

TIME/FEBRUARY 15, 1988

# Wanted: Noriega

*The U.S. indicts Panama's strongman for pushing drugs*

**T**he ritual was familiar, but the specifics were unprecedented. When U.S. Attorneys in Miami and Tampa announced two major criminal indictments last Friday, it was not just another drug bust. The accused was General Manuel Antonio Noriega, commander in chief of the Panama Defense Forces and de facto ruler of an important U.S. ally. He was charged with drug trafficking, laundering millions of dollars in illicit profits and providing safe haven for some of the world's most notorious narcotics barons.

In Tampa, U.S. Attorney Robert Merkle accused Noriega of conspiring to import and distribute more than 1 million lbs. of marijuana into the U.S. In Miami, U.S. Attorney Leon Kellner charged the general with accepting \$4.6 million in payoffs for allowing Colombia's powerful drug cartel to ship more than 4,000 lbs. of cocaine through Panama to the U.S. Noriega also allegedly permitted the cartel to set up a cocaine-processing plant in Panama and to temporarily relocate its headquarters there after the murder of Colombia's Justice Minister in 1985. The general, Kellner charged, had "utilized his position to sell the country of Panama to drug traffickers."

Although rumors of the indictments had been circulating for weeks, no one could be sure that Washington would allow the unusual prosecution. To stem the flow of drugs into the U.S., the Administration has leaned heavily on Latin American governments to root out the drug moguls, whose guns and money have intimidated or bought off local authorities. But never before has the U.S. targeted an individual Latin leader. Coming just two days after the House of Representatives rejected further aid to the *contras*, the criminal charges against Noriega not only raise the stakes in the war on drugs but presage even more troubles for the U.S.'s battered Central American policy.

Panama, far more than war-torn Nicaragua, is Central America's prize. The 51-mile-long canal, still under U.S. control, has major strategic value; Panama is also one of the U.S.'s prime listening posts in the region and home to the 10,000-man U.S. Southern Command. To some, the U.S.'s difficulties in Panama are reminiscent of Iran. Having struck another Faustian bargain with a ruthless and corrupt dictator, the U.S. again finds itself turning



Tough customer: General Manuel Noriega at a recent event in Panama City

"Contras, Sandinistas, Cubans, the CIA—he deals with them all to make money."





José Blandón: adviser turned accuser

**"Noriega exploited his official position to sell Panama to the international drug traffickers"**

—LEON KELLNER



Steven Kalish: \$900,000 in bribes  
In return, protected drug shipments.

against a longtime client with no viable democratic replacement in the wings.

The Reagan Administration and its predecessors have long been aware of Noriega's seamy dealings. Nonetheless, top officials in the State and Defense departments and the CIA vigorously supported him, citing his cooperation with U.S. intelligence agencies and willingness to let the U.S. military operate broadly in Panama. Even as the Administration finally took action, new charges suggested that Noriega played a role in the Iran-*contra* arms deal as well. José Blandón, until recently Panama's consul general in New York City and a close political adviser to Noriega, disclosed that the general had conspired with Lieut. Colonel Oliver North, the former National Security Council aide, to dispatch, then intercept, a shipment of East German arms to El Salvador's leftist guerrillas. The motive: to blame Nicaragua for supplying the weapons, thereby supporting the charge that the Sandinistas are exporting their revolution.

Even by the standards set by the Shah and Ferdinand Marcos, Noriega's record is infamous. The diminutive general, whose acne-scarred complexion earned him the nickname "Pineapple Face," has been accused in Panama of ordering both the decapitation of a political opponent and the murder of the son of the man he replaced as commander of the armed forces. Rising through the ranks, Noriega allegedly created a criminal organization that would be the envy of any Mafia don. The 12,000-man Panama Defense Forces are so much a part of Noriega's criminal empire that U.S. Attorney Kellner considered classifying the entire institution as a corrupt organization: According to investigators for the Senate Foreign Relations Subcommittee on Terrorism, Narcotics and International Affairs, which will hold hearings this week, Noriega demands a cut of almost every crime-related dollar deposited in Panama's 130 banks. Drug traffickers and money launderers who refuse to pay may have their shipments hijacked at gunpoint.

Those who play along are well cared for. Steven Kalish, a convicted U.S. drug smuggler who was the chief witness against Noriega in the Tampa indictment, says he personally delivered at least \$900,000 in bribes to the general in 1983 and 1984. In exchange, says Kalish, Noriega gave him a diplomatic passport, a multimillion-dollar letter of credit and safe passage for hundreds of thousands of pounds of marijuana.

Noriega may have been motivated by greed far more than loyalty to any ideology. While a valued point man for the CIA, he enjoyed close relations with Cuban Leader Fidel Castro. Blandón says he personally witnessed a 1984 meeting in Havana at which Castro mediated a dispute between Noriega and the leaders of a major Colombian drug cartel. According to Blandón, as well as U.S. Customs investigators, Noriega has supplied Cuba with U.S. intelligence and high-technology goods. In Central America, the general

has sold weapons both to Nicaragua's anti-Communist *contras* and to Marxist guerrillas in El Salvador. "He is a businessman," declares Blandón. "*Contras*, Sandinistas, Cubans, the CIA—he deals with them all to make money."

Until Blandón, Kalish and others provided direct evidence of Noriega's criminal activities, American officials were divided over what to do about him. As early as 1972, a U.S. narcotics agent proposed his "total and complete immobilization"—meaning assassination. But the agent's superior rejected the idea. Last March, when Senators Jesse Helms of North Carolina and John Kerry of Massachusetts introduced a resolution condemning Panama for its poor showing in the war on drugs, Assistant Attorney General Stephen Trott protested that the Panamanian record was "superb."

U.S. Customs Commissioner William von Raab begs to differ. "Occasionally they swing some poor slob out to make us feel they're cooperating," he says. "But it's nobody close to Noriega." Von Raab condemns the view that a pact with the devil is better than no pact at all: "At some point you become owned by the devil."

Those days presumably ended with last week's indictment. In effect, it will prevent Noriega from traveling to the U.S., where he would be arrested. Noriega would face the same risk in France, where he keeps an apartment, and in other countries that have an extradition treaty with the U.S.

The State Department has been trying for some time to persuade the general to step down in favor of a caretaker government that would pave the way for new elections. The indictment may make it more difficult for Noriega to arrange a graceful exit, though in any event the general has shown no sign of wanting to step down. Panama's Foreign Ministry last week released a predictable statement condemning the "new attack" against Noriega and questioning the credibility of Blandón and the other witnesses. The same day, 200 anti-Noriega demonstrators in downtown Panama City called for the general's resignation. Yet with anti-U.S. sentiment never far from the surface in Panama, the indictment may actually inspire support for Noriega.

Complicating matters are the U.S. citizens—10,000 troops and 40,000 civilians—living in Panama. Although U.S. officials do not see an immediate threat, diplomats and military officers are urging Americans to be careful. "We're heading into a very, very rocky period," says an Administration official. The U.S. has pushed a thuggish ally into a corner, and now it can only wait guardedly for his reaction.

—By Laurence Zuckerman

Reported by John Borrell/Panama City and Elaine Shannon/Washington



Kellner