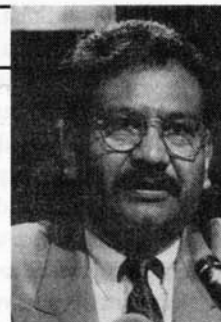


Interview: Celerino Castillo



All North's pilots ran drugs, says former DEA agent

Celerino Castillo, who was the U.S. Drug Enforcement Administration's (DEA) top agent in El Salvador during 1985-87, is the co-author, with David Harmon, of a new book, Powder Burns: Cocaine, Contras and the Drug War. He was interviewed by Edward Spannaus on Sept. 10, 1994.

EIR: Mr. Castillo, before we get into the question of Oliver North, I'd like to ask you a little bit about your background. Could tell us what your employment with the DEA was?

Castillo: Being born and reared in south Texas, we come from a family which is very patriotic. My father was a World War II hero who was shot six times in an ambush in the Philippines, and he is the recipient of the Bronze Star, and of course the Purple Heart, and so forth.

I'm the only male in the family, and I could have been kept from going to Vietnam. But I did go to Vietnam; I'm a Vietnam veteran. I'm a recipient of the Bronze Star. Because of my combat experience, I decided to go into law enforcement. I saw a lot of my buddies shoot up heroin in Vietnam, and I decided when I got back I would get involved with the federal narcotics system.

I went to school, got my degree in criminal justice, and was a police officer at the time I was going to school. I worked the midnight shift and went to school during the daytime.

After that, I applied with the DEA, and was hired by the DEA in 1979. My first assignment with the DEA was in New York City. I turned out to be the first Mexican-American to work in New York City. I teamed up with another agent who was Italian, and we ended up conducting the investigation that ended up in one of the biggest heroin seizures in New York City of all time.

After four years in New York City, I was assigned, because of my Vietnam experience, to conduct jungle operations in Peru. I did a lot of assaults on airstrips there, and air assaults on cocaine labs.

We conducted an operation there called Operation Condor, which was the first time in history that the Peruvians and Colombians worked hand-in-hand in combatting narcotics trafficking. We ended up seizing a cocaine lab in Peru that

was producing 100% hydrochloride cocaine.

EIR: What year was this?

Castillo: This was in 1984. . . . I was supposed to do a two-year tour there, but I ended up doing about a year and a quarter, because of my exposure to international stardom in Peru. There was a picture of me during the operation that was in every newspaper in South America. For security reasons, I left Peru and I was assigned to work in Guatemala.

I arrived in Guatemala in October 1985, and of course that was the first time I was forewarned by the country attaché, Bob Stia, about the Contras being involved in narcotics trafficking.

EIR: What was Stia's position?

Castillo: Robert Stia was the country attaché, which involved two agents and himself. Two agents covered four countries, including Belize, Guatemala, Salvador, and Honduras.

EIR: What did you find out while you were there?

Castillo: At the beginning, I was in charge. I was supposed to be the agent in charge of El Salvador, which means I was the DEA representation in that country.

One of the things that we had in El Salvador was an informant who was in place at Ilopango airport. This informant was the one who did the flight plans for the Contras, and he had previously given reliable information to the U.S. Embassy in regards to some of the pilots who were involved in narcotics trafficking.

We had another individual who had been a DEA informant since 1981, and he was also very politically involved with the Arena Party, which was the party of the far right, the party of Maj. [Roberto] D'Aubisson, [Napoleón] Duarte, and [Alfredo] Cristiani. We had gathered intelligence, and we continued to start the investigation on it.

EIR: What was going on at Ilopango?

Castillo: We had pilots, who were being hired down in Central America, who were running supplies for the Contras and

were also involved heavily in narcotics trafficking. When we finally got the names of all the pilots who were involved, we ran it through our computers, and it was revealed that every single one of them was documented as a narcotics trafficker. This was brought to the attention of the U.S. ambassador, Edwin Corr. He was advised of the investigation that we were conducting.

His answer to me was the fact that it was a covert operation from the White House and Ollie North, and he advised me that I would be safer to stay away from that investigation, because I would be stepping on people's toes at the White House.

EIR: What were these pilots doing?

Castillo: They were flying narcotics into the United States. They were also flying monies—U.S. currency—into Panama, into the Bahamas, to launder money for the Contras.

EIR: Were they also flying guns?

Castillo: They were flying guns. They were flying supplies for the Contras, and they were also involved in narcotics trafficking.

On Jan. 14, 1986, I met George Bush, then vice president, at a cocktail party in Guatemala City. It was at the U.S. ambassador's residence. He came up to me, and asked me what my job description was as a DEA agent in Guatemala. I told him that I was an agent conducting international narcotics investigations, and I told him that there was something funny going on with the Contras at Ilopango airport. As soon as I said that, he shook my hand, he smiled for the cameraman, and then he just walked away from me without saying a word. I knew then that he knew what I was talking about, about the Contras.

EIR: Was there any doubt in your mind that he knew what you were talking about?

Castillo: Not at all. I want to go on the record saying that on that same day, if I'm not mistaken, and I'm sure I'm not, I saw Oliver North in Guatemala City, and I definitely saw Calero, the leader of the Contras, at the same time in Guatemala City at the U.S. Embassy.

EIR: This is Adolpho Calero?

Castillo: Yes, sir. They were all there at the same time.

EIR: Did you have any information as to what they were doing there?

Castillo: They were meeting in the "bubble," and the "bubble" means the CIA room up on the third floor, where they were discussing sensitive information. I knew Calero was there and [involved] in discussions about the Contras. That's just what I think was going on.

EIR: Let me come back to this question of the pilots again.

Who hired these pilots?

Castillo: These pilots were being hired, according to the pilots and according to our informant, by Felix Rodriguez, who was running Hangars 4 and 5 of Ilopango. They were hired by the CIA, Oliver North's Contra operation, and so forth.

EIR: What was Rodriguez's relation to George Bush and Bush's office?

Castillo: They were very close friends, according to a lot of information we had received.

What happened is that this investigation snowballed in early 1986, and I got a cable from the country attaché in Costa Rica, advising me that they had received reliable information that there were Contra pilots flying out of Costa Rica into Ilopango into Hangars 4 and 5. It turned out Hangars 4 and 5 are owned and operated by the CIA and the National Security Council—which is Oliver North—and were run by Felix Rodriguez.

When we contacted our informants in there, they just went ballistic, telling me that that is what they had been trying to tell everybody: that the Contras and the CIA and everybody else in Hangars 4 and 5 were heavily involved in narcotics trafficking.

This informant himself saw, in one instance, \$4.5 million in cash going from Ilopango into Panama. Secondly, he saw drugs. Thirdly, he would call us and let us know when a certain pilot was on his way to airdrop money into the Bahamas. One of his pilots was Chico Guirola, Francisco Guirola, a Contra pilot. This same individual, who had gone to the Bahamas on certain days, had also been arrested in 1985 in south Texas, with \$5.5 million in cash. That was a Contra operation. He was deported and, if I'm not mistaken, that money was given back to him.

EIR: What's the story on this fellow "Brasher"? [In Castillo's book, Walter Grasheim is referred to as William Brasher.]

Castillo: Mr. Walter "Wally" Grasheim was a civilian. He was a documented narcotics trafficker. When I approached everybody in the U.S. Embassy to find out who this individual was, they told me that he was working for the Oliver North Contra operation out of Hangars 4 and 5, and was the liaison officer between General Bustillo and Oliver North.

I built a unit in El Salvador, an anti-narco-terrorist unit, and this individual was hit, his house was searched, by my unit in El Salvador.

When it was searched, he happened to be in New York City at the time, and we found a lot of U.S. munitions, cases of grenades, cases of explosives—C4. Every explosive we could find was found at that residence, including sniper rifles, helicopter helmets, you name it. This guy was a civilian who was not supposed to have any of this stuff with him. Surprisingly, what we also found at his residence was that all

his vehicles had U.S. Embassy license plates. We found radios belonging to the U.S. Embassy. We found weapons belonging to the U.S. Embassy.

EIR: This is somebody who is a documented drug trafficker?

Castillo: A documented drug trafficker and a civilian. He violated every Customs law there is, in the exportation and importation of those items into El Salvador.

EIR: What happened? Was he prosecuted?

Castillo: Well, no. We had a warrant for his arrest, if he was to come back. He found out. . . .

EIR: When you obtained information about drug trafficking running out of Ilopango, what did you do with that information?

Castillo: I wrote cables; I wrote DEA-6s; I wrote reports. I did everything I was supposed to do.

EIR: Now these reports would go where—to DEA headquarters?

Castillo: The DEA in Washington. Exactly. We've got to remember one other thing that a lot of people are not aware of. Every time I wrote a report, every time I sent a cable out, it had to be approved by the country attaché and the U.S. ambassador. Those reports had to be approved, and they did not interfere with me sending those reports, because they knew that some day it was going to come back and bite them in the butt if they didn't do it.

EIR: What was the response from headquarters to this?

Castillo: I got no response in the beginning. None at all. For example, on June 19, 1986, the informant at Ilopango called and advised me that Chico Guirola had departed Ilopango to the Bahamas with large shipments of money—and he was the one documented in 11 DEA files, and he was the same one arrested with \$5.5 million in cash. I have certain times and dates, to verify what they were doing.

We're going to go back to 1986, in the Kerry Report, on July 26, 1986. The Kerry Report reported to Congress on Contra-related narcotics allegations. The State Department describes the "Frogman" case. The Frogman case was a case out of San Francisco. This case got its nickname from swimmers who brought cocaine ashore on the West Coast from a Colombian vessel. It focused on a major Colombian cocaine trafficker by the name of Alvaro Carvajal. He was the one that supplied a number of West Coast smugglers. It involved another Nicaraguan citizen by the name of Pereida, and two other Nicaraguans—Carlos Cabezas and Julio Zavala. Now, these guys testified before the Senate committee that the money they were smuggling, or profiting from the cocaine that was being smuggled into San Francisco, was going to the Contras. They testified to that.

It's a funny thing and it's a small world: In 1991, I was conducting an undercover operation in San Francisco, and the wife of Carlos Cabezas delivered to me five kilos of cocaine. She was arrested. Carlos Cabezas came in, and advised me that he, and also Carvajal, was an informant for the FBI, going back to the Frogman case, and that we needed to release his wife. I said, "I think I know you from somewhere."

He went on and he discussed the Oliver North/Contra narcotics-trafficking operation in detail. Of course, a report was written on this all the way into 1991, in reference to Oliver North. He described everything else that he had done for Oliver North, running drugs for the Contras.

EIR: Did he describe that Oliver North was personally involved in this?

Castillo: He said that they all have personal contact with Oliver North. Oliver North has given them permission to do whatever they want.

I have a recorded statement from the informant at Ilopango where he goes into detail, that every single pilot that was involved with the Oliver North/Contra operation gave Oliver North's name as having permission to run drugs freely. They all had credentials by the Salvadoran government and by the CIA so that they would not be searched.

EIR: You have described that there is an awful lot of evidence against Oliver North. Oliver North says that he is "the most investigated man on this planet." This is the response he gives whenever the question of his involvement in drugs comes up. What would you say about that?

Castillo: Point one: He was not ever investigated on the narcotics matter, ever. He was investigated on everything else.

If Oliver North had been investigated on narcotics trafficking, they would surely have contacted the agents down in Central America—which includes me—who conducted the investigation on him. In October 1986, 1987, I'm not sure what day it was, but I got a call from the DEA in Washington, not to close the case on the Contras, because the Kerry committee wanted access to my reports and the DEA had told them there were no reports. Maybe that's why they never contacted the agents down in Central America. But if somebody is going to do an investigation on the Contras, and there's a lot of implication of narcotics trafficking, they should have and would have contacted the agents in Salvador.

EIR: You sound like you were continuously writing reports and sending information to Washington. Did you get any reaction? Did anybody indicate some interest in investigating this?

Castillo: Finally, they decided to come down. What happened was the DEA sent a rookie intelligence analyst, and

another guy from intelligence, and they came down to Salvador, and after debriefing two of the informants in the case, went back and reported that it was a couple of Contra pilots, but it was not organized.

What happened was they had made up their minds what they were going to write, before they even got to Salvador. They just wanted to cover their butt. . . . In two days they were able to determine it was just a couple of pilots and not very organized. Of course, we found out later on from several testimonies from several of the pilots who had been testifying before the committees, that it was a very well-organized operation being run by Oliver North.

EIR: Is there any way that those two agents could have arrived at that conclusion based on what you told them?

Castillo: Oh, no. What happened was they *were* told, the people they interviewed were the Contra—the informant who worked at Ilopango. He told them exactly what he was reporting to me. It wasn't like, they knew right away, but they needed to say something, that this was happening. What happened then, the guy who was in charge of the Latin American desk for DEA, his name was John Martsh. And he is now, if I am not mistaken, the deputy administrator for the DEA; he just got promoted. This is the same individual who conspired to hide the truth about the Contras' involvement in trafficking. He came back to me, and he suspended me for three days without pay, because I was "too close to my informant." This informant, that "I was too close to," was my *only* backup in El Salvador. He was an informant because he was the Salvadoran officer who ran the narcotics unit in El Salvador. He was the one that raided Mr. Grasheim's residence. To put pressure on me, they came back [saying] that the DEA manual says I cannot associate with an informant.

The DEA does *not* give us backup. And that's what got Kiki Camarena killed in Mexico. That's what caught Victor Cortez in Guadalajara, Mexico, because the DEA would not furnish Hispanic backups on that investigation. The only person I could work with, and the only person that was given to me to work with, was this informant. Of course, we became friends. But DEA policy says you can't do that. Yet this guy was the adviser, DEA adviser to my narcotics unit that I built in El Salvador. This guy was not just an informant. He had credentials as a national police officer.

EIR: Was this an unusual step for the DEA to take, to discipline you for that type of thing?

Castillo: No. They just wanted me to stop. I had several calls. Mr. Martsh called me to stop reporting this information.

EIR: He told you to stop reporting?

Castillo: Yes. To stop reporting it.

And if I was going to do any reporting, I should use the

word "alleged." I have a letter from him.

EIR: Did you ever, in any other case, have a superior tell you to stop reporting?

Castillo: Never. Never. I have a letter where he says I should use the word "allege," and that my grammar was terrible. I'm going back. Every evaluation I've gotten has been an "outstanding" evaluation—up to then. Even then, even when I got suspended for three days, a month later, I was put in for a promotion. I had "outstanding" evaluations. It is just the fact that the pressure was being put on me to stop the investigation on the Contras.

EIR: Were there other forms of pressure put on you also?

Castillo: Yes, sir. I was ordered to travel to Salvador constantly, by land, by myself, through guerrilla country. It's like they were looking for me to get killed or something. I have proof, that I'll show later on, that they were trying to get me killed. Without any backup, they were having me go out undercover on the Salvadoran military corruption—weapons that were being seized from the guerrillas, they were selling to the cartels. They were sending me out there by myself, so I could get killed.

EIR: You would attribute this to your involvement in the Contra operation?

Castillo: With the Contra operation, exactly. I continued, I continued, and I continued to report this. We'll go back to where several people were starting to report this on the Contras. For example, on March 16, 1987, on a plane owned by a narcotics trafficker, U.S. Customs found an address book and the address and phone numbers were to Robert Owen, North's courier.

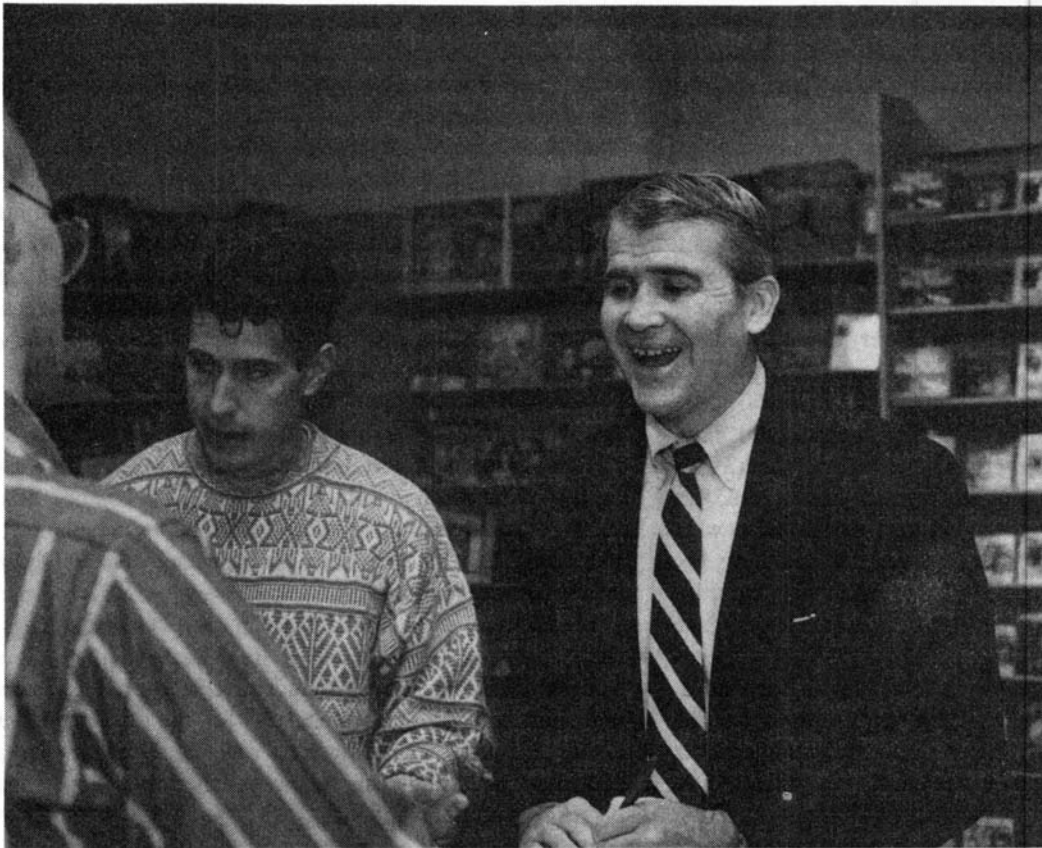
We go back to the Kerry report in 1988: They confirm my allegation that there was substantial evidence of drug smuggling through the war zone on the part of the individual Contra pilots, mercenaries who worked with the Contras, and the Contra supporters throughout the region.

EIR: Let's talk about the Kerry Committee report for a minute. When that report came out, it got very little attention, it seems. Why was that?

Castillo: It got very little attention because there was no credibility on the part of the people who were testifying before the committees, because they were all smugglers, they were all Contra pilots that had been let out to dry, they were all criminals. So there was no credibility at all on them. But, they never, ever brought *me*, the agent in charge of El Salvador who conducted this investigation, to ever go before a committee. They never contacted the Guatemala office. Why?

EIR: You say you were never contacted by the Kerry Committee?

Castillo: Never contacted by the Kerry Committee in any



Oliver North claims he is the most-investigated man ever, but his ties to narcotics trafficking into the United States were never investigated, according to former DEA agent Celerino Castillo.

way, shape, or form. I was never contacted by the FBI, which was trying to file the violations of the Neutrality Act out of Costa Rica on John Hull, on Oliver North, and all those people. *Never* did anybody contact the DEA [officers] in Central America who actually conducted the investigation.

EIR: When the congressional committees were investigating the so-called Iran-Contra affair, they had the public hearings and a lot of private interviews and depositions. Did they ever contact you?

Castillo: No, sir, not at all. And I was the agent in charge in El Salvador. I was the one who was reporting everything. Maybe they didn't want to hear the truth.

EIR: What about the special prosecutor, Lawrence Walsh?

Castillo: Let me tell you something about Lawrence Walsh. I had my attorney in San Francisco in 1991 contact Walsh's people to tell them that I had substantial evidence in regards to Oliver North getting involved in narcotics trafficking. The DEA did not, in any way, shape, or form, want for me to contact them. I went ahead and contacted them secretly. I had a covert meeting with FBI agent Mike Foster, at my attorney's office in San Francisco. He was shocked to find out that there was a lot of evidence that the Contras had been involved, that Oliver North had been involved, in the knowledge of the narcotics trafficking.

When he asked who in the White House did I think knew about the Contras being involved in narcotics trafficking, I showed him a picture of George Bush and myself. His mouth dropped. He couldn't believe what I was telling him. He said, "Cele, if we can prove that the Contras and Oliver North were involved heavily in narcotics trafficking, it would be like a grand slam home run!" Those are his words.

EIR: Did you ever get any feedback from Foster or Walsh's office?

Castillo: I called Mike Foster several times, and he kept telling me that he still hadn't gotten approval from Mr. Walsh to continue the investigation.

That was the end of the investigation. They weren't about to open up another can of worms, because what happened was, everything was dropping, everything was going off. They were working on [Defense Secretary Caspar] Weinberger at the time. . . . They weren't interested in conducting a narcotics investigation.

EIR: Have you looked at the final report issued by Lawrence Walsh?

Castillo: Yes, sir. I have that. Nowhere in this whole report does it indicate that there is any narcotics investigation at all.

EIR: There's no reference to narcotics?

Castillo: No reference to any narcotics investigation. Oliver North is saying that he is the most investigated person—and if he is, then why isn't there anything in the Walsh report?

EIR: In the course of your 12 years with the DEA, how many cases or prosecutions were you involved in, would you estimate?

Castillo: Thousands of them. All over the country, all over the world. I was constantly having fugitives arrested. . . . I was an agent who was not scared to get involved. I lost my family because of that. I was just a workaholic; I believed in the system; I believed in the agency, and I believed that what was right is right, and what was wrong is wrong. And it didn't take me 20 years to try and figure this out. I found out after my six years that the DEA was corrupt—in the sense that there was a major coverup. We were losing agents because of political fights within Washington, and I decided to leave. And I negotiated my leave from the DEA.

EIR: You say you're involved in thousands of prosecutions. So you're pretty familiar with what kind of evidence is needed to get a conviction in a drug case. Do you think that the evidence that you compiled concerning Oliver North would have been sufficient to get a conviction?

Castillo: Absolutely. Absolutely, from the get-go. I kept waiting for the phones to ring. I kept waiting for someone to call me. "We need you to testify before a committee. We need you to tell us what you have on Oliver North." Nobody. *The phone never rang.* There was enough evidence, especially on violation of the federal narcotics law, where if a U.S. official has knowledge that there's narcotics trafficking being conducted by somebody, and he does not report it, that's a violation of the law right there. We had the Contras; they were heavily, heavily involved in narcotics trafficking.

EIR: What do you think about the idea of Oliver North becoming a U.S. senator?

Castillo: Well, it's going to be the first felon, convicted felon, to become a U.S. senator. He should be in jail. He should be in jail. On his own words, he lied to Congress, he lied to everybody, he deceived, he's deceiving the American people right now. I think people do not know the real fact that he was heavily involved in narcotics trafficking—his organization was heavily involved in narcotics trafficking. And he had *knowledge* that these people were involved in narcotics trafficking.

EIR: That knowledge would be sufficient for him to have been convicted?

Castillo: Absolutely. But nobody ever contacted me down in Central America. Now, why? Was there a conspiracy to protect him? Was there a conspiracy to protect the President of the United States, George Bush, or the vice president at

the time? Apparently there was.

All of these things happened. It's documented, it's in black and white, I have case file numbers where it can be obtained. The DEA refuses to release that information.

The funny thing about it is: They're talking about Oliver North with the Contras. Well, there is a case file in 1991 that came out of Washington D.C., that implicates Oliver North. The file number is under Oliver North's name for smuggling weapons to the Philippines with known narcotics traffickers. Now, he's under the investigation by DEA and he's running for U.S. senator: Explain that one to me.

EIR: And you believe this case is still open with the DEA?

Castillo: Well, I don't know, maybe it is. Nobody can get access to it.

EIR: Is there anything else you would want to tell the people of Virginia about Oliver North?

Castillo: One of the things that Oliver North is stating, is that I am doing this because he is running for U.S. senator. But, the truth of the matter is that I have been trying to report this going back all the way to 1985-86, then in a memo in 1989, when I met with Walsh's people in 1991; there was a newspaper article that came out with this story in 1993, and in 1994 the Associated Press picked it up again. So it's a continuation of my attempt to educate U.S. citizens to the fact that Oliver North had knowledge that his operations were heavily involved in narcotics trafficking.

EIR: Are you going to come to Virginia and tell your story to the people of Virginia?

Castillo: Absolutely, I will go to Virginia. And the other thing I will say: I've never been paid 1¢ to tell my story. Never. When I found out that nobody was listening at the time to my story, I decided to write a book, a year ago.

One of the other things I want to remind the Virginians, is that I kept a daily journal of everything I did with the DEA. That's why I'm able to put these stories together with times and dates and so forth. So everything was documented. . . .

Even Jack Blum, the special counsel for the Kerry Committee, resigned his post saying, "I'm sick to death of the truth I cannot tell." So it's not me, there are other people out there who are saying the same thing.

In the Kerry Report, it says there is impressive evidence on the record that U.S. officials who turned a blind eye to narcotics trafficking and opposed the investigation of foreign narcotics smuggling, must also bear the responsibility for what is happening in the streets of the United States today.

And Oliver North should be responsible for that. Oliver North cannot stand there and say that nobody died of the narcotics that the Contras ran into the United States—which could be the "Frogman" case, or any other case. He cannot guarantee me that.