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Costa Rican Political Campaigns Allegedly Financed By Drug Money: Summary Of Recent Developments

by Deborah Tyroler

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In mid-June, Panama's former consul general to the US, Jose Blandon, testified before a US Senate subcommittee that in 1985 Gen. Manuel Antonio Noriega contributed \$500,000 to the presidential campaign of Rafael Angel Calderon, candidate of the Social Christian Unity Party (PUSC). According to Blandon, Noriega had a long-term relationship with Costa Rica's National Liberation Party (PLN). However, he said, the general believed the PLN's candidate for the 1986 elections, Oscar Arias, to be an "innocent," and that Calderon had a better chance to win. According to the *The Tico Times* (06/16/89), this revelation produced an uproar threatening to undermine Calderon's ambitions for the 1990 presidential race. Calderon charged that Sen. John Kerry (D-Mass.), chairperson of the Senate subcommittee and Arias's personal friend, and a US political consultant hired as a campaign advisor to PLN candidate Carlos Manuel Castillo, were behind the allegations. Prior to the flap concerning Calderon, President Arias and Castillo had also been accused of receiving campaign contributions originating from the drug trade. Calderon complained bitterly of a "dirty setup," and accused Arias and Castillo of mounting a "dirty campaign against me and the leaders of the PUSC." He said, "What Kerry wants is his Liberation Party friends to stay in power...I'm accusing Kerry of intervening in the affairs and elections of Costa Rica." In a subsequent letter to Sen. Kerry, Calderon wrote: "This frameup is nothing other than the crystalization of threats made against me by the President of the Republic of Costa Rica, Mr. Oscar Arias Sanchez. He warned me of the existence of friends, very influential outside our country, who would cause me serious problems if I continued with my attitude of denouncing narco-trafficking in Costa Rica." Calderon's letter also demanded to know why Blandon was called to testify before the subcommittee in June in the first place. Blandon testified three times last year, and the subcommittee's three-year investigation into drug trafficking ended last April. Calderon continued by asserting that critics of the Senate subcommittee and even its own investigators have noted that no rigorous cross-examination of witnesses took place to check for inconsistencies and to attempt to evaluate their veracity. Others, he said, have asked why Blandon's "unverified deposition" was so quickly routed to the media in Costa Rica. President Arias denied that he was behind the allegations. "To attribute to me the power to make the United States Congress do what Oscar Arias wants is to give me influence that I don't have," he said. Although most of his recent testimony before Sen. Kerry's subcommittee focused on Calderon, Blandon claimed that candidate Arias also received funds from Gen. Noriega, who Blandon says "always plays to win." In the case of Arias, Blandon testified, "Noriega employed the Democratic Liberation Party, the official party that he controlled, to deliver support" to Arias and the PLN. Blandon did not elaborate. In Costa Rica, it is not illegal for politicians to accept contributions from abroad. However, any donation from Noriega would be tainted, not only because of his suspected ties to the drug trade, but also because of the implication is exercising a major influence on Costa Rican politics. The round of allegations summarized above occurred at the same time the Costa Rican Legislative Assembly approved the final draft of what was described as a first report on a drug trafficking investigation. Findings emerging from the investigation made public months ago triggered the cross-fire of accusations and animosity

between and within Costa Rica's two major political parties. The first report contains a letter that links Arias to Cuban-born Fernando Melo, a naturalized Costa Rican allegedly involved in the narcotics trade and believed to be in hiding in Panama. The letter reportedly showed that in 1985 Arias signed a contract with Melo concerning funds for the 1986 presidential campaign. President Arias said the letter "was invented by someone." PLN candidate Castillo admitted that in 1985 his presidential primary campaign fund had received a contribution of approximately \$2,364 in 1985 from Melo. Castillo said he originally denied receiving a contribution from Melo because the money was not registered in the campaign ledgers. The contribution, he said, was received during the last few hectic days before the primaries. Arias and the PLN have also been hurt by ties to Ricardo Alem, who headed Arias's 1986 election campaign and was later appointed by the president as Costa Rican representative to the Central American Bank of Economic Integration. Alem was detained last year for allegedly laundering drug money through Costa Rican businesses. On July 20, the Legislative Assembly released the final draft of a second report on drug trafficking in Costa Rica. A PUSC legislator, who requested anonymity, told Notimex on July 27 that former social democrat president Daniel Oduber (1974-78) was the "superior authority" who facilitated the entry into Costa Rica of Mexican drug trafficker Rafael Caro Quintero. Oduber is currently one of the vice presidents for Latin America of the Socialist International. The legislator said the report did not include details of Oduber's role in the Caro Quintero's flight from Mexico to Costa Rica in 1985. The legislative committee which carried out the drug trade investigation requested that Oduber be removed from any positions, formal or informal, he holds within the ruling PLN. The former president was accused by the committee of maintaining contacts with international drug traffickers and of receiving illicit funds to finance electoral campaigns. The PUSC politician told Notimex that the evidence against Oduber consists of a letter by Robert Nieves of the US Drug Enforcement Agency in Costa Rica that was sent to the Costa Rican attorney general's office. The letter provides details on Caro Quintero's arrival and stay in Costa Rica, and states that President Oduber was the "superior political authority" who arranged for the plane carrying Caro Quintero to land at the international airport in San Jose and to avoid all customs and immigration checks. Caro Quintero arrived in San Jose on March 16, 1985, fleeing from Mexican authorities. He was allegedly responsible for the assassination of DEA agent Enrique Camarena Salazar and of Mexican pilot Alfredo Zavala, in February that year. Caro Quintero's plane departed from a clandestine airstrip in Culiacan, Sinaloa state. Both pilot Werner Lotz Artavia and co-pilot Hugo Miranda Arguedas were Costa Rican citizens. Nine passengers accompanied Caro Quintero on the flight. Five of the nine were members of drug trafficking ring. In its first report on drug trafficking, the legislative commission said only that a "superior authority" had collaborated in the Caro Quintero case. The July 21 report denounced Oduber, and demanded that he be stripped of all political responsibilities. [On July 26, Oduber said he would not return the \$100,000 he received from US citizen James Lionel Casey, who has been charged with drug trafficking by a US court. The money from Casey was received as a contribution to Arias's presidential campaign. Oduber said he had already explained the circumstances under which he obtained the money in statements before the PLN's ethics tribunal. He added that no politician is legally obligated to determine whether contributors are linked to drug trafficking. Regarding the demand that he resign from all PLN "positions," Oduber said, "Resign from what? If they take the vote away from me, it would be one vote less for [the] Liberation [party]."] July 29: In a televised interview, Oduber said that the commission did not adequately explore connections between domestic drug trade activities and those uncovered by the US congressional hearings on the Iran-contra affair. He said the accusations against him were nothing more than a political smokescreen. Oduber said Costa Rican legislators would be better

served by focusing their attention on the "adventurers" headed by former National Security Council aide Oliver North who in 1984 appropriated northern Costa Rica for trafficking in guns and drugs. [Basic data from 07/12/89 report by the Regional Coordination for Economic and Social Research of Central America and the Caribbean (CRIES, Managua); July 1989 news summary by Central America Resource Center, Minneapolis, Minn.; Notimex, 07/28-29/89]

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