

#24: The Noriega problem

Jack Blum: A head of military intelligence becomes the head of state. And as long as he stays on side, that's fine with us.

Naomi Fowler: Of course, it didn't work out that way. We've heard about Jack Blum's dealings with Manuel Noriega earlier in this series. In this episode of the Corruption Diaries Jack Blum describes how Noriega rose to power in Panama. This is the Corruption Diaries from the Tax Justice Network. I'm Naomi Fowler.

Jack Blum: Among the various characters who showed up along the way, one of them was a witness by the name of José Blandón. And José Blandón told some of the story of Hugo Spadafora, a man who had been opposed to Noriega and who carried information about Noriega to the American government and to as many people as he could because he was interested in making sure Noriega didn't continue doing what he was doing.

Noriega had been involved in trafficking, but Noriega had also been involved in providing weapons to the Nicaraguan government. He was busily supplying everybody. And the way he became President and the whole story of his presidency is quite, quite interesting. The U.S. government had helped install his predecessor, a man named Omar Torrijos. Now Torrijos was installed with U.S. government help because the opponent in the particular election was a literal Nazi, who was a supporter and talked favorably about Adolf Hitler. The second thing was, Torrijos had been commander of the Guardia Nacional, and Torrijos represented as commander of the Guardia Nacional the underclass in Panama, because the people who went into the service were typically the poor, less well educated members of the society. And at the time, that was believed to be a way of taking some of the political pressure off the then very conservative government of Panama.

The guy who sort of helped Torrijos was Manuel Noriega, who became the head of military intelligence, and he was a colonel. Torrijos died in a mysterious helicopter crash. And that helicopter crash, for years people speculated that Noriega had been responsible for sabotaging the helicopter. Now this came after Torrijos had been around for a while. Torrijos was the guy who negotiated the new Panama Canal Treaty with Jimmy Carter. So now with Noriega in power, Noriega really went to town dealing with both the drug cartel, the American government, he dealt with absolutely everybody with the object of making money for himself and enhancing his power in Panama.

When Blandón brought the information about Spadafora, Spadafora had been trying to tell the U.S. authorities what was going on. For bureaucratic reasons, the U.S. authorities didn't want to hear a lot about it because the DEA had actually given Noriega an award for being helpful in stopping drug trafficking through Panama. And knowing what we now know, to say that they looked stupid would be an understatement. Anyway, Spadafora had come to San José to talk to people in the U.S. government, who he talked to I never found out, and then decided to go back to Panama to carry out his crusade.

He went from across the border into the northernmost province of Panama, and he was going to go from there down to Panama City. Noriega's people intercepted him at the border. Somebody had tipped them off, and they proceeded to torture him ruthlessly. When the torture was described uh, in a closed hearing that we had in Miami, the translator stopped in the middle and said, I can't continue translating, this is just too, too awful to describe.

Anyway, the upshot of it was that the people who tortured Spadafora then cut his head off, put it in a mailbag, and rolled it over the border back into Costa Rica. The story that then began to emerge about Noriega, we, we got more and more information about Noriega, was the depth of his involvement with criminal activity. It was compounding now, we'd had the story about how he took money from Kalish and from Rich and from all of these drug traffickers. We'd heard how he was helping run the embargo with Cuba. We'd heard about his weapons dealings between Panama and the Contras, Panama and the Nicaraguans who favored Ortega. So it was clear that Noriega was one big problem.

Along the way, somebody said that I had to talk to a Miami arms dealer named Sarkis Soghanalian. Sarkis had an operation at the Miami International Airport. He had a hangar. The hangar was right out of a James Bond movie. His office was a glass box overlooking the expanse of the hangar. And there were offices around and at the front end of this hangar. And he had a bunch of guys in uniform who were the guards, most of whom were ex-Contras. He had a Boeing 707 in the hangar, and that had been the corporate jet for Aramco, the Arabian American Oil Company, and he had a smaller jet in the hangar, and he also had a car, which turned out to be an Aston Martin, so it was literally right out of James Bond. And Sarkis had been the largest single supplier of weapons to Saddam Hussein. Sarkis had gotten himself into a bit of trouble, because the Customs Service said he had illegally exported some items which were in the cargo hold of his airplane. He claimed he didn't know they were there and they were never actually delivered and so forth. And for a long time, Sarkis was very favored by the U.S. government because, and people forget this, we were supporting Saddam Hussein in his war against Iran. And those arms deliveries were something that people really cheered on. Well, the story that Sarkis had to tell was how various Americans had asked for his help in going to Panama to meet with Noriega. There was an American, a retired admiral who had worked for Reagan in the drug war who made it sound to Sarkis like he was on a mission for the U.S. government and asked if Sarkis would fly him in his jet to Panama to talk to Noriega to see if Noriega was interested in hiring him to help improve his image in the United States.

Similarly, a well known Washington lobbyist, we learned, went to talk to Noriega to say, yeah, for a few bucks I'll be able to help you improve your image in the United States. And the speed with which people flock there to tell him, you know, you know, give us some money and we can make you look good was really pretty remarkable. The whole setup of Sarkis and his involvement with Saddam Hussein was kind of breathtaking. This whole Air Force hangar of his was, was quite remarkable and in fact, at one point, he gave me a tour of the airplane which was outfitted with gold seatbelt buckles, which had a conference table, which had lounge chairs, and which had in the back a bedroom with a shower, which isn't bad for a 707.

This was quite a character, no question about it. But anyway, we check, and sure enough there was a parade of people who went down to tell Noriega, boy, we can really be helpful.

And Noriega was beginning to believe that it was a simple matter of public relations because after all, he'd been so helpful to the U.S. But as time went on, and more of his involvement with the Cubans and the double dealing with the Nicaraguans became apparent, and his dealings with the cartel became apparent, it was just too toxic So, that led to the invasion of Panama.

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.