

On his way from police headquarters in Caracas to a dreaded maximum security jail, Thor Halvorssen is surrounded by a phalanx of menacing cops.

Who would ever have expected that Thor Halvorssen would become such a controversial figure in the economic turbulence now rocking Venezuela?

The Troublemaker

Thor Halvorssen, '66 W, '69 WG, knew he was going to die. He would die as the target of an assassination or he would die simply because he was where he was. Venezuela's *Retén de Catia* is ranked among the most wretched prisons in the world by human-rights organizations. From his cell above the prison courtyard, Halvorssen would watch his fellow inmates being murdered almost daily. He would first notice a stirring of movement in one area as inmates quickly formed a tight circle. Then, emerging into the center of the circle, two or three men would suddenly start slashing at their prey with talon-like pieces of sharp metal clenched between their fingers. Soon, a bright red spattering of blood would spray from the circle, sometimes gushing briefly like a spitting fountain. Then, the circle would break, and the victim would be left on the ground, his face buried in the thick mud. "It was like watching a daily cockfight," Halvorssen remembers. He knew that the fights were not spontaneous, and some were the result of feuds among inmate factions. Many, however, were simply murders ordered by powerful people on the outside, criminal bosses taking care of those who had betrayed them. That, Halvorssen suspected, is what the authorities would say of his death. Or else, if the authorities themselves handled it, he would be listed as another suicide with a bullet hole in the back of the head.

BY
GAETON
FONZI

The letter had come from his son, Thor Halvorssen M., now a senior in the Wharton School. He suggested that his father could be the subject of a story for *The Pennsylvania Gazette*. "My family, although Norwegian in origin, is from Venezuela," he wrote: "After graduating from the University of Pennsylvania, my father went back home, where he pursued his business interests. He was called to serve the Government of Venezuela in various positions from the Seventies onward. His most important positions were those of Presidential Advisor as well as Presidential Commissioner for Anti-Narcotics Affairs. The latter almost cost my father his life.

GAETON FONZI, '57 C, is a free-lance writer in Miami.

"In October of last year," young Halvorssen continued, "he was framed, arrested, and charged with a series of crimes connected with terrorist bombings in Caracas. His human, civil, and judicial rights were violated from the day of his arrest. The plot took place because my father became a serious threat both to nefarious elements in the Government (including the President) as well as to various bankers and businessmen that have been lining their pockets with laundered money and embezzled Government funds for the last 10 years. Although the point of his arrest was to assassinate him in prison, he was saved after an international campaign that included Senator Strom Thurmond, New York D.A. Robert Morgenthau, the British Houses of Parliament, and various human-rights groups."

It was such an improbable thing to happen to a man of Thor Halvorssen's history. Then, again, perhaps not. Perhaps it was an inevitable destiny for someone whose life had gone from the simple diversions of affluence to the complex entanglements of international conspiracies. Yet, the dark reality of those months in 1993 when Halvorssen was in a Venezuelan prison clashes starkly with his past.

For Halvorssen, life had always been a breeze. He emerged largely untouched by the political activism that permeated the Penn campus in the mid-Sixties. The happy-go-lucky son of a wealthy Venezuelan businessman, he juggled his academic pursuits and his jet-setting lifestyle with aplomb and energy. He cracked the books and partied hard, lured curious females to

his campus apartment with a pet lion name Petunia, flew to Paris on weekends, and double-dated with his twin Olaf (also '66 W, '68 WG), who was then romancing a coed named Candice Bergen, '67 CW, '92 Hon. Off campus, the brothers hobnobbed with the brightest lights in Philadelphia's business, sports, and entertainment worlds, including one of the city's most colorful characters, Jerry Wolman, the dynamic young owner of the Philadelphia Eagles football team. The brothers not only partied with Wolman, they became his partners in real estate deals and nightclubs, including a popular campus disco called The Classroom. "What I remember about Penn," says Thor Halvorssen now, "is that I enjoyed every minute of my life there."

He continued to enjoy every minute of his life after he returned to Venezuela to help run the family businesses his late father had established. (Oistein Halvorssen, a Norwegian war hero who started as a car repossessor in New York, eventually

No one suspected that he would play a role in the battle that produced the first cracks in an elitist banking system long luxuriating in its own greed and corruption.

No one suspected that he would not only dare defy and expose the secret plans of the most powerful cartels in international narcotics trafficking but also become enmeshed in the collusions and conspiracies within the United States enforcement and intelligence agencies that often nourish such trafficking.

No one suspected that he would declare to the world that his country's political and economic systems are steeped in corruption and are under the malevolent influence of what he calls the "Forces of Evil."

No wonder he got his ass in a jam.

Well, that's one way to look at it. There's more than one other way. What happened to Thor Halvorssen can't be explained simply or from a single perspective. It's a scenario

shaken the Caracas financial district that summer. It was, said Jordan Petit, "financial terrorism," because Halvorssen and his cohorts planted the bombs to destabilize the financial market so they could make a fortune on stock fluctuations.

The press termed Halvorssen's alleged cohorts the "Yuppie Gang," because they were all high-flying young executive types, mostly stockbrokers. The key member of the gang was Ramiro Helmeyer, a 36-year-old owner of a security firm who had married into a wealthy family. Halvorssen knew Helmeyer but hadn't seen him in more than two years. It was Helmeyer—and only Helmeyer—who fingered Halvorssen as the "intellectual author" of the bomb scheme.

That was it. The police never searched Halvorssen's home or office to look for other evidence linking him to the bombs. "No other evidence was ever presented against me," Halvorssen says—"not even fabricated evidence." Nevertheless, Halvorssen was detained, and thus began his skid into hell.

Halvorssen was charged with being the mastermind

became president of General Motors Acceptance Corporation in Venezuela before he began his own distributing operations. He died while sons Thor and Olaf were still at Penn. His oldest son, Erik, was also a Penn graduate, '63 W, '65 WG; the youngest, Stein, went to Columbia University.) The family businesses rolled along well with little attention, so young Thor Halvorssen romped regularly at the elite Caracas Country Club, flew his own plane (he had taken lessons between classes during his senior year at Penn), and traveled extensively.

He hopped regularly to Miami, New York, London, Paris—and to a farm his father had bought adjacent to King Olav's country estate in Norway. "Was there anything serious about my life then?" Halvorssen now asks rhetorically: "Absolutely not."

No one suspected that Thor Halvorssen, the easygoing, personable, fun-loving jetsetter, would one day be involved in anything serious.

No one suspected he would become a controversial figure in the economic turbulence now rocking Latin America's once-wealthiest country.

No one suspected that he would help expose the immorality and fiscal gluttony of a president to whom he owed his appointment.

that radiates from a globe of mirrors, where images change with laser-like velocity and defining reality is like trying to catch a spook floating through a cloud. And there are a lot of spooks in this story.

Halvorssen's arrest was a surprise to him only as much as a Philadelphian running across the Schuylkill Expressway at rush hour would be surprised if he got hit by a car. "I had a gut feeling that *something* was going to happen," he now says. But he didn't expect that sinister forces against him could manipulate the Government and media so effectively. There was irony in that. Nor did he expect to get clobbered so hard and unmercifully.

Early on Friday morning, October 8, 1993, Halvorssen was "invited" by the Policía Técnica Judicial in Caracas to come to P.T.J. headquarters to give "a statement." He was told to sit in a corner of the homicide office, that the chief of the P.T.J. would take his statement shortly. He waited. Finally, at 11:00 that evening, in waddled the head of the P.T.J., Orlando Jordan Petit, a bald, portly fellow with wide-set eyes and a squat nose. Instead of taking a statement, Jordan Petit told Halvorssen he was detaining him. He charged Halvorssen with being the mastermind of a series of bombings that had

That night, he was taken downstairs to a small room leading to the cellblocks and placed in a chair next to the latrine. Every two hours, men in white coveralls carrying buckets and rollers came in to paint the wall next to him. The same wall. Every two hours. Halvorssen's eyes began to burn, his throat tightened, breathing became more difficult. Periodically, as he began to fall asleep in his chair, he would be awakened and taken to P.T.J. chief Jordan Petit's office for interrogation. He would then be returned to his chair in time to watch the walls being painted again. He endured the process at P.T.J. headquarters for five days. At one point, an official statement was typed and presented to him, but Halvorssen refused to admit any association with the bombings.

On the second night of Halvorssen's detention, one of the four guards who were always in the room to watch him put handcuffs on him. Halvorssen thought he was again being taken for an interrogation. Then the guards walked out of the room as a hefty, well-dressed young man walked in. Halvorssen now says he didn't know at the time who the man was, but he did identify him later. The young man walked over to him and, without saying a word, began punching him in the head and neck. Halvorssen began bleeding profusely from his nose, his mouth, his ears.

The young man then pummeled him in the stomach and his chest, breaking three ribs. As Halvorssen crumbled to the floor bleeding, the young man stood over him and said, "This is just the beginning, before the cemetery. I want you to get the feel of it."

Halvorssen remembers the pain and writhing about on the floor in his blood. No one came to help him, none of the guards returned when the man left. After a while, he was able to struggle back into his chair and assemble some thoughts. "I knew I had to make myself as serene as possible," he recalls: "I could not lose it, I could not shed a tear. I had recently learned how to find the Spirituality within myself, and I relied on that. I started to meditate, and that's what got me through. But I knew then and there that it was all over. They were out to kill me."

Halvorssen had been conveniently detained at the beginning of a four-day Columbus Day holiday and, since most of the judicial system was out of town, his family and his lawyers could do little to

Then another bomb went off in mid-August, the largest one yet. It exploded in the parking garage of a fashionable shopping center. No one was killed but, for those who lived or worked in the city, enough was enough. Soon, hundreds of Venezuelans took to the streets, formed car convoys, tooted horns, and carried banners demanding the Government find and punish the bombers. So when Jordan Petit announced that, with the arrest of the Yuppie Gang and its putative mastermind Thor Halvorssen, he had all the culprits this time for sure, the good citizens of Caracas were ready for the dispensation of some harsh justice.

Five days after Halvorssen's detainment, he and the 14 members of the alleged "Yuppie Gang"—including his accuser, Ramiro Helmeyer—

Police Commissioner Jordan Petit (top) was quick to proclaim Thor Halvorssen's guilt after a series of bombings rocked Caracas.



of a series of bombings in Caracas.

help him. Publicizing his plight would have been futile. The newspapers and the radio and TV stations were in a feeding frenzy, helping officials convict him in the media. In at least nine statements to the press over the weekend, P.T.J. Commissioner Jordan Petit declared that "Thor Halvorssen is guilty."

The public was ready to believe it. Its nerves had been on edge for too long. The first letter bombs had arrived at the Venezuelan High Court in July, one blowing off a clerk's hand. Then, in the weeks that followed, other types of bombs began exploding all over town. One went off in a gasoline station, another at an automatic-teller machine, another in a financial business office. People were terrified just to go to work each day. So everyone breathed easier when Commissioner Jordan Petit announced he had captured the perpetrator, a disgruntled former police officer. The officer, in turn, said he was ordered to do it by former police commissioner Henry Lopez Sisco, a tough cop who had gained notoriety when he overpowered a group of skyjackers. Lopez Sisco denied any involvement in the bombings and, other than the ex-officer's accusation, there was no evidence. But Lopez Sisco was arrested, and Jordan Petit graciously accepted the kudos heaped upon him for making the city safe again.

were transferred from P.T.J. headquarters to the notorious Catia prison. Such transfers are normally discreet, backdoor affairs, but this was an unprecedented, showcase production involving 60 policemen, 20 highway patrolmen, and 10 vehicles. A huge crowd of reporters, photographers, and TV camera crews pushed and jostled for position as the prisoners were led, one by one, out of the P.T.J. building and shoved into the van. The highlight of Jordan Petit's presentation, the well-known businessman Halvorssen, was saved for last. His photograph—eyes glazed, face puffy, his wrists cuffed tightly, his arms gripped hard by burly policemen—appeared in every newspaper, on every TV news show, on the cover of the major magazines. ("It was *shameful*, what they did to me," he would later say, searching for a way to sum up his ordeal—"that's the word, *shameful*.")

Retén de Catia is a maximum security jail packed with the most unsavory criminals. Not only are murders within its walls frequent, investigations of them are rare. Every minute of Halvorssen's life in Catia was a painful descent into increasingly hideous versions of Hades. And, in his own mind, there was no doubt he was sent there to be killed. He became convinced when he learned that a group of inmates armed with daggers had en-



tered the wing where he was interned and, without apparent motivation, killed two prisoners in Cell #407. Halvorssen was in Cell #417.

Eventually, because he would not confess to the crimes with which he was charged, he was led down to a cell in the deepest, dankest dungeon of the prison, a section called *El Fozo*—"The Pit." There, in the timeline of Halvorssen's life, the distant images of a once-carefree Penn student, the wealthy businessman, the important Government official merged into the dark figure of a badly battered man, his body racked with pain and his cracked bones aching from beatings, cuddled against a stone wall wet with mold and black fungus. In the darkness, roaches and rats scurried by, barely visible in the sliver

of light squeezing from a slit near the top of one wall where the drain for feces and urine from the cells above splashed down. It was the unrelenting stench that reminded Halvorssen he wasn't having a nightmare, his hell was real.

Thor Halvorssen was released on December 21, 1993, after 74 days of detention. His son, Thor, helped organize an international outcry for his release among law-enforcement, intelligence, political, human-rights, and foreign-media associates of his father.

Halvorssen's accuser, Ramiro Helmeyer, had recanted, claiming he had been tortured by police to name Halvorssen as the mastermind. (Helmeyer admitted he was involved in the bombings, but the police had a murder rap they also held over his head.)

According to Halvorssen, another reason for his release was because his case had finally come before an honest jurist, Superior Court Judge Hector Marcano Battistini, who not only gave him his immediate and unconditional freedom but chastised

flowed in and out of the manufacturing cartels in neighboring Colombia.

But neither that nor the economy nor politics was of great interest to the Thor Halvorssen fresh out of the Wharton School. He simply enjoyed hobnobbing with the rich and politically powerful and appreciated a bit of social recognition for himself. He became involved in community service and, for six years, headed Venezuela's largest charity. He worked hard at it, held meetings every morning at 6:30, and began a successful program of building sports facilities for youths in the country's poorest *barrios*. Halvorssen's business and social status eventually led him to meet Carlos Andres Pérez, then the leader of Venezuela's most powerful political party. When Pérez was elected to his first term as President in 1974, he appointed Halvorssen vice president and, later, president of the state-owned telephone company.

That resulted in what was likely Halvorssen's first contact with the world of spooks. He was later given a military-

prison was the C.I.A.-backed former Contra leader and Ollic North buddy, Adolfo Calero.

It was in that same interim period that Halvorssen began paying the price for his years of serious socializing and hard partying. The drink got to him. But he fought the battle of the bottle, found Salvation in the Lord, and turned righteous with a vengeance. When Carlos Andres Pérez was elected President again in 1989, he appointed Halvorssen his special commissioner for international narcotics affairs. Pérez may have given him the job because he assumed Halvorssen was still a guzzler who wouldn't cause problems. If so, it was the worst assumption Pérez ever made.

By the time Halvorssen was appointed the antidrug czar, Venezuela had become a major player in the big leagues of the dope business. No law enforcement agency or political official seemed to notice. There were few, if any, major drug busts in Venezuela during the Seventies or Eighties. Yet, it was during

In his own mind, there was no doubt Halvorssen

earlier judges for manipulating the judicial process.

None of it makes much sense, does it? Is it true? It is as true as a Gabriel García Márquez magical mystery novel, which is to say, yes, mostly. It is an outrageously simplified narrative but, even so, it is meaningless out of context. In fact, it is meaningless out of a multitude of contexts. The fundamental question is simple: Who the hell is Thor Halvorssen really, and why did they do such terrible things to him? Simple maybe, but those mirror images change quickly when you're looking for answers.

The Venezuela to which Thor Halvorssen returned after he left Penn was a far different place than it is today. The country's last dictator was overthrown in 1958, and political reform created a stable social structure. Its booming oil business fueled the most prosperous lifestyle in Latin America, increasingly urbane and sophisticated. Perhaps a bit too sophisticated, because when the oil market took a dive, most Venezuelans turned a blind eye to what replaced it as the force that drove their economy and helped maintain their level of high living: the illegal narcotics business. Venezuela became the main pipeline for both the drugs and the vast amounts of money that

intelligence identification card but, he admits, "even before that, I was helping, because being president of the phone company, which is a very sensitive area, you're in contact with both military intelligence and D.S.I.P." (D.S.I.P. is Venezuela's most powerful secret police and intelligence force. At the risk of mingling mirror images here, this is relevant: Many of D.S.I.P.'s top officers and at least two of its chiefs during the Seventies and early Eighties were on the payroll of the United States Central Intelligence Agency.) Somewhere along the way, Halvorssen seems to have been bitten by the James Bond bug.

Halvorssen's stint as head of the telephone company ended when Carlos Andres Pérez finished his first term as Venezuela's President in 1979. Pérez would be elected again in 1989. In the intervening decade, Halvorssen did a lot of traveling, because, he now claims, he has always been "curious" and interested in history. He spent a lot of time in the Middle East when events in places like Iran, Iraq, and Saudi Arabia were making headlines. He then became involved in "human-rights activities" in Nicaragua and El Salvador when the Contra movement and guerrilla battles were hot there. Among those who sent letters on his behalf to the Venezuelan Government when he was in

this time that the Sicilian Mafia, which controls most of the international narcotics traffic, set up a heroin-cocaine alliance with the Colombian cartels that, on a global scale, would merchandise \$200 billion a year. By 1982, four-fifths of the cocaine shipped to the United States and Europe was moving through Venezuela, with just the Venezuelan branch of the Sicilian Mafia alone recycling an estimated \$2 billion in narco-dollars through a multitude of financial fronts and cooperating banks. Venezuela was a safe haven for the Sicilians' most powerful drug family, the brothers Cuntrera—Pasquale, Paolo, and Gaspare. Yet, in 1984, Camilo Cussati, the D.S.I.P. commissioner told Venezuelan journalist Rudolfo Schmidt, "The Mafia as such does not exist in Venezuela; a few Mafiosi just come here for rest and recreation." The commissioner apparently didn't notice when Paolo Cuntrera's daughter got married in Caracas to Nino Mongiovi, then one of Miami's biggest narcotics dealers, and he likely missed the national television coverage of it, billed as one of Venezuelan society's most lavish extravaganzas ever.

Thor Halvorssen decided that his new job required him to rip the blinders off Venezuela, whether or not the ruling powers wanted him to. Utilizing his worldwide contacts and intelligence con-

nections, he was soon deluging President Pérez with investigative reports detailing the depth and extent of Venezuela's role in drug trafficking and money-laundering. Halvorssen eventually noticed, however, that he wasn't getting a response from Pérez and that his reports were ending up in the President's bottom drawer. Frustrated by the lack of action, Halvorssen teamed up with an ally, Venezuelan Senator Cristobal Fernandez Dálo, and had himself appointed special overseas investigator for the Senate's Anti-Money-Laundering Commission.

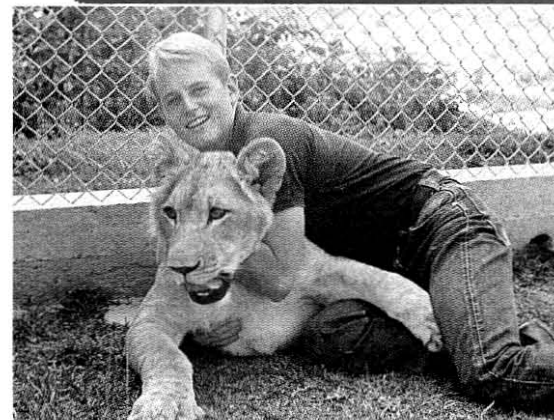
Soon, the bad guys began to feel his sting. It was in that position, for instance, that Halvorssen was able to push through an investigation of the Cuntreras and force the Government to honor a four-year-old extradition request from Italy. The remaining Mafia in Venezuela do not remember Halvorssen fondly for that.

Then, Halvorssen hit a big vein in the mother lode. Working with Manhattan District Attorney Robert Morgenthau, whose New York City jurisdiction includes

It is difficult to measure the linkage, but not long after Halvorssen's investigations were heating up, Venezuela began a tumultuous political and economic dive. There were two attempted military coups, then the summer of bombings in Caracas, and, finally, the disintegration of its banking and financial systems. It became a country, as *The Monthly Report* in Caracas put it, "scuttled by political crisis, economic turmoil, and ram-paging corruption."

Two days after his release from prison, Halvorssen flew to Miami with his wife Nelly and settled in their luxury condo at the Jockey Club, where Halvorssen rested briefly. Very briefly. Then, he wrote a column that appeared on the Op-Ed page of *The Wall Street Journal* on March 4. Two days before that, a Venezuelan judge charged 83 of the country's top bankers

As a Penn student (top), Thor Halvorssen palled around with some bright lights and shared his digs with Petunia, his pet lion.



was sent to prison to be killed.

the world's largest money-clearing banking center, Halvorssen discovered more than \$19 million that President Pérez and his mistress, Cecilia Matos, had squirreled away in secret accounts. Rumors of Pérez's chicanery had been floating around for years, but exposing it forced the politicians and the media to react to an enraged public. That led to Pérez being ousted as President in May of 1993; a year later, he was arrested.

Could an avenging Pérez have been responsible for what later happened to Halvorssen? Certainly Halvorssen himself considers Pérez among the Forces of Evil who conspired against him. Those forces, one assumes, might have had to convene at some time to plan the conspiracy. The problem is, if one believes Halvorssen, that meeting would have required a rather large facility—like, say, Franklin Field.

Is Halvorssen implying that the Forces of Evil had infiltrated almost every segment of Venezuela's economic and political life? "There's no question about it," he says. He points out that the focus of his investigations wasn't simply President Pérez but the huge amount of narcotics money-laundering done by the country's largest and most prestigious banks. "Everyone just got so greedy," he says. "They didn't care how evil the money was, they just wanted to keep the good life it gave them."

with fraud and other crimes that had led to the collapse in January of Banco Latino, the country's second largest bank. Those charged included its chairman, Gustavo Gomez Lopez, who had resigned the month before the bank's collapse.

Halvorssen indicated in the *Wall Street Journal* column that his investigations were instrumental in focusing attention on the suspicious operations of Banco Latino. (Probably no bank in the world had more members of its board with individual private jets; the chairman alone had three.) He also wrote that, in September of 1993, about a month before his arrest, he received evidence from an informant that Banco Latino was money-laundering and playing games with narco-dollars. "Shortly after I received that evidence," Halvorssen wrote, "an attempt was made on my life." (He was pursued by alleged assassins and, forced to flee his car while escaping, had to leave his briefcase behind. He claims documents in the briefcase provided his enemies with knowledge of his investigations and fostered the conspiracy against him.)

After that incident, Halvorssen immediately left for New York to confer with D.A. Morgenthau. While there, he received a call from a Banco Latino repre-

sentative asking him to return to Venezuela for a meeting with Chairman Gomez Lopez. "A Treasury agent in New York warned me that it might be a trap," Halvorssen wrote. Dismissing the warning, Halvorssen returned for the meeting, set for that Friday morning, October 8, 1993. Then, the night before, Halvorssen received a call from Gomez Lopez's secretary canceling the meeting. The next morning, Thor Halvorssen was arrested.

It was obvious that Halvorssen used the *Wall Street Journal* column to finger suspects he linked to the conspiracy to do him in. It was also obvious that his prime candidate was a Cuban-born billionaire named Orlando Castro Llanes. In fact, he now declared in the column, it was Castro's son, Orlando Castro Castro, who had beat the hell out of him at P.T.J. headquarters.

Here, again, is where the mirror images converge and the details become convoluted, but it is within those images and convolutions that the elements of the truth are hidden. So are some fascinating revelations.

Orlando Castro Llanes, a short, bald, distinguished-looking gentleman, dapper in thin, gold-rimmed glasses and neat

Clark Gable moustache, is a Cuban exile who started his career in Venezuela as an insurance salesman and wound up one of the country's wealthiest men, controlling a conglomerate of insurance companies, banks, and a few dozen radio stations. In 1990, Castro Llanes bought a large bloc of shares in Banco de Venezuela and moved to get on its board. Banco de Venezuela, then the country's third largest private bank, with deposits of \$1.6 billion, was a bastion of Caracas's old-money elite. When Castro showed up at a stockholders meeting determined to push for a seat on the board, the bank's chairman suspended the meeting and muffled Castro's protest by shutting off his microphone. Thus began a long and bitter battle that would eventually entangle Thor Halvorssen.

Halvorssen says that Banco de Venezuela hired him to investigate the rumors of Castro's links to money-laundering and narcotics. The rumors, claims Halvorssen, originated with the surfacing of a letter from Colombian drug kingpin Pablo Escobar to his lawyer. The letter

with copies of checks he claimed were "vital evidence" linking Halvorssen to the bombs. Among the checks was one for \$4,000 payable to Henry Lopez Sisco, the former police commissioner who had been arrested in connection with the initial series of letter bombs. (Photos of the copied checks had appeared the day before in the newspaper *El Nacional*, with figures on the Lopez Sisco check changed to \$40,000 but written as "Fourty thousand." Castro denied he provided the copies to the newspaper or had anything to do with the alteration.)

While Halvorssen was still in prison, his lawyers filed suit in Miami against Castro and Intriago, accusing them of invading his bank records and using those records to falsely implicate Halvorssen in the bombings. Castro, in turn, would later sue Halvorssen, charging him with conspiring with, among others, the president of Banco de Venezuela, Carlos Bernárdez, to damage his business reputation and "orchestrate . . . a smear campaign" against him. Records, said Castro, indicated that

entrepreneur was *not* the subject of a D.E.A. money-laundering investigation. Shedd later told reporters that the information that Halvorssen provided the D.E.A. proved to be "unreliable, manipulative, and planted."

Strong stuff. And why in the world would the D.E.A. say such nasty things about a man who had devoted himself to fighting the drug wars and put his life on the line doing it? How could it crucify a guy who had garnered the support of such luminaries as New York District Attorney Robert Morgenthau, United States Senate Judiciary Committee member Strom Thurmond, Nicaraguan Cardinal Miguel Obando Bravo, and other international figures, all of whom had written letters on Halvorssen's behalf when he was in prison? Why should the D.E.A. want to clobber Thor Halvorssen?

The answer lurks in a larger context. It encompasses a period when significant political and economic forces were starting to buffet the Western Hemisphere. It stems from a policy initiated by President

After 74 days of detention, Halvorssen was released

names Castro and adds: "His proposals interest me . . . insurance firms are a suitable mechanism." The issue of the letter's authenticity still rages.

Although Castro pushed a reported \$100 million into Banco de Venezuela stock in an attempt at a hostile takeover, he was never able to get a seat on the board. He blamed Halvorssen for orchestrating a C.I.A.-like disinformation campaign against him and blocking his bid for the board. He decided to counterattack in court in the United States, because that's where his investigators said they smelled a money trail. Leading Castro's team was his Miami lawyer, Charles Intriago, a tough bantam of a trial attorney who was once a United States Federal prosecutor and Congressional counsel. Intriago is also the publisher of a thriving publication called *Money Laundering Alert*, which, he admits, was started with seed money from Castro. The publication, aimed at keeping legitimate banks and other financial firms out of trouble, gives Intriago access to and contacts in law-enforcement agencies all over the world, especially the United States Drug Enforcement Administration.

As a result of information Intriago helped develop, two days after Halvorssen was arrested by the P.T.J. in Caracas, Castro and a retinue of aides, including his son, showed up at police headquarters

the Banco de Venezuela wired Halvorssen's bank accounts in Miami and Canada more than \$1.7 million, part of which was to pay cohorts to participate in the master plan to destroy Castro's reputation. That plan, charged Castro, included planting false information, such as the Escobar letter, with law-enforcement agencies in the United States. As he detailed in the suit, Castro attorney Intriago claims the reason the Banco de Venezuela directors didn't want Castro on the board was because they were afraid he would discover their scheme of setting up an offshore trust to give them control of the bank's assets outside of the Venezuelan Government's regulations.

In response, Halvorssen doesn't deny receiving money from Banco de Venezuela but insists it was strictly for an investigation of Castro and, relevant to that, to continue his narcotics-trafficking and money-laundering probes. The \$4,000 check to Lopez Sisco, he says, was simply a small loan to an old friend while he was recuperating in Miami from a disability.

In Halvorssen's initial suit against Castro, Jim Shedd, a spokesman for the Miami office of the Drug Enforcement Administration, showed up to testify on Castro's behalf, proclaiming that the wealthy

Ronald Reagan, continued by President George Bush, but actually formulated and directed by William Casey, former director of the Central Intelligence Agency. Casey developed a two-pronged program—one overt, one covert, each involving some illegal aspects—that he termed Pro Democracy. It was an aggressive policy aimed at crushing leftist governments and guerilla movements in Latin America. It involved huge resources of money, weapons, and personnel, including many C.I.A. agents. Venezuela's intelligence service, for instance, was deeply infiltrated by (anti-Castro) Cuban C.I.A. agents and served as a base for supporting the Contras in Nicaragua. In fact, the C.I.A. had its fingers deep into Venezuela's political structure, and many leading politicians were on the agency's payroll. (Halvorssen himself denies he was ever a contract agent for the C.I.A., but he admits he has "cooperated" with the agency and associated closely with Duane "Dewey" Clarridge, the former head of the C.I.A.'s Latin American division who was indicted for perjury in the Iran-Contra scandal.)

Perhaps not so coincidentally, within this period of aggressive United States policy, there also came the tremendous growth of the illegal narcotics business, and many of the highly-trained C.I.A.

covert operatives began putting their talents into that sideline. That's how, as Congressional investigative reports later revealed, drugs became a major ingredient in the illegal Contra arms network. What complicated the picture was this: Although the Drug Enforcement Administration had long been the priority agency charged with combatting the illegal narcotics trade, in 1978 President Reagan signed a directive enabling the C.I.A. to also become involved in the war against drugs. That rankled the D.E.A. and set the foundation for a major turf war.

It was—and still is—a very dirty, well-hidden war, but a flash from it was exposed last November by Lowell Bergman, an investigative producer for CBS-TV's *60 Minutes*. Bergman discovered that more than a ton of pure cocaine had been taken from the C.I.A.-financed Counternarcotics Intelligence Center in Caracas and, without the consent of the D.E.A.—but with the consent of the C.I.A.—smuggled into the United States, unmonitored and uncontrolled. Four out of the five ship-

judgment and poor management" on two supervisory agents in Caracas, one of whom was permitted to resign and the other to retire. The D.E.A. was also anxious for Guillén to take the hit so it could shift its own improprieties down to a lower level, specifically to its station chief in Caracas, veteran agent Anabell Grimm.

Thor Halvorsen came into the picture when Grimm, anxious to protect her own reputation, asked him privately to interview Guillén to determine his truthfulness. (Halvorsen says Grimm was one of the few D.E.A. agents he trusted or dealt with; he refused to have anything to do with the D.E.A.'s Miami office.) Grimm had also put tremendous heat on herself by making public statements rebutting the C.I.A.'s media

Once honored
by the Governor of
Caracas (top),
Thor Halvorsen
moved to Miami
with Nelly
Halvorsen two days
after his release
from prison.



sed when his accuser recanted.

ments got through and were sold on the streets. The last one, the final 800 pounds, was intercepted by Customs agents in Miami. Before Bergman's piece could air, the C.I.A. tried to soften its impact.

The heat quickly came down on General Ramón Guillén Dávila, head of the Venezuelan National Guard unit working closely with the C.I.A. antinarcotics operations in Venezuela. An anonymous source told a *Washington Post* reporter that Guillén "confessed" when confronted by D.E.A. agents. "He admitted to our investigators that he had run loads behind our back," the source said; "he justified it as a law-enforcement technique."

Guillén hardly "confessed." What Guillén said—and told *60 Minutes*—was that he did permit the shipment to go through because the C.I.A. told him to. (It likely wasn't the first time. Both the D.E.A. and the C.I.A. use the technique to monitor the distribution of the drugs and identify the cartels' networks of wholesalers and dealers. What isn't known is what happens to the profits, or whether or not they are siphoned back to fund other off-the-book operations.) The C.I.A. denied it had officially approved the shipment, but a joint D.E.A.-C.I.A. investigative team gave General Guillén immunity for his testimony. That permitted the C.I.A. to lay the blame for "bad

campaign to shift the blame onto the general. "General Guillén and his officers," she told *60 Minutes*' Mike Wallace, "didn't go to the bathroom without telling the C.I.A.."

Halvorsen says he spent more than 20 hours with Guillén: "I came away, after analyzing what he told me and putting it together with the intelligence I had, convinced he was innocent. And I declared that publicly."

It was that public declaration, not appreciated by either the C.I.A. or the D.E.A., that shot Halvorsen into the no-man's-land of agency informants and out into the cold. The mirror images flash and Halvorsen squints through them and sees his own reality. "But there are conspiracies going on," he says, "no question about it. *Everybody* is involved."

"Take a look at the big picture," says the former head of an intelligence unit who has worked with both the D.E.A. and the C.I.A.: "What happened to Halvorsen was the result of a collision of some mighty forces. He thought he was enough of a fancy dancer to play games with the big boys and get away with it. Nobody is wearing white hats in this one. I would bet the D.E.A. put some pressure on Orlando Castro to get himself an inside track into Banco de Venezuela. For some reason—most likely it had used the bank in the past

or was still using it for some covert funny business—the C.I.A. didn't want that to happen. So both agencies were trying to squeeze each other out, but Halvorsen was in the middle and got his testicles caught in the wringer."

When Halvorsen is asked about the scenario in terms of his ordeal and what had happened to him, he stares silently for a moment. Then he slowly nods his head. "Smart," he says softly. "Whoever you've been talking with is very smart." He doesn't elaborate.

There are just so many questions that are lost in the complexities, the answers perhaps inextricably tangled in the reality behind the multiple mirror images. Fundamentally, for instance, one still wonders how a nonchalant young man who relished so dearly the comforts and joys of affluence could ever have pursued a mission that led to his life balancing on the razor's edge. One wonders how that care-free, fun-loving Penn student could have ever become so seriously involved in international intrigue and enmeshed in the dirty intricacies of antinarcotics affairs, the conspiracies of covert operations, and the turf wars of intelligence agencies.

And, then too, one wonders whatever became of Petunia. END