

Around The Americas

Drug Deal May Link Castro and Miamian, Congressman Charges

By WILLIAM R. AMLONG
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The chairman of the U.S. House narcotics committee said Sunday that Guillermo Hernandez-Cartaya, an influential international banker in Miami's Latin community, is being investigated as a business partner of Cuban President Fidel Castro. One transaction allegedly involving the two was a \$100-million loan to Colombia in return for which some Colombian officials agreed to "facilitate" cocaine smuggling to the United States.

Rep. Lester Wolff (D., N.Y.) made the allegations on the CBS program "60 Minutes." An aide to Wolff, who was unavailable for comment, said that the House Select Committee on Narcotics Abuse and Control planned hearings on the matter Wednesday.

HERNANDEZ-CARTAYA, a Bay of Pigs veteran, was not available for comment. His WFC Corp., a Coral Gables firm which recently experienced some financial difficulties, has been the subject of a joint probe by narcotics detectives, FBI agents and bank examiners for several months.

The original allegation of a connection with Castro came to the Organized Crime Bureau of the Metro Public Safety Department. The Herald learned. The report was that Castro had made an initial investment in WFC. A high-ranking OCB officer said Sunday night that he would "rate the informant as pretty

unknown "whether it is washing the money or taking money for the transactions; this is yet to be developed."

Wolff discounted the possibility that the reports were an attempt at "disinformation" to thwart improvement in relations between the United States and Cuba.

THE LOAN was described on "60 Minutes" as one approved by the Colombian Senate and intended to improve agricultural production. WFC was said to have \$10 million invested; the remainder of the money came from nine banks, all of which CBS said were being repaid.

However, Wolff said, "It is quite obvious that there was something that took place outside the loan that is part of the trafficking situation."

In characterizing "our sources," Wolff said, "This is not in the nature of some wild-eyed charges being made by some individual or group. This has come to us from a variety of sources, respected investigatory sources and intelligence sources within our government." He responded to questions by saying that, among the agencies aware of the situation, were the FBI, CIA, Drug Enforcement Administration and the Departments of State and Justice. He said that committee investigators had "checked and rechecked" the allegations.

CBS Correspondent Morley Safer said that, while network reporters also had investigated the reports at length, "60 Minutes" would not

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The original allegation of a connection with Castro came to the Organized Crime Bureau of the Metro Public Safety Department. The Herald learned. The report was that Castro had made an initial investment in WFC. A high-ranking OCB officer said Sunday night that he would "rate the informant as pretty good, but I wouldn't go to court with him. We've yet to find any good stuff that we can really hang our hat on."

The primary focus of the allegations quoted by Wolff is a \$100-million loan which WFC, a firm specializing in international banking, arranged in 1975 for the government of Colombia.

Citing intelligence reports, which he declined to attribute to a specific federal agency, Wolff said: "One specific area that is known is that this company was instrumental in



WOLFF

raising a loan to Colombia. This loan was for \$100 million and from our reports this loan was made under the direction of Fidel Castro for the purpose of ostensibly opening political relations between Cuba and Colombia.

"But at the same time," Wolff continued, "part of this was an ancillary agreement between the financial company and the Colombian government, people within the Colombian government, wherein the exportation of narcotics would be facilitated by the ancillary organizations of WFC."

"According to the information we have, Castro had to approve this loan and use his good offices in arranging it."

Wolff was specific in saying that no one higher than "middle-echelon" Colombian officials were alleged to be involved in the narcotics deal. Wolff also said that, after a conversation with Colombian President López Michelsen, he was convinced that he had no role in this whatsoever.

As to WFC's alleged involvement in the cocaine trade, Wolff said it is

being made by some individual or group. This has come to us from a variety of sources, respected investigatory sources and intelligence sources within our government." He responded to questions by saying that, among the agencies aware of the situation, were the FBI, CIA, Drug Enforcement Administration and the Departments of State and Justice. He said that committee investigators had "checked and rechecked" the allegations.

CBS Correspondent Morley Safer said that, while network reporters also had investigated the reports at length, "60 Minutes" would not have aired them unless someone of Wolff's stature had confirmed them on the record. "I've agreed to confirm it," Wolff said, "because I feel that we have to reach into the heart of the illicit narcotics traffic in order to do something about it and I do believe that this situation, when it is fully developed, will break the back of the cocaine connection in the United States."

WFC HAS BEEN the target of a narcotics-oriented investigation for about 18 months — an investigation to which the OCB assigned an entire eight-member squad headquartered in an office away from the rest of the unit's narcotics investigators.

The OCB investigation began after uniformed patrolmen responded to West Dade businessmen's complaints about a leased Dempsey Dumpster that was always full before they got a chance to use it. Found in the dumpster, in a search for clues about who might be using it, were plastic garbage bags containing marijuana residue and a ledger sheet that appeared to be an accounting of a marijuana deal.

Detectives then sought to tie the marijuana deal to persons connected with WFC — but with such little luck during the past 18 months or so that Lt. C. Don Skelton was considering two weeks ago terminating the investigation. "We've got a lot of phone tolls that we've checked," Skelton said. "We've got a lot of surveillance that we've done. And we've got a lot of garbage picking ... (But) if we had enough to go before a court of law, we'd be there."

In another area of the investigation, bank examiners found overdrafts at the National Bank of South Florida, a bank in which Hernandez-Cartaya had purchased controlling interest for an undisclosed cash sum.