Former Costa Rican President Testifies Before Legislative Commission Investigating Campaign Contributions

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On Jan. 30, former president Oscar Arias (1986-1990) spoke with reporters following four hours of testimony before a special legislative committee investigating drug trafficking in Costa Rica. Arias told reporters that although he did receive money from persons and companies now known to be involved in drug trafficking activity, neither he nor his campaign managers were aware of such connections at the time. Arias said that in 1985 his campaign received a US$20,000 donation from the Miami-based firm Ocean Hunter. Later, the company was found to be involved in the drug trade. [Ocean Hunter is believed to have been a Central Intelligence Agency (CIA) front used for laundering drug money which was channeled to the Nicaraguan contras. In late 1985, Ocean Hunter received a US$200,000 State Department grant as part of a humanitarian assistance package directed at the contras. Meanwhile, the firm was under investigation by the Federal Bureau of Investigations (FBI) for suspected involvement with drug traffickers. In 1987, Cuban-American Ramon Milian-Rodriguez testified before a US Senate committee that he ran a cocaine money laundering operation set up to provide funds to the contras through Ocean Hunter. (See CAU 07/22/87 for reference to Ocean Hunter.)] Arias said Panama's Democratic Revolutionary Party (PRD) also made a contribution to his party in 1985. Foreign political parties, he pointed out, have often made campaign contributions to Costa Rica’s two major parties. Arias said no PRD leaders had been implicated in drug trafficking activity at the time. Next, Arias categorically rejected any ties to Colombian weapons and drug trafficker George Morales. The special legislative committee is looking into possible connections between Morales and other drug traffickers who had close ties with the contras and Costa Rican political and business leaders. The former president asserted that the Drug Enforcement Administration (DEA) was largely to blame for drug trafficker infiltration of Central American political parties during the 1980s. He said the DEA "turned a blind eye towards activities undertaken by the CIA" aimed at assisting the Nicaraguan contras after the US Congress cut off funding. According to Arias, given the new political landscape in Central America, drug traffickers experience much more difficulty in attempting to influence party campaigns and politics. He added that he had urged the legislature to adopt regulations to limit campaign contributions from abroad, and to identify mechanisms to reduce political campaign costs. (Basic data from ACAN-EFE, 01/30/92)

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