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Another Report On Contra Resale Of U.S.-provided Aid & Weapons

by Deborah Tyroler

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Last week, after deserting his troops in disgust, a contra buying agent said Nicaraguan Resistance leaders are reselling US aid and weapons for profit. Horacio Arce, formerly known as "Commander Mercenario," said in an interview with UPI on Sept. 27 that he left the contras because high-level corruption was damaging their cause. He requested that the interview not be published until the following day to permit him time to leave Honduras. Arce said, "I'm not talking about an individual soldier who, in case of necessity, sells his own weapon. What we are seeing is practically a business, with profits based on everything that comes from the United States." Arce, 33, who joined the contras in 1981 and served as chief purchaser, said he received reports that some of the US-provided weapons were being sold to Salvadoran rebels (Farabundo Marti National Liberation Front-FMLN). He did not provide evidence to UPI to support the allegation. An estimated 11,000 contras are based in Honduras, where they have received millions of dollars in food and other "humanitarian" aid from the US. Allegations of contras selling weapons to the Salvadoran rebels are not new, having first surfaced in early 1983. At that time, in an interview with UPI, a contra intelligence official in the Honduran town of Danli said a contra known as Commander Suicide sold millions of rounds of ammunition and dozens of small arms to the FMLN. Commander Suicide was apparently executed in late 1983 following a contra "trial" in which he also was accused of torturing and killing his own men. Next, in early 1986 allegations surfaced that the contras had deposited US money in offshore bank accounts in the Cayman Islands and the Bahamas. The General Accounting Office (GAO) indicated that more than half of a \$27 million "humanitarian" aid package had been traced through numerous offshore bank accounts and could not be found. According to Arce, several contra commanders were involved in selling US arms and other items purchased with US funds. Among them, he said, was Manuel Rugana, or Commander "Aureliano," Carlos Guillen, or Commander "Gustavo," and another known as Commander "Tiro al Blanco." Arce said "Tiro al Blanco" sold weapons in Danli, receiving between \$100 and \$250 for AK-47 rifles. (Basic data from UPI, 09/28/88)

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