco and at the time [INFORMATION BLACKED OUT] sponsored a party at the St. Francis Yacht Club in which 60 people attended and met ADOLFO CALERO. CALERO also spoke to the gathering and in attendance were several Republican Party leaders and San Francisco business men.

Following the speech, about 20 people went out to dinner, including [INFORMATION BLACKED OUT] and CALERO at an Italian restaurant located in the North Beach area of San Francisco. At the dinner [INFORMATION BLACKED OUT] observed NORWIN MENESES pick up the tab for the entire dinner party.

In September, 1984, ADOLFO CALERO returned to San Francisco and at that time spoke to a meeting of the San Francisco Rotary Club. [INFORMATION BLACKED OUT] said he also had arranged for CALERO's appearance and during the trip CALERO stayed at [INFORMATION BLACKED OUT] house for four days. During this visit CALERO made numerous media appearances in the Bay Area.

In January, 1985, a Celtic Catholic Priest by the name of TOM DOWLING became; interested in the Nicaraguan Contra cause. DOWLING had originally come to some of the FDN supporters meetings and had become acquainted with [INFORMATION BLACKED OUT]. [INFORMATION BLACKED OUT] said he had personally been invited to travel to Honduras to observe the Contra organizational efforts, however, he could not go and instead allowed TOM DOWLING to travel to Honduras in his place. This particular trip whetted DOWLING's appetite for Central American politics particularly including the FDN. He later developed into a speaker espousing the FDN cause. [INFORMATION BLACKED OUT] believes that DOWLING in some way has also been involved with a fund raising effort launched by supporters of the Reverend SUNG MYUNG MOON, the Korean evangelist to assist the FDN. He said that DOWLING's own status with ADOLFO CALERO has grown and that DOWLING has also been a member of a group called CAUSA which [INFORMATION BLACKED OUT] described as a "Moonie front [INFORMATION BLACKED OUT] and DOWLING has also been paid as a spokesman for CAUSA. [INFORMATION BLACKED OUT] noted that CAUSA is apparently a partner or member of the World Anti-Communist League (WACL) which [INFORMATION BLACKED OUT] identified as group run by retired Army General JOIN SINGLAUB. [INFORMATION BLACKED OUT] said he understands that the FDN and ADOLFO CALERO receive funds from General SINGLAUB from the WACL in amounts ranging up to one million dollars a month.

[INFORMATION BLACKED OUT] continued that on Wednesday, June 3, 1985, ADOLFO CALERO returned to San Francisco and made a speech appearance before the Commonwealth Club. Again this was at [INFORMATION BLACKED OUT]'s invitation. About a week before ADOLFO CALERO came to town, [INFORMATION BLACKED OUT] received a telephone call from an attorney in Los Angeles whom he identified as SHAUN STEELE (phonetic), and STEELE called [INFORMATION BLACKED OUT] and told him that ADOLFO CALERO had given him his name. STEELE thanked [INFORMATION BLACKED OUT] for his support of the FDN and intimated in the conversation that STEELE had connections at the White House and that everyone at the White House thought [INFORMATION BLACKED OUT] was doing a great job of FDN support in San Francisco.

On Wednesday, June 3, 1985, after ADOLFO CALERO spoke to the Commonwealth Club, CALERO introduced [INFORMATION BLACKED OUT] to a tall blond white male who he identified as ROB OWEN. [INFORMATION BLACKED OUT] said that OWEN was dressed in a "preppy" style and had business with CALERO. [INFORMATION BLACKED OUT] said after he was introduced to OWEN he asked him what he did as an occupation and OWEN gave no answer but rather just smiled at [INFORMATION BLACKED OUT].

After the Commonwealth Club speech, [INFORMATION BLACKED OUT] and ADOLFO CALERO drove to Sacramento and ROB OWEN rode with them. During the drive to Berkeley from San Francisco in [INFORMATION BLACKED OUT]'s car, ROB OWEN opened his briefcase and conversed in the back seat of the vehicle with CALERO about weapons, referring from time to time to a list of various weapons that OWEN was carrying with him and ADOLFO CALERO discussed his weapons needs. Before leaving the city, CALERO made a credit card telephone call for about 15 to 20 minutes at a public curb side booth. They then dropped OWEN near the San Francisco Hilton on Market Street in San Francisco and proceeded to Berkeley.

[INFORMATION BLACKED OUT] claimed that he found a live hand grenade in the back seat of his car and confronted ADOLFO CALERO with it. CALERO told [INFORMATION BLACKED OUT] that it was a cigarette lighter. [INFORMATION BLACKED OUT] said he angrily reminded CALERO that he opposed FDN procurement of weapons in the United States and wanted no part of it. [INFORMATION BLACKED OUT] was shown a handbook of military ordnance and identified the photograph of a U.S. MK-II World War II type hand grenade as being identical to the type that had been dropped by ROB OWEN.

[INFORMATION BLACKED OUT] said he assumed that OWEN had an assignment as the National Security Council (NSC) go-between with the FDN with Colonel OLIVER NORTH as his NSC contact. OWEN once flatly stated to [INFORMATION BLACKED OUT] that that was his position.

On Thursday, June 4, 1985, ADOLFO CALERO appeared before the California State Assembly and California State Senate. He also held a press conference and met numerous legislators. He and [INFORMATION BLACKED OUT] and about 40 other people had lunch at the Sutter Club in Sacramento. On that same day SHAUN STEELE flew to Sacramento to meet CALERO and then drove back to San Francisco from Sacramento with CALERO and [INFORMATION BLACKED OUT] to attend a seminar.

[INFORMATION BLACKED OUT] explained that TOM DOWLING had set up a group called the Latin America Strategic Studies Institute in San Francisco and had raised \$75,000 to fund research for CALERO's appearances in Washington, D.C. DOWLING had also hired NEIL BARRINGTON, an old friend, to run the computer portion for the Latin American Strategic Studies Institute.

On Friday, June 5, the FDN held a dinner at the Italian American Social Club located in the Excelsior District of San Francisco. About 225 to 250 people attended, and [INFORMATION BLACKED OUT] himself was seated on the dias. He was seated next to TOM DOWLING and at some point during the dinner DOWLING turned to him and told [INFORMATION BLACKED OUT] that [INFORMATION BLACKED OUT . . .]

[INFORMATION BLACKED OUT . . .]

[INFORMATION BLACKED OUT] said that in June, 1985, he himself proposed to ADOLFO CALERO that the FDN devise a "country plan" for implementation if the FDN was victorious over the Sandinistas and plans for the country including health care plans, food distribution, transportation, and other types of administrative activities could be accomplished. CALERO expressed interest in the plan until [INFORMATION BLACKED OUT] told him that it would cost one million dollars. After that CALERO would not return [INFORMATION BLACKED OUT]'s telephone calls. This refusal to discuss an obvious planning feature of the FDN effort to overthrow the Sandinistas was taken by [INFORMATION BLACKED OUT] to be the catalyst for his questioning of the FDN's resolve and their ultimate objectives.

[INFORMATION BLACKED OUT] said that he has not spoken to ADOLFO CALERO since, and in fact [INFORMATION BLACKED OUT] has received criticism from his own acquaintances in San Francisco who have complained that they did not raise money for [INFORMATION BLACKED OUT] to give to ADOLFO CALERO which was not being used for the Contra effort.

In September, 1985, [INFORMATION BLACKED OUT] had lunch in San Francisco with ALFONSO CAYAHAZ (or CALLEGAS) an FDN official. CALLEGAS had come to San Francisco for a meeting and [INFORMATION BLACKED OUT] had met him as he knew he was a member of the FDN Board of Directors. They had breakfast at the Cathedral Hill Hotel in San Francisco and during the breakfast CAYAHAZ admitted that the FDN had no internal controls on their funds and that ADOLFO CALERO collects all the money and dictates how he spends it. It was [INFORMATION BLACKED OUT]'s understanding that the CIA had installed CALERO as the head of the FDN by removing the previous head and all the regional directors. All of the FDN staff is now loyal only to CALERO.

From a source in the Nicaraguan community in San Francisco [INFORMATION BLACKED OUT] said that he learned that supplies needed by FDN combatants in Honduras are not getting there. Rumor within the Nicaraguan community is that MARIO CALERO, ADOLFO CALERO's brother, is the FDN purchasing agent in New Orleans. MARIO CALERO allegedly maintains a large warehouse there and takes a 20 percent commission on every FDN purchase and is also making a fortune off of a 27 million dollar humanitarian aid project that was awarded to the FDN and all of the money is passed through MARIO CALERO.

In July, 1985, [INFORMATION BLACKED OUT] said he was talking to PHIL MAYBRE whom he identified as an active FDN supporter in Houston, Texas. MAYBRE told [INFORMATION BLACKED OUT] that ever since TOM DOWLING had joined the FDN everything was going crazy.

MAYBRE had also met Lieutenant Colonel OLIVER NORTH of the National Security Council staff and in fact gave [INFORMATION BLACKED OUT] NORTH's private telephone number at the White House. MAYBRE told [INFORMATION BLACKED OUT] that the number for Colonel NORTH bypassed the White House switchboard and that NORTH was running the Contra operation. [INFORMATION BLACKED OUT] was instructed by MAYBRE that if he ever needed to pass a message to ADOLFO CALERO that he could do it through OLLIE NORTH. MAYBRE gave [INFORMATION BLACKED OUT] the private telephone number of Colonel NORTH which he furnished as 202-395-3345. [INFORMATION BLACKED OUT] noted that he believed that Colonel NORTH's secretary was FAWN HALL.

[INFORMATION BLACKED OUT] said on one occasion he did call Colonel NORTH just to get acquainted. NORTH was very pleasant to [INFORMATION BLACKED OUT] on the phone and NORTH told [INFORMATION BLACKED OUT] to stop in and just say hello if he was ever in the Washington, D.C. area. Colonel NORTH also indicated to [INFORMATION BLACKED OUT] that he had previously heard of him and of his active support for the Contras in the San Francisco area and that he was very appreciative of it. [INFORMATION BLACKED OUT] said he has not spoken to Lieutenant Colonel NORTH since that time.

[INFORMATION BLACKED OUT] said that also in July, 1985, he called MAYBRE and during the conversation MAYBRE said that TOM DOWLING had told him in Spring, 1985, [INFORMATION BLACKED OUT . . .] in Washington, D.C. MAYBRE also claimed that he had called Congressman DICK ARMY's office in Washington to warn then about a threat against EDEN PASTORA.

[INFORMATION BLACKED OUT] said that he had made inquiries in the local San Francisco Nicaraguan community and wondered among his acquaintances what ADOLFO CALERO and the other people in the FDN movement were doing and the word that he received back is that they were probably engaged in cocaine smuggling.

In September, 1985, RENAYDO PENA, an FDN leader in San Francisco, suggested to [INFORMATION BLACKED OUT] that the FDN is involved in drug smuggling with the aid of NORWIN MENESES who also buys arms for ENRIQUE BERMUDEZ, a leader of the FDN.

In September, 1985, [INFORMATION BLACKED OUT] said he was contacted by BOB PERRY, a reporter from the Associated Press from Washington, D.C. [INFORMATION BLACKED OUT] later met him in person at a reporters convention in San Francisco. At that time BOB PERRY was working on a story trying to track down the fund raising dinners by ADOLFO CALERO and the dispersion of the funds.

In December, 1985, PERRY traveled to Costa Rica to investigate the allegations he and [INFORMATION BLACKED OUT] had discussed. Following that, PERRY had confirmed to [INFORMATION BLACKED OUT] that the FDN were refueling aircraft flying in from Colombia with narcotics aboard. These air strips were located on JOHN HALL's ranch and a ranch owned by NORWIN MENESES. [INFORMATION BLACKED OUT] described HALL as an American who has been active also in Contra support.

BOB PERRY relayed his findings to [INFORMATION BLACKED OUT] by telephone from Costa Rica in January, 1986, adding "it's cocaine city down here." PERRY claims the story never hit the papers because it was suppressed by the Associated Press due to political pressure primarily from the CIA.

[INFORMATION BLACKED OUT] recalled that in September, 1985, [INFORMATION BLACKED OUT], [INFORMATION BLACKED OUT . . .] investigating the Nicaraguan role in a large narcotics extending from Miami, Florida to Texas and California, contacted [INFORMATION BLACKED OUT] for information about the FDN. During the contact [INFORMATION BLACKED OUT] complained to [INFORMATION BLACKED OUT] that national security interests kept him from making good narcotics cases and he acted frustrated at this chain of events. According to [INFORMATION BLACKED OUT] two U.S. Customs Service officers who felt threatened and intimidated by National Security interference in legitimate narcotics smuggling investigations had resigned and had assumed false identities. [INFORMATION BLACKED OUT] also told [INFORMATION BLACKED OUT] that NORWIN MENESES would have been arrested in a major drug case in 1983 or 1984 except that he had been warned by a corrupt [INFORMATION BLACKED OUT . . .] officer. RENAYDO PENA may have been present when the [INFORMATION BLACKED OUT] warned MENESES.

[INFORMATION BLACKED OUT] said he also learned that ROB OWEN was taking money directly from OLIVER NORTH to JOHN HALL in the amount of at least \$10,000 a month. NORTH had set up a private network and OWEN was the FDN go-between.

[INFORMATION BLACKED OUT] claimed that he, himself became increasingly disturbed about the implications of these activities and made arrangements to discuss it with Congressional investigators.

From March 10 - 20, 1986, [INFORMATION BLACKED OUT] and PHIL MAYBRE went to Washington, D.C. and met with DICK McCALL (phonetic) who he identified as the Administrative Aide to Senator JOHN KERRY from Massachusetts. They also met with DAVID McCURDY from the House Intelligence Committee, Senator RICHARD LUGAR from Indiana and his Administrative Assistant, and Congressman STENHOLM from Texas.

Near the end of their first week in Washington, possibly a Thursday, PHIL MAYBRE called Colonel OLIVER NORTH at the National Security Council. According to MAYBE, who appeared shaken after the call, NORTH excoriated MAYBRE for talking with the Senators and Congressmen. He objected vehemently to MAYBRE's actions, but [INFORMATION BLACKED OUT] does not believe that NORTH knew of [INFORMATION BLACKED OUT]'s identity, only that another individual had accompanied MAYBRE.

[INFORMATION BLACKED OUT] said that he and MAYBRE never testified before any Congressional or Senate Committee, however it was suggested to them that open testimony may be needed in the future.

During this period of time in Washington they also talked with TOM DAVEY, III, who [INFORMATION BLACKED OUT] identified as a friend of PHIL MAYBRE's. DAVEY is a former U.S. Navy SEAL active in the Reserves, who claimed to have helped mine harbors in Nicaragua.

On Friday of that week, DAVEY was present in Senator KERRY's office when he called his residence to check his answering machine. He called the machine and received the following message "TOM don't walk, run from PHIL and his friends. Guys who drive slow in the fast lane don't live long." DAVEY claimed he recognized the voice on the recorder as that of [INFORMATION BLACKED OUT . . .] him. DAVEY told [INFORMATION BLACKED OUT] "These guys play for keeps. They'll kill you." After the incident DAVEY refused to cooperate any further with the Senators inquiry.

[INFORMATION BLACKED OUT] said he had also heard that a U.S. Customs Agent named [INFORMATION BLACKED OUT], assigned in Texas was transferred to Customs Headquarters when he investigated FDN drug deals too vigorously.

A former FDN official in Miami, Florida, named FRANCISCO CARDINALE, also known as Chicano, claims that he was replaced by CALERO when the CIA made a clean sweep of FDN membership. CARDINALE told [INFORMATION BLACKED OUT] that CHINO LAU, also known as "The Chinaman" [INFORMATION BLACKED OUT . . .] head of the Moskito Indian in Honduras. This claim was made in September, 1986. The FDN is supplying cocaine to the Moskitos to reduce their combat effectiveness against the Sandinistas.

[INFORMATION BLACKED OUT] claims that Stanford Technology Corporation was used by members of the National Security Council to facilitate arms transactions with the Iranians.

About two weeks prior to this interview PHIL MAYBRE called [INFORMATION BLACKED OUT] and asked him if he planned to talk to the Special Prosecutor office investigating the "Contragate" affair. When [INFORMATION BLACKED OUT] confirmed he probably would, MAYBRE tried to talk him out of it for some reason. [INFORMATION BLACKED OUT] said he does not know where MAYBRE stands now, and does not know whether he would be amenable to interview.

In regard to the persons mentioned in this interview, [INFORMATION BLACKED OUT] identified them for background purposes as follows: PHIL MAYBRE lives in Fort Worth, Texas. MAYBRE is employed as a private security guard and is a white male in his 50's. MAYBRE has military experience and contact with members of the Defense Intelligence Agency.

TOM DOWLING is a white male, age 38 to 39, red hair with chunky build and glasses. DOWLING lives on Gough Street in San Francisco and claims to be a Celtic Catholic Priest. DOWLING is a Catholic seminary dropout who claims he has been ordained as a Catholic priest by a small Celtic sect. DOWLING is associated with a Celtic church which [INFORMATION BLACKED OUT] believes is actually a tax dodge. said he has seen some credit card receipts for DOWLING indicating he has a five to six thousand dollar credit card account for one month.

ROB OWEN is a white male in his early 30's, 6' tall, blond hair, resides in Washington, D.C. or Virginia. Through a phony corporation named Ideas, Incorporated, [INFORMATION BLACKED OUT . . .] humanitarian aid allocated to the Contras by Congress.

[INFORMATION BLACKED OUT . . .]

[INFORMATION BLACKED OUT . . .]

[INFORMATION BLACKED OUT] claims the CIA Station chiefs in Managua and Honduras have been dealing directly with OLIVER NORTH thus allowing CIA Director CASEY to claim no knowledge of their operations.

TONY NOVARO - [INFORMATION BLACKED OUT] said NOVARO has been tapped to be CALERO's FDN representative in San Francisco after the CIA leadership shakeup which had installed CALERO. [INFORMATION BLACKED OUT . . .]. [INFORMATION BLACKED OUT] said he believes NOVARO runs a body shop located on 10th Street in San Francisco.

[INFORMATION BLACKED OUT] said he himself is afraid for his own life based on the information that he was provided, however, he had no information to substantiate this alleged threat. [INFORMATION BLACKED OUT] said that all of the information he provided to the interviewing Agents is the truth and that he would be willing to testify to his experiences and observations.