

# Rockefeller interests in drug-money scandal

by Jacobo Frontini

A scandal of international proportions exploded in Venezuela Oct. 22, when the widely read *El Diario de Caracas* revealed that the Banco Latino—owned by Venezuelan Central Bank President Pedro Tinoco—had conspired with David Rockefeller's Chase Manhattan Bank and officials of the Venezuelan Central Bank (BCV) in defrauding the nation through granting "export bonds" to shell companies as a mechanism for laundering drug profits.

Tinoco is known as "Chase Manhattan's man" in Caracas, and is also closely linked to the Cisneros family, which *EIR* has exposed as having extensive links to international financial interests tied to drug-money laundering. The Cisneros name recently surfaced again in the news, concerning possible links to a Spanish-Colombian money-laundering network operating through Panama. As chief executive of the Banco Latino, Tinoco has figured prominently in the informal Grupo Occidente, a dominant business power on the drug-infested Venezuelan-Colombian border.

On Oct. 24, *El Diario de Caracas* reported on its front page that "in each operation carried out by the company Pique Importaciones . . . some \$340 million were obtained. . . . Behind these maneuvers there is a gigantic operation to launder money stemming from the drug trade." The article continued, "The legal representatives of Pique, Humberto Torres Pedrique and Pedro Torres Pedrique, appear to be, according to sources linked to the investigations, front-men for a powerful financial group which stands behind these international activities, using the financial structure of the Curaçao and Miami branches of Banco Latino, making a bridge transfer through Chase Manhattan branch offices. At the same time, it has been established that the orchestrators of the fraud had links to the Venezuelan Central Bank, where payments in Pique's favor were decided."

The "export bonds," known as *Incentivo Fiscal de Exportación*, or IFEs, are granted by the BCV and return a bonus equivalent to 30% of the value exported.

## An open secret

Despite the fact that everyone knows that Venezuela has served as a vast drug-money laundry for years, few have dared publicly to address that fact. Today, as Venezuela runs the risk of its financial system being captured lock, stock, and

barrel by the international drug trade, voices are beginning to be raised.

For example, President Carlos Andrés Pérez's Financial Reform proposal, formulated under the direct supervision of the World Bank, has been denounced for favoring money-laundering operations. In February 1990, one month after Decree 727, which eliminated ceilings on foreign investment, was issued, then-Superintendent of Foreign Investments Edison Perozo warned that the decree would allow "the imposition of a narco-economy" with all "the famous mechanisms for laundering dollars, even more so in Venezuela which is the only nation in the Andean Pact with free circulation of capital."

And on Oct. 14, the president of the National Commission against Drug Abuse in the Chamber of Deputies, Luis Guillermo Hernández Morales, said, "It is no secret that the drug trade has expanded its influence in the country's financial and banking sector. . . . It is undeniable that money-laundering operations are being carried out in the banking institutions."

Former Venezuelan President Rafael Caldera has also joined the chorus, observing Oct. 23 that Venezuela ran the risk of becoming a financial operating center for laundering of drug dollars, "because our regulations are liberal and because, unfortunately, the fight against the drug trade in Venezuela has scarcely begun."

## The modus operandi

The fraud involving Pique Importaciones was quite simple. According to *El Diario de Caracas*, the company collected a portion of the 400 million bolivars that were to correspond to the "export bonds" for a supposed shipment of razor blades to Spain. The export operation was never carried out, but was nonetheless "paid in dollars through transfers from the Banco Latino branch in Miami to Banco Latino inside Venezuela, to the Caracas account of Pique Importaciones. Once the foreign currency entered the bank, it was registered, exchanged for national currency, and, finally, this money was transferred to the Banco Latino branch office in Curaçao. Then, according to investigators, from Curaçao the money was *again* transferred to the branch of the same bank in Miami, through a bridging operation carried out through Chase Manhattan Bank" of Miami.

The case of Pique Importaciones is not the only instance of money laundering through "export bonds" that has been discovered to date. In statements to *El Diario de Caracas* of Oct. 13, Venezuelan Finance Minister Roberto Pocaterra confirmed that the companies Urraca Trading and Fundición Venezolana de Metales Pesados, SA (Fuvemepe), owned by Milton Pirela, are under investigation for export bond fraud. Further, two individuals linked to those companies are under suspicion of involvement in the drug trade. Both companies allegedly exported to the United States, and yet payment on the invoices was always sent from Peru and Colombia.