

## #21 Jack Blum: Cuban colonels

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**Naomi Fowler:** This is the Corruption Diaries from the Tax Justice Network. I'm Naomi Fowler.

In this episode we continue with Jack Blum's investigations into the drug trade on behalf of the US government. It gave him a number of opportunities to learn more about cross-border transactions and the law.

**Jack Blum:** We had numbers of witnesses. In fact, one of the first of the hearings involved a witness who was a speedboat racing guy who talked about how the Cuban government had been involved in supporting the drug trade. The accusation was that drugs were being run through Cuba and Cuba was using its central bank to launder drug money because Cuba was so short of foreign currency to be able to pay its bills. Needless to say, there was a whole group of people who you would consider to be on the left of the political spectrum who were furious, you know, how can you say these wonderful Cubans are in fact involved in the drug trade? And, indeed, the Cuban representatives in Washington, and, and even though we didn't have relations with Cuba at the time, their representation was through the Swiss Embassy, so the Cuban diplomats were all accredited as Swiss diplomats. But in, in effect, they were out saying, no, no, no, we, we didn't have anything to do with it, Fidel would never dream of being involved in the drug trade, so forth and so on. That story was one that, you know, shocked a lot of people. And they were terribly surprised that a liberal senator, John Kerry, would be focusing on the Cubans. But it's, the chips fall where they may. You don't investigate and then decide, well, there are political pals, or there's a body of people who think that Cubans are wonderful. You, you just decide that the truth is the truth and whatever somebody is telling you and if it checks out, you go along with it. That's where you go.

The follow to that story about Cuba was that shortly after I left the Foreign Relations Committee, there was a huge sort of explosion of discussion of drug trafficking in Cuba. And the Cuban government arrested and executed several generals who were involved in the drug trade in Cuba, and they had claimed that they'd cleaned everything up. But when I left, the Cubans approached me and they said, would you be willing to come to Cuba to see what we've done to clean up this drug trafficking? And I thought, well, gee, they're offering to give me a trip to Cuba. And let me just check because I had various security clearances, I wanted to be sure it would be okay to go forward in visiting. I got all the approvals that I needed and, sure enough, went to Cuba which was absolutely a fascinating experience because I'd been working on issues of money laundering and drug trafficking and Cuba, of course,

was one of the original places for money laundering. And it was an opportunity to see a lot of these things firsthand.

So, for example, the first experience was discovering that where I was staying was a hotel that had been owned by Meyer Lansky, the famous bookkeeper for the mob, a man who was said to be the pioneer money launderer for mob figures. And he had this hotel in Havana that was his centerpiece and it was completed just before Fidel took over, and the point I arrived it was a guest house for the Central Committee of the Communist Party. And there was a suite at the top of the hotel which was designated for a mobster who was working out of Tampa at the time, and the hotel was freeze-frame 1950s mob movie. Velvet banquettes, plaster angels in different locations around the place. And the casino had been converted into a dining room and, it was, really a, converted, uh, what you would later expect to see in Las Vegas, hotel.

I was given the opportunity to go anywhere I wanted and they were arranging appointments with whoever I wanted to talk to, which made it really quite unique, I, I thought. And what I could see was that at that time, and mind you, I came back later and it was just more of the same, the city of Havana was a total ruin. Houses are collapsing, nothing is in a state of repair, the economy wasn't working, it was just a complete catastrophe. And the funniest single building in Havana at the time was the Russian embassy. The Russian Embassy in Havana had built, been built by the Russians after they became great friends with Fidel and there was a tower in the Russian embassy and it was obvious that the tower was there to conceal the equipment that was being used by the Russians to spy on U.S. radio transmissions. But the building itself was the kind of thing that you looked at and you realized this tower is such a piece of nonsense that that's the only possible purpose it could have and all you could do is look at it and laugh.

One evening, the handler who was dealing with me said we have some people who'd like to meet with you. I said, okay, who are they, what are they? Well, you'll see, but you, it'll be interesting. Be ready, you'll be picked up at 7.30 in front of your hotel, blah, blah. Well, the driver shows up and I'm in a car with a uniformed military guy and together we go to the Vedado neighborhood of Havana, not very far from the marina, and into a house which was very strange. It was vacant. It had a furnished living room and some other bits of furniture in it, but clearly wasn't lived in. And I'm thinking, oh my God, I've just been taken to a safe house, somewhere in Havana. Nobody knows where I am. What's going to go on here? Well, I sat down and I'm introduced to a group of colonels and I think there may have been a general or two in it. I wasn't clear about ranks or uniform. There was an interpreter and they started asking me questions and the questions they were asking were, how does the DEA work? What is it part of? What are its functions? What does cocaine look like when it's being shipped? And the questions were sort of drug trafficking 101. So I, you know, figured there's no harm in telling them what's going on and we continued the

conversation into the evening. And I get driven back to the hotel and I'm scratching my head like, what in hell was that all about? Well, the handler said, oh, yeah, what, what went on there, what you were doing was helping these people who had come back from leading the war in Angola, who had, who had now been placed in charge of the drug control program that the government is instituting. And they have no preparation, no training, and no idea of what they're looking at and what they're supposed to be doing. And they viewed your being here as an opportunity to get some of the basics and understand what it was.

When I came back to the U.S. I said, this is a golden opportunity. We can recruit former agents, former whoever, and send them on a civilian basis to help train the Cubans so they can do a job in stopping drug trafficking. Well, as I talked to different people in Cuba, what emerged was that Vesco had played a central role in enabling drug trafficking through Cuba. And the way that worked was that Cuban exports to the United States had continued over the years, so, what Vesco had organized was Cuban fishermen, for example, would come up with a langouste and they would be flash frozen and packaged in packages that said, Product of Panama. And they'd go from Cuba to the Panama Free Trade Zone and then to the U.S, imported as Product of Panama. He had all these different systems for avoiding the U.S. embargo. I had also learned, from a variety of confidential sources that Vesco had actually visited the United States several times while he was supposedly, under indictment. He'd used a fishing boat to get into the United States by casually arriving in ports along the Gulf Coast, and then he'd go to visit his daughter, who I think was living in New Jersey or somewhere on the East Coast. And he had also been involved in a number of things where he, in running the embargo, cheated the Cuban government. So, for example, he, bought computers and sold them to the Cubans. The computers were junk and he made a fortune by swindling the Cubans who were protecting him. He did the same thing with sugar mill equipment. Figured out how to get his hands on some equipment, but it really was junk and he got paid a lot of money for it.

I asked the guy again, the handler, who was with me in, in Cuba to see if I could talk to the head of Cuban intelligence. They said the guy was commonly known as Barba Roja and it was an extraordinarily interesting meeting. Because I was saying, you know, he'd come to the United States a number of times. He'd swindled your government a number of times and, you know, I have an idea, which is that if you allowed him to come back to the U.S. with me, I would arrange to have American authorities arrest him coming off the airplane and you would get some phenomenal press as a result of it. So, why not give him the boot and let's get him placed in jail and then everyone can see what he's done to both our countries? Of course, he didn't bite. It was clear that this was not about to happen. However, about three days after I left Cuba, uh, Vesco was placed under house arrest and he died under house arrest in Havana a couple of years later.

When I got back to the United States I went to every government agency that had a stake in the drug war as it was then called, and said, we have this golden opportunity to train the Cubans. The worst case would be that they learn a little bit about the drug trade, but our big gain would be intelligence. We'd learn things about Cuba that we never knew before, and there's no downside. No agency in the U.S. government would touch it because everybody said doing anything with the Cubans would be a career killer. Don't, don't even talk to me about it, get out of here. It was people more interested in their careers than they were in solving the problem. But that, of course, has been the pattern with this whole idea of a war on drugs from the beginning.

It, it's so, such a depressing mess, and it was the complete failure of the economic system to work. Whatever else you want to say about Fidel and his cohorts, they sure didn't know how to run a country, and they ran Cuba right smack into the ground, without a doubt. And then there was also the question of corruption. You know, for years, the American left believed that Cuba's government was clean and everything was above board. Yet, here was a country that was functioning, essentially, with a shadow economy and all sorts of black market playing and people who were breaking the rules.

Most Americans had no appreciation that Cuba is an Afro-Caribbean country and that the folks who fled Cuba when Castro came in were basically the white folks who had controlled everything. They were checking out. Now, one of the things that completely obscured that was the fact that the top echelon of the government, Fidel and his brother and others, were white.

**Naomi Fowler:** The Corruption Diaries is a production of The Tax Justice Network, made by Naomi Fowler and Jo Barratt. Interviews with Jack Blum were recorded over several days at Jack's home in Maryland by Zoe Sullivan.