

Hughes Firm Funded U.S. Drug Probers

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A corporation owned by billionaire Howard Hughes gave federal drug agents \$20,000 with which to mount an undercover operation against a suspected drug ring at one of Hughes' Las Vegas hotels, according to the Drug Enforcement Administration.

The money was used in February, 1973, to finance activities of two undercover agents for the Bureau of Narcotics and Dangerous Drugs as they gambled at the casino in Hughes' Frontier Hotel in an effort to infiltrate the suspected drug ring, DEA officials said in response to questions.

The money was supplied by the Hughes-owned Summa Corp. in accordance with an agreement between the bureau and a private detective agency known as Intertel, which provided security for Hughes' Las Vegas hotels according to George B. Brosan, acting chief inspector for the drug agency.

"I certainly wouldn't approve of such an operation, and I know (DEA Administrator John R.) Bartels wouldn't," Brosan said. "It's bad for the government to be asking favors from anybody that owns gambling casinos m . . m"

DEA, the successor to the Bureau of Narcotics and Dangerous Drugs and other federal drug programs, was formed in July, 1973, several months after the so-called "Operation Silver Dollar."

The operation came to light as part of a continuing probe

by Senate investigators who earlier discovered that fugitive financier Robert L. Vesco paid \$3,000 to have federal drug agent search his quarters for hidden electronic bugging devices, Brosan said.

A spokesman for the Senate Permanent Subcommittee on Investigations confirmed that "we are examining" Operation Silver Dollar. The spokesman added that the probe is focusing on both extent to which private individuals and firms have penetrated the federal bureaucracy to extract favors and assistance."

As described by Brosan, Operation Silver Dollar was designed by the then BNDD chief of operations, Philip Smith, in an effort to net a convicted narcotics trafficker who was suspected of drug dealing at the Frontier Hotel.

Two undercover agents were given the \$20,000 with which to gamble, Brosan said. The two agents were backed by another \$135,000 supplied by BNDD which they flashed about in an attempt to impress the suspect, according to Brosan.

They subsequently gambled away the \$20,000 as they infiltrated the suspected drug ring but were unable to entrap the suspect into a sale of narcotics.

Ultimately, Brosan said, the man introduced the agents to members on a San Diego drug ring, and four arrests were made after agents purchased several pounds of cocaine in Tijuana, Mexico.