

## CHAPTER EIGHTEEN

# DEEP WATERGATE

*“When you’ve got them by the balls, their hearts and minds will follow.”*  
—Charles Colson, Nixon White House Advisor

*IN JULY 1, 1972, ten days after the arrest of burglars in Washington’s Watergate Complex, the TV series Bewitched aired its final episode, and Attorney General John N. Mitchell resigned as chairman of President Nixon’s re-election committee because of the brewing Watergate scandal; and as Sammy Davis Jr.’s, single “Candy Man” made a move up the charts pilot Barry Seal was arrested in New Orleans, for conspiracy to export enough C4 plastic explosive to blow the island of Cuba half-way up the Florida Keys.*

**W**e discovered that the arrest of Seal and six co-conspirators is part of the secret history of the Watergate Scandal. And it points towards what might have been behind it all...

Because the most amazing thing about this most amazing scandal is that, even after all these years, we still don’t know.

What connection could Barry Seal have had to Watergate? When authorities swooped down on a DC-4 being loaded with C4 plastic explosive and arrested everyone involved in the operation, it temporarily shut down what became known, after the release of Nixon’s tapes, as the “Mexican Connection.”

Remember Watergate? If you're like most Americans, like we were, you remember it wrong.... We remember cheering Nixon's removal as his just desserts for various unconstitutional abuses of power. And we didn't mourn his passing; after being elected in 1968 with a "secret plan to end the war," he had instead *prolonged* Vietnam for almost as long as World War II had *lasted*...

The Watergate Scandal, we discovered, had an unexplored narcotics trafficking, arms smuggling component. On the tapes Nixon referred to this as 'the Mexican connection.'

Barry Seal's big 1972 arrest was as the result of working for this ongoing operation during the Watergate summer of 1972, when it was disrupted as part of a larger war between the CIA and Nixon over the newly-created apparatus he had devised to bring control of drug intelligence into the White House.

The pilot arrested with Barry has told us that this was by no means the first CIA-sponsored weapons-for-heroin flight Seal and his associates had flown.

Like something right out of a "Gangland" column in the *New York Post* two Mob families went to war for control of the drug trade.

Except that these were *federal* families.

Barry Seal's 1972 bust, while it was big news for a day or two, was never connected to Watergate in the press, even though it occurred less than two weeks later. On July 3, 1972, The *New York Times* reported that Federal officials had arrested seven men in Texas and Louisiana on charges of conspiring to smuggle munitions to Mexico. A DC-4 was seized at the Shreveport Regional Airport loaded with almost seven tons of plastic C-4 explosive, 7,000 feet of explosive primer cord, and 2,600 electric blasting caps.

The explosives, said the U.S. Attorney's Office in Louisiana, were headed to Cuban exiles in Mexico, who were going to use them in an effort to overthrow the government of Fidel Castro.

This much at least turns out to be right on the money...

"Barry and I were involved in an operation which I know Barry believed was fully backed by the CIA, a plot to get rid of Castro in 1972," states James Miller, the pilot arrested with Barry in the bust. "When we were arrested, it took Barry completely by surprise."

What had they been up to?

"We were planning the overthrow of Cuba with the assistance of the Mexican Air Force," Miller told us. "We had flown several times into Mexican Air Force bases, and met for that purpose."

Had Miller, an ex-military pilot, known he was involved in what was to have been a weapons for heroin transaction?

Turns out, he did...

“This was not the first time this pipeline had been used,” says Miller. “That was why it was such a shock when we were arrested.”

The principal players in the scheme were Richmond Harper, millionaire rancher and Director of the Frontier State Bank of Eagle Pass, Texas; Marion Hagler, a former Inspector with the INS; Mob associate Murray Kessler, and Barry Seal.

“Murray and Barry had known each other since the Cuban business in New Orleans,” explains Miller, a lifelong member of the clannish Louisiana pilot’s fraternity. “Kessler was a Gambino family associate.”

Miller stated that Barry Seal had known—and taken numerous meetings with—the head of what was then the most powerful of the five New York Mob families, Carlo Gambino.

“Barry and I flew to New York to meet Mr. Carlo Gambino. Barry had an idea for importing shrimp from Panama to restaurants in New York. Mr. Gambino said he liked the idea, but said that all of his restaurant business had to be cleared through his nephew Mannie,” Miller said.

Mannie Gambino told us that he was too busy to talk just then,” he continued, “to call him back in three days to set a meeting. Well, three days later, Mannie was missing, never to turn up again. His bloodstained car was found out at Newark International airport, and no one has ever seen poor Mannie again.”

Mannie Gambino’s partner was New York Mobster and Guy Banister partner-in-the-Cuban-business Murray Kessler.

Small world.

Seal was supposedly working for TWA full-time as a pilot during this period. That turned out to have merely been his cover, as Barry Seal had been busy with a lot more than flying tourists to Italy and Greece. He was planning wars in Central America.

TWA realized the exposure it had with its spy on the payroll, and the airline nervously pleaded with Seal not to get caught doing anything while he was wearing his Captain’s uniform...

We discovered a letter in which the airplane’s v-p of personnel is pleading with Seal to ‘be good,’ to “not bring the company into disrepute with his extra-curricular activities.” The letter reflects not an employer/employee relationship, but something more akin to state-to-state negotiations.

Though Howard Hughes’ ‘marriage’ with the CIA was a happy one—Hughes’ companies served the CIA worldwide as its largest

private contractor—TWA could be embarrassed if one of its pilots made headlines for launching a Central American coup.

Charles Colson had told Watergate investigators that Hughes had “close organizational ties with the CIA,” and thus by implication with Watergate. But few among the Washington press corps at the time professed a clue as to what he was talking about...

Barry's co-conspirators were a rich assortment of people connected with everything from organized crime to the White House's new drug enforcement czar.

Murray Kessler, for example, an associate of the Gambino organized-crime family, was a frequent houseguest at Richmond Harper's ranch; and Harper, according to Barry Seal, had “deep deep ties right in to the White House.”

Kessler's rap sheet included six convictions on charges of interstate theft, transporting stolen property, bookmaking and conspiracy to possess heroin.

A Customs agent tailing him through an airport described Kessler in his report as “50-ish and Jewish-looking, wearing a open-collar gray shirt with a gray sports suit, accompanied by a “bleached blond in white slacks and a red polka-dotted jacket.”

Lucky guy. “Bleached blondes in white slacks and red polka-dotted jackets” were power accessories back then. Murray was ‘connected:’ he had been “an anti-Castro guy, since his days with Guy Banister,” according to retired DEA agent Dick Gustafson, who knew him. “It was like a mantra he carried around with him.”

The men arrested were all intricately “connected.”

Kessler had been, as they say in crime-land, a “known associate” of Guy Banister and David Ferrie in the 1960's, and Barry Seal. Richmond Harper was connected too: the middle-man in the weapons-for-heroin deal was a “tall lean guy wearing a cowboy shirt with the monogrammed initials “RCH,” a string tie and cowboy boots,” according to author Pete Brewton.

It's a description with which Debbie Seal agrees. She once saw him on the airport tarmac in Eagle Pass, after flying in with Barry to confer while awaiting trial. This is also where Oswald's “buddy” George DeMohrenschildt entered Mexico on his way to Guatemala for the Bay of Pigs.

Small world.

Harper was also an associate of Carlos Marcello's front man, Herman Beebe, funny credentials, one should think, for a man with deep deep ties into Nixon's White House.

Those ties included access to the head of Customs and Special Consultant to the President on Narcotics, Myles Ambrose...as well as to John Erlichmann's aide Jack Caulfield, who, in addition to his duties as a bagman, had helped to set up the White House Plumbers unit.

Ambrose visited Harper and went hunting with him on his ranch in Mexico, according to former Customs officials who worked under him, and was Harper's guest at the wedding of the century in tiny Eagle Pass, the 'hitching' of Harper's own daughter, an event commemorated by the slaughtering of 600 steers.

No bull.

Myles Ambrose's chatfests with the colorfully-connected rancher were first discovered by the House banking subcommittee investigating the Texas rent-a-bank scandal.

"We tried to warn him [Ambrose]," stated one Customs official to the committee. "Tell him that this guy [Harper] is bad. He wouldn't listen."

Since he had shepherded the establishment of the DEA through Congress, when we reached him (in Virginia), we asked him about his curious associations...

On Harper, Mr. Ambrose was emphatic, stating he had only ever visited the Harper ranch... *once*. But about the creation of the DEA, he had more interesting things to say.

"I got to Tip O'Neill," he told us, about the deal to set up the Agency. "And that kept the partisan stuff out." (Oh, to have been a fly on the wall during *that* negotiation.)

A former Customs Agent who worked for Ambrose described him as a fearsome autocrat...

"I was the top graduate in my class at the Treasury Department," the agent told us. "I wasn't afraid of anyone or anybody. But my first day in Washington I learned just how much fear Ambrose instilled in people. He was an Orangeman—you know what that is? A follower of William of Orange? And he took it so seriously that no one in Customs was allowed to wear green. And my first day on the job—not knowing this—I had on a green suit, and he came over and read me the riot act."

This agent's anecdote came to mind when we found ourselves feeling Mr. Ambrose's displeasure at the thrust of our questions. Finding himself out of sympathy with our speculations about the *true* nature of the pie being carved up at the DEA's inauguration, Ambrose became eager to share with us his thoughts on the involvement in the drug trade by the folks on the *other* side of the aisle.

“I was with Treasury back in the late Fifties, when Bobby Kennedy was running the Kefauver Committee Hearings on Organized Crime,” he said angrily. “And I know for a fact that there was a yellow sheet (investigative report) on a meeting in Havana where Meyer Lansky gave two kilos of heroin to Frank Sinatra to bring back to the States so he (Sinatra) would have a little ‘walking-around’ money... But because Sinatra was helping Kennedy get elected, his brother removed all reference from the Committee’s report.”

Sinatra’s dead, and can’t defend himself. Ambrose still can, so we wanted to know why, when warned by Customs agents to steer clear of Richmond Harper, he hadn’t listened? He had no recollection of the warning, he told us.

Later we will discover that Richmond Harper, a strange friend one might have thought, for a man who had created American Drug Enforcement Administration, had once been on trial for mislabeling dog food—food not intended for humans—as fit for human consumption, and shipping it over the border from Mexico to the United States.

After his friendship with Harper was revealed, Ambrose was forced to leave office. Later Nixon aide Charles Colson told Senator Lowell Weicker “Ambrose had set up the CIA in the Drug Enforcement Administration.”

“Certain Mafia figures had cordial relations with Ambrose,” Colson also stated with—as we’ve seen—some justification.

One of the benefits of studying Seal’s 1972 arrest is the number of previously hidden, ‘underground’ associations it reveals... For example, the plane used, a DC-4, was owned by James Boy, owner of Fort Lauderdale Leasing in Miami, who we have been able to identify as a “known associate” of the Central Intelligence Agency...

James Boy’s planes will a decade or so later fly Ollie North’s mercenaries in and out of Honduras; he will also be arrested with Seal in 1981, in the big DEA drug bust called Operation Screamer.

The Customs Service undercover agent who carried out the ‘72 sting, Cesario Diosdado is also part of the secret history... In one of the strangest episodes to occur on the day of the Kennedy assassination Alpha 66 head Antonio Veciana said Diosdado had mysteriously shown up unannounced at his Miami home.

“You don’t know anything about Kennedy, do you?” Diosdado asked.

When Veciana replied “no,” Diosdado seemed satisfied. Veciana felt he was being tested, and so didn’t tell Diosdado that he had seen Oswald

in Dallas a month earlier, he testified, because “he didn’t want to get involved.”

House investigator Gaeton Fonzi later reported: “Veciana said as soon as Diosdado walked in the door he told him, ‘hey, don’t worry about a thing, I don’t even know why I’m doing this, they just told me to do it, interview some Cubans.’”

Syndicate boss Sam Giancana had said one of the shooters in the Kennedy hit had been a US Customs officer, according to Chuckie Giancana’s *Double Cross*. When the House Select Committee interviewed Diosdado in 1976 he was working for that home away from home for wayward souls, America’s Drug Enforcement Administration.

Diosdado insisted that he worked for United States Customs from 1957 to 1968, not for the CIA, and said he never questioned anyone about the JFK assassination.

But a variety of CIA documents confirm that he *was* a CIA agent... “Presently resident Customs Agent-in-Charge, Key West, Florida. At this time Subjects (Diosdado’s) salary was being paid by WAVE Station.” When an informant claimed that Diosdado had sent arms to Castro prior to Castro’s taking over Cuba, as well as getting individuals in and out of Cuba for a price, the FBI shrugged, stating they “do not interfere with his activities since the FBI believes he is acting for the CIA.”

So, Diosdado was running weapons to Fidel Castro too. This is not a huge surprise. Why is Diosdado lying? Out of principle? Just to keep in practice?

Barry Seal was on to Diosdado. According to Seal, “through records I have obtained from a private investigative agency in Denver, Colorado, the Customs Service undercover agent who carried out the sting, Cesario Diosdado, has been proven to have been an ex-CIA agent who worked in the Bay of Pigs invasion and had been working both sides of the fence in the Miami/Cuban area.”

In his landmark book *The Mafia, CIA, and George Bush: The Untold Story of America’s Greatest Financial Debacle*, Peter Brewton was the first to connect Seal’s explosives bust to the same crew of ‘elite deviants’ who later created the savings and loan scandal.

Brewton called Seal’s bust with Mafia associates and CIA operatives “one of the most bizarre and inexplicable criminal cases on record.”

Seal had been taking some sick leave from his job as a captain flying 707s and 747s out of New York to Europe for Trans World Airlines, according to Brewton. “When he walked out of his motel room near

the New Orleans International Airport, he was arrested by federal agents and charged with violating the Mutual Security Act of 1954, which prohibited the exportation of weapons without the permission of the State Department.”

The saga began, CIA/Customs Agent Diosdado later testified, when he was sent to Mexico City to meet with U.S. and Mexican agents to map out a strategy for breaking up an arms smuggling ring. He said he had been summoned by the Federal Bureau of Narcotics and Dangerous Drugs and told by a special agent of the Bureau to investigate a group that had “approximately 10,000 assorted weapons and then trying to trade the weapons for 25 kilos of heroin.”

Leland Briggs *was* that special agent Diosdado referred to in his testimony. When we tracked him down in retirement, he told us, “I knew Diosdado had been working with the CIA in Florida back in the 60’s, but he was with Customs when I called him in. He was a pain in the ass. Back then the CIA was working against us most of the time.”

While in Mexico City, Briggs had witnessed something extraordinary: Myles Ambrose flew in, he told us, along with then-Asst. Attorney General Dick Kleindienst and Jack Caulfield, who was, of all things, a member of Nixon’s George Bush-led Cabinet-level Committee on International Narcotics Control...

“Caulfield was a good guy, a former New York cop, who was laundering money at that time for the Republican National Committee,” Riggs remembers. “I set up meetings with the Mexican Treasury Department for them.”

Drug smuggling through Mexico had been Meyer Lansky’s main narcotics operation, according to the inestimable Professor Peter Dale Scott. Scott said the Federal Bureau of Narcotics consistently diverted attention away from this key trafficking pipeline, reportedly the biggest drug smuggling channel into the United States.

It was so well established, Scott had been the first to report, that Jack Ruby had been involved in it as far back as 1947.

What was Nixon bagman Jack Caulfield doing in Mexico City at precisely the time \$50 million of untraceable cash was flowing -much of it from there—into Nixon’s re-election war-chest?

If you answered, “discussing stopping the flow of narcotics into the US from Mexico,” your faith in America’s political class exceeds our own...

During Barry Seal’s trial it was revealed that even the Mexican whose report initiated the undercover operation, named Fregoso,

had unsavory associations. He was a DFS officer (Mexican CIA) of singular stature, so corrupt that he will be drummed out of that agency—in what has to rank as a Mexican first—for accepting bribes from a narcotics dealer.

The initial deal had been 10,000 automatic weapons for 25 kilos of heroin. Diosdado met retired INS agent Sandy Hagler in Eagle Pass, and was told that the operation had a fleet of five DC3's as well as 3-5 amphibious PBY aircraft...the same fleet of aircraft which Dave Ferrie controlled five years earlier.

But when Diosdado produced the first few kilos of heroin it was judged defective by the Harper/Kessler/Seal group, which now wanted *cash*. To cover the cost of the transaction Diosdado deposited a million in cash in a safe-deposit box at Chase Manhattan in New York City, and another million in cash in a safe deposit box in San Antonio.

Harper then put Diosdado in touch with Murray Kessler, who invited him to visit a steel plant in Newark which, Kessler stated, was used to manufacture weapons and make spare parts.

So Diosdado went to New York to meet “Mr. Big,” placing an initial order of 4,500 M-1 rifles with 500 rounds of ammunition for each weapon, after Kessler boasted of being in business in Virginia, with the “biggest arms supplier on the face of the planet.”

This turns out to be absolutely true. Customs Agents found in Kessler's address book the name and phone number of Sam Cummings of Interarms, the CIA's proprietary armaments supplier in Virginia.

Samuel Cummings, we recalled, had been recruited, while still young, to arm the 1954 Guatemala secret invasion.

Small world.

For over half a century the genteel Philadelphian peddled arms, rising quickly to the top of the global small-arms trade. He helped foment the history of post-World War II America: a long run of wars, coups and revolutions, from the '50s to the '90s.

His company, Interarms, sometimes equipped both sides.

Cummings and his Swiss wife lived in jet-set comfort in a 14room apartment in tax haven Monaco, and a sprawling chalet, 4,000 feet up, in Switzerland's Bernese Alps. Though born an American, he became a British subject. The guiding principle of his business strategy was the idea that “the military market is based on human folly, and not normal market precepts. Human folly goes up and down, but it always exists—and its depths have never been plumbed.”

Philosophical niceties aside, in the trade Cummings had a nickname: “the merchant of death.”

For Murray Kessler this was not, all in all, the best of times. His partner, Manny Gambino, had just been kidnapped. When Mannie’s car was found at Newark Airport, with blood all over the trunk, in certain New York circles this was not considered a good sign.... “Manny left to meet some people in Jersey,” Kessler said to Diosdado.

Manny Gambino, nephew to the all-powerful Carlo Gambino, ultimate Mafia don, had been kidnapped and held for ransom. Kessler was designated as the bagman to deliver the loot. But even after the kidnapers received part of the \$350,000 ransom they demanded, Manny Gambino was murdered. His corpse was later found in a New Jersey garbage dump.

The enraged Carlo Gambino sent out his top enforcers to avenge his nephew’s death. One of the kidnapers was found and killed in a Staten Island bar by a Gambino soldier named John Gotti, who was sent to prison for seven years.

Gotti will, of course, later emerge to do major cocaine business with Barry Seal—distributing to “retail” massive amounts of cocaine, according to pilot Richard Brenneke, in a deposition to Congressman Bill Alexander—brought into this country through the remote airport in Mena Arkansas.

Brenneke, predictably ridiculed and ‘discredited’ when he first came forward, now appears to be telling the truth.

James Miller, the former military pilot arrested on the tarmac with the plane and the weapons in the ’72 bust, had told us of flying to New York with Barry to meet with Carlo Gambino several times that year. Once they went to see Gambino to ask the don’s blessing on a shrimp-importing scheme Barry had hatched.

This confirms the connection between life-long CIA agent and pilot Barry Seal and the highest levels of the Gambino Family, at the time New York’s most powerful.

If Barry’s planes were, in the mid-’80’s, being met in Mena by Sal Reale of the Gambinos, as Richard Brenneke claimed, we can now see that it fits an already-existing pattern...

When Diosdado flew in to the big Apple to talk ‘turkey’ with Kessler, Murray the Mobster rose to the occasion, putting thoughts of his dead partner aside. He regaled undercover agent Diosdado with his views on life while squiring him around New York.

And since Diosdado was wearing a wire, today we can let the entertaining Mr. Kessler speak for himself for a few moments, from

official court transcripts that read like dialogue out of a David Mamet gangster movie...

Diosdado tries to give tailing agents listening in to the conversation in Kessler's limo clues to the car's location, through the ruse of asking about passing Manhattan landmarks...

DIAZ: How many lanes in this tunnel?

KESSLER: In the tunnel? Two.

DIAZ: Is this the only tunnel in town?

KESSLER: No, we got the Holland Tunnel, that's farther down, the Lincoln tunnel. This takes you right into the heart of Manhattan.

DIAZ: UNINTELLIGIBLE.

KESSLER: You see a lot of nigger hustlers in this part of town.

Then, maybe because his partner Manny had just been "iced," Kessler begins to wax philosophical on his methods of doing business...

KESSLER: See, one of the biggest problems in this kind of situation is an untrusting situation. And I know a man has to have some way where he's dealing with somebody with *family*. This man is not going to do anything bad because he *knows* the people he's dealing with have *got* to be bad people—people with blood—you understand?

The easiest way, the way we dealt with previously (*Would I tell you a lie?*), we had a man from Manhattan, and a girl and five guys would come over every month with two suitcases—\$600,000 or \$700,000. We built a hand grenade factory in Kansas, our own, with a general named Smith. Our own! We started out the same way (as we are with you), you know...

DIAZ: Yeah?

KESSLER: Then later they said, 'listen, these people are real people; they're not interested in stealing nothing! They're in this deal, they want to make what they're supposed to make. What we agreed and that's the game.

I'm not interested in dying for money, understand? You must deal with *real* people—not in a hotel room—but with

people who *live* someplace! People who know, you know, my mother, your mother, and my kids. I *know* these people, you understand?

You're entitled to make one mistake here. That's the problem, we pay you, whatever you make I pay you, but honor, honor! *That's* the way I do business. This is where my children and my family live, and maybe I'll get killed, but they'll say, listen, he got killed doing his job. *That's* the way I like to do business, the only way you can know honor with people of this caliber. There's no other way, no other way. People who trust you—when people who trust you with things like this here— God forbid you make a mistake! That you *lose* something. There's no going back and saying you're sorry. This game has no "*I'm sorrys*."

Kessler discusses the importance of transportation, and boasts of his association with Barry Seal...

KESSLER: I'm in a position where I've got a man that's flying around the world all the time. This is no nickel aviator! A real captain, like you came on the airlines with! Captain! Need him—he's gold! He's experienced. I was in the cigarette business here. I bring cigarettes from Panama with this guy. He comes into the country, the United States, and never lands! Throws out everything on Long Island, its a three hundred yard field, everything, never lands!

Barry Seal's own deposition stated that he had flown to Panama with a Carlos Marcello associate, Joe Mazzukka, to discuss "importing" cigarettes with an RJ Reynolds official there.

Curiously, this same RJ Reynolds official also agreed to go into business with Seal and his Mob buddies, fronting for them in setting up an oil exploration company on the island of Aruba to facilitate exporting explosives.

Kessler also discusses doing business on an international level, stating his preferences right into Diosdado's microphone.

KESSLER: If we had met four or five months ago I might have said, come on, let's go to Israel. They've got more guns there than you've got hair on your head. Millions of them! What's going on in the United States I don't understand, why only a

few people in this country do what has to be done. Because of what happened here the past 2-3 years—since the niggers started with the revolution shit here—they have a gun control law here now. If you go to buy a rifle you got to show where it's going, who bought it, everything!

Diosdado and Kessler agreed that Barry Seal will fly with Kessler to Vera Cruz Mexico in advance of the deal, to check out the airports suitability for landing a fully loaded DC-4

Kessler now turns mysterious—strange, since he's just given away CIA Mob secrets to everyone with access to transcripts of the wire—and begins speaking in code...

“My driver has to look at the racetrack so he knows how to drive the car on it.”

From Seal's later trial testimony, we can piece together what happened next...

Barry Seal must have been wilting in the suffocating heat of Vera Cruz, Mexico—never a place particularly known as a vacation getaway. The humid Gulf air was oppressive, and there was no shade on the isolated airstrip on which stood Seal and two sweltering companions, just a swarm of mosquitoes and a lone burro nibbling garbage along the edges of the runway...

Rings of sweat expanded underneath the armpits of the bear-like Seal's flight suit as he and the two smaller figures flanking him peered intensely at a map of Cuba, spread out on a picnic table near the dilapidated shed which served as the strip's air terminal.

One of them was CIA agent Cesario Diosdado, the other Mafia lieutenant Murray Kessler. Their eyes followed Seal's forefinger to a spot on the map, as a droplet of sweat dripped from Barry's forehead directly—we like to imagine—onto the word 'Havana.'

Could these three huddled figures be—two weeks before the Watergate burglars are arrested—involved in the complex of scandals that will come to be known as Watergate?

If you're not sweating in the bright sun of Vera Cruz, as Barry Seal was in June of 1972, it's easy to forget how important the Mexican connection was to the Watergate scandal.

When hush money was paid to the Cubans busted at the Watergate it came in the form of Mexican checks, turned over first to Maurice

Stans of CREEP (Committee to RE-Elect the President) and then to Watergate burglar Gordon Liddy, who passed them to Bernard Barker of the Miami Cubans arrested the night of the final Watergate break-in.

Barker, a CIA operative since the Bay of Pigs invasion, was walking around carrying this “Mexican” cash when he was apprehended.

The money came from one of George Bush’s intimates, and at the request of Bush, a member of the Nixon Cabinet since February 1971. Just two days before a new law made anonymous donations illegal, \$700,000 in cash, checks, and securities was loaded into a briefcase at Pennzoil headquarters by a company vice president who boarded a Washington-bound Pennzoil jet and delivered the loot to the Committee to Re-Elect the President.

Later, the Banking and Currency Committee of Texas Democrat Wright Patman began a vigorous investigation of the money financing the break-in. The largest amount, he discovered, had been sent in by William Liedtke, longtime business partner of George Bush.

On the day Nixon resigned Patman wrote to Peter Rodino pleading with the chairman of the House Judiciary Committee to *not stop* investigating Watergate...

And though Patman died in 1976, his advice still holds good, though nobody, any longer, is holding their breath waiting.

Was George Bush implicated in the activities of the Plumbers? Bush was knee-deep in deep doo-doo, as illustrated by the notorious White House meeting of June 23, 1972, whose exchange between Nixon and Haldeman provided the *coup de grace* to the agony of the Nixon regime.

Haldeman says (on the tapes): “Now, on the investigation, you know the Democratic break-in thing, we’re back in the problem area because the FBI is not under control, because [FBI chief] Gray doesn’t exactly know how to control it and they have... their investigation is leading into some productive areas because they’ve been able to trace the money.... Not through the money itself, but through the bank sources, the banker. And, *and it goes in some directions we don’t want it to go.*”

Nixon’s famous answer is, “When you get in—when you get in say look, the problem is that this tracks back to the Bay of Pigs, the whole problem is that this will open the whole, the whole Bay of Pigs thing and the President just feels that ah, without going into the details.... Don’t, don’t lie to them to the extent to say there is no involvement, but just say this is a comedy of errors, without getting into it, the President believes

that it is going to open the whole Bay of Pigs thing up again and, ah, they should call the FBI in and (unintelligible) don't go any further into this case period!"

Nixon's references to Howard Hunt and the Bay of Pigs are an oblique allusion to the Kennedy assassination, according to chief-of-staff Haldeman. So clearly Nixon knew more about the killing of Jack Kennedy than he was ever held accountable for—placing him, no doubt, in the company of scores of others.

Now comes the moment which defines the shady character of George Bush. White House officials, including Bush, spent the morning of Monday, August 5, 1974 absorbing the impact of the just-quoted "smoking gun" tape... in which Nixon ordered the CIA to stop the FBI from investigating how various sums of money found their way from Texas and Minnesota via Mexico City to the coffers of the Committee to Re-Elect, and then into the pockets of the Plumbers' arrested in the Democratic Party headquarters in the Watergate.

The revelations established a case of obstruction of justice against Nixon, fine with Bush; he wanted his patron and benefactor to resign.

But Bush's main concern was that the tape called attention to the money-laundering mechanism which he—together with Bill Liedtke of Pennzoil and Robert Mosbacher—had set up... the mechanism which had been shut down by Barry Seal's explosives-for-narcotics bust... When Nixon had talked about "the Texans," and "some Texas people," he was referring to Bush, Liedtke, and Mosbacher.

The threat to Bush's political ambitions was great. And the White House that morning was gripped by panic. Nixon would be gone before the end of the week...

And in the midst of the furor White House Congressional liaison William Timmons wanted to know if everyone who needed to be informed had been briefed about the smoking gun transcript.

In a roomful of officials, some of whom were already sipping Scotch to steady their nerves, Timmons asked Dean Burch, "Dean, does Bush know about the transcript yet?"

"Yes," responded Burch.

"Well, what did he do?" inquired Timmons.

Replied Burch, "He broke out into assholes and shit himself to death,"

There was a lot more going on in Watergate than ever surfaced... otherwise the nation might have had to endure the ordeal of witnessing

'Texan' George Bush breaking out into assholes and shitting himself to death.

Haldeman said "the CIA was an agency hostile to Nixon, who returned the hostility with fervor," and adds that throughout the Watergate investigation "the multiple levels of deception by the CIA are astounding."

He supported the thesis that Watergate was a highly sophisticated CIA plot to destroy Nixon, and that Jim McCord, a former CIA security chief who was intensely loyal to the agency, deliberately sabotaged the Watergate break-in in order to cripple the Nixon White House and frustrate its attempts to centralize control of the intelligence community.

This is, of course, still only a "modified limited hangout." Unstated by Haldeman is the fact that Nixon wasn't taking control of *all* intelligence—just *drug* intelligence.

Today scholars agree with the conclusions of the book *Silent Coup*. Nixon was done in—deliberately—by the CIA. What we *thought* happened during Watergate is just a gossamer fairy tale for the chumps sitting in the cheap seats...

It was not the righteous indignation of the American people, coupled with the vigilance of a free press, that brought Richard Nixon down.

It was the CIA.

The first thing the White House was frantically looking for, after the burglars were discovered and "driven downtown," was *money*. Hush money. Lots of it...

John Dean quickly summoned CIA war-horse General Vernon Walters to the White House to try squeezing money from the burglars' old employer.

When the general arrived in Dean's White House office they fenced a bit: Dean said the "bugging" case was becoming "awkward," and that one of the FBI's theories was that it was done by the CIA, which Walters denied vehemently.

Walters later wrote, "Dean then said that some of the accused were getting scared and 'wobbling.' I said that even so they could not implicate the Agency."

This barely-veiled threat was because the CIA had long relationships with everyone involved, including Hunt, then 'working' for the Mullen Company, a known CIA front.

Dean seemed taken aback, Walters noted later with some satisfaction, at the CIA's refusal to come up with cash, but asked again if there was

anything the CIA could do. Walters agreed to carry the request to Helms. But he told Dean he knew what Helms would say.

The next day Walters was again summoned to Dean's office, and reported that he had spoken with Helms, who did not want to pay the burglars. Walters recalled raising the metaphorical ante of his warning to Dean: "Involving the Agency would transform what was now a medium-sized conventional explosive into a multi-megaton explosion and was not worth the risk."

Walters reported, "Dean looked glum but said he agreed with my judgment."

On Wednesday June 28, the two men met for a third time. Dean asked, said Walters, "whether there was not some way that the Agency could pay bail for the burglars. He added that it was not just bail, that if these men went to prison, could we (CIA) find some way to pay their salaries while they were in jail out of covert action funds."

Walters became grim after this request, and turned it off decisively.

A scant five days later Barry Seal was arrested in New Orleans, in a deal that was supposed to be weapons-for-heroin until the arms-sellers abruptly decided they would rather have *cash*, thank you very much. Coincidence? Or a White House attempt to tide the Cubans over with untraceable cash?

Dean's desperate search for money was eventually the plot's unraveling: the \$200,000 in hush money paid to Hunt finally exposed the scandal. Interestingly, all of the "support" money raised for the burglars' legal and personal expenses eventually became hush money... given to Howard Hunt *alone*.

Meant to take care of the *Cubans*, and thus ensure their silence, the money never made it to them. Was this just a case of greed? Or had somebody *wanted* the burglars to talk?

What happened, clearly, was that the fix was in, the knives were out, and Nixon was going down.

It is, of course, no coincidence that the Watergate burglars were anti-Castro Cubans. They were the mechanics, or 'wetboys,' of the CIA, and had been for already over a decade. But placing the uniform of this 'secret team' on Barry Seal puts the drug scandals of the 1980's in an entirely new light, as well as illuminating some unexplored dark corners of the Watergate scandal.

The 'secret team' conspiracy theory was, of course, 'discredited' in the 1980's. But by following the career of Barry Seal we're beginning to see

that thirty years of covert operations—and the political scandals that follow—have drawn upon exactly the same (cess)pool of talent. Like TV actors with familiar faces moving from one god-awful series to the next, the *dramatis personae* remain so consistent that it must be that these scandals are all the handiwork of the same group of bosses.

Author Georgie Anne Geyer said it well. “An entire new Cuban cadre now emerged from the Bay of Pigs. The names Howard Hunt, Bernard Barker, Rolando Martinez, Felix Rodriguez and Eugenio Martinez would, in the next quarter century, pop up, often decisively, over and over again in the most dangerous American foreign policy crises. There were Cubans flying missions for the CIA in the Congo and even for the Portuguese in Africa; Cubans were the burglars of Watergate; Cubans played key roles in Nicaragua, in Irangate, in the American move into the Persian Gulf.”

Felix Rodriguez tells us that he was infiltrated into Cuba with the other members of the “Grey Team” in conjunction with the Bay of Pigs landings; this is the same man we will find directing the contra supply effort in Central America during the 1980’s, working under the direct supervision of Don Gregg and George Bush. Theodore Shackley, the JM/WAVE station chief, will later show up in George Bush’s presidential campaign.

Howard Hunt, part of the overthrow of the Guatemalan government of Jacob Arbenz in 1954, an important cog in the chain of command in the Bay of Pigs, a person accused of having been in Dallas on the day Kennedy was shot, one of the central figures of Watergate. According to an internal CIA memorandum, Hunt *was* in Dallas on the day President Kennedy was murdered; the memo discusses a concern among CIA bosses that the presence of Hunt at Dealey Plaza might be uncovered.

Victor Marchetti, the author of “The CIA and the Cult of Intelligence,” suggests that the CIA thought about taking a “limited hang-out,” and was willing to concede that CIA agents may have been involved in the assassination plot against JFK, that a “renegade” band of agents acting on their own may have made the hit.

Hunt vehemently disputed this, and sued the authors of “Coups D’Etat in America,” A. J. Weberman and Michael Canfield, for stating that he had been one of the tramps photographed in Dealey Plaza just after the murder.

Hunt lost.

Nixon’s anti-drug campaign was in reality a bid to establish his own intelligence network. According to “The Great Heroin Coup,” Egil Krogh

wanted the White House, instead of the CIA, handling the drug intelligence work, allowing Nixon's staff to decide which drug traffickers to pursue.

Howard Hunt told Krogh he could enlist experienced CIA figures, starting with CIA veteran Lucien Conein, a brazen move, since the CIA had just been acutely embarrassed by the discovery that a huge proportion of the narcotics smugglers arrested in the big Justice Department Operation Eagle drug bust in 1970 were CIA-paid Cubans, Bay of Pigs veterans. When Nixon instead chose William Sullivan—who had been second to J. Edgar Hoover in the FBI—“the boys down at the Masonic Lodge,” (as we've heard them referred to) could not have been overjoyed.

The White House *was* out to gain control of narcotics intelligence. But even that wasn't enough. Nixon's staff also sought to control enforcement. In January of 1972 the White House set up the Office For Drug Abuse Law Enforcement (ODALE), according to a plan conceived by Gordon Liddy. Nixon named the soon-to-resign-in-disgrace Myles Ambrose to head of the newly created Drug Enforcement Office, which later became the Drug Enforcement Administration. It became the domestic strike force which soon became notorious for its record of illegal raids, no-knock entries into private homes, and beatings of innocent people. Some called it the American Gestapo.

So, if we heed Deep Throat's advice, and “follow the money,” where *does* the real money lead? Down back alleys into the drugs and weapons bazaars of Central America? Who could have been expected to be a little put out, institutionally speaking, by all this maneuvering? What organization might have not been overjoyed to learn that there was a *new* drug enforcement outfit on the block... muscling onto their turf?

Remember whom Cesar Diosdado—the man who set up Barry Seal—really worked for?

On June 12, 1972 the CIA reorganized its Office of Narcotics Coordinator into the more unified Narcotics Coordination Group, or NARCOG. The following month the White House issued Executive Order 11676, providing for the establishment of the Office of National Narcotics Intelligence (ONNI), whose goal was “the development and maintenance of a National Narcotics Intelligence System.”

Overlapping functions? Turf conflicts? Its *only* narcotics, right? Whose gonna get all bent out of shape over *that*?

We know what Groucho Marx would say: “Go ahead. Say the secret (three-letter) word. You may win a hundred dollars!”

