

SPY

Departments

GREAT EXPECTATIONS 7

NAKED CITY

► Bill Clinton's private life and Peter Jennings's racial sensitivity. Our thrillingly irresponsible campaign prank: Why Jesse Jackson and Michael Eisner, but not Felix Rohatyn, have recently thought about being vice president. Killer nurses—angels of mercy or death? Hallmark knows just how you feel. The Cliché Watch finds that comedy is no laughing matter. In The Fine Print: Bob Crane, postmodernist 22

BIG PICTURES 37

PARTY POOP 86

Features

INSIDE AMERICA'S SECRET SECRET POLICE

► The Wackenhut Corporation is the third-largest security company in America, presided over by former agents of the CIA, FBI and Pentagon. Former? Picking up the trail of reporter Danny Casolaro, who died mysteriously while investigating this story last year, JOHN CONNOLLY uncovers Wackenhut's covert foreign policy, which includes military aid to Saddam Hussein's Iraq 46

THE SPY 1992 HANDBOOK OF CELEBRITY MISBEHAVIOR

► Tom Cruise's matrimonial cloning, Oliver Stone's erection, Carrie Fisher's thing for Spike Lee, and almost everybody's current salary. They're all part of our exclusive and indispensable field guide that enables anyone to understand—or, better yet, *be*—an overindulged famous person 57

WHY JOHNNY CAN'T DO MUCH BESIDES HANG OUT

► Why, like, *be bored* for four years just because you want a college degree? More and more students are spending semesters abroad—on cruise ships and beaches, in bars and restaurants. It's all for credit, and as DAVID KAMP discovers, it's just a tad easier than Hegel and biochemistry. Plus: America's 50 Stupidest College Courses 70

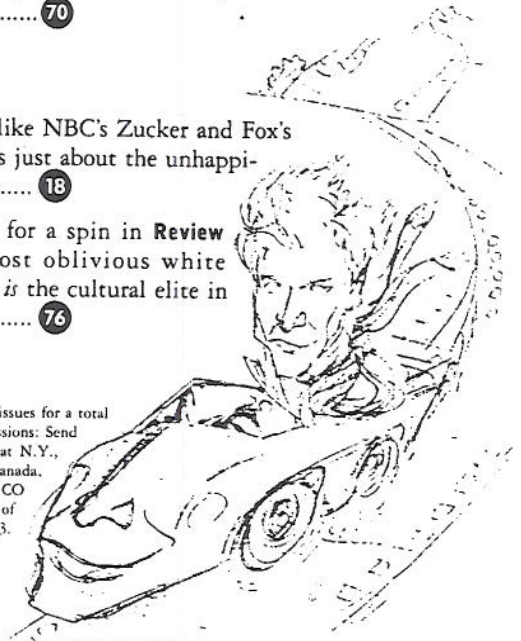
Columns

► LAUREN HOBBS wonders why *Webs* wunderkinder like NBC's Zucker and Fox's Chao are so, uh, *quirky*; CELIA BRADY discovers that Paramount is just about the unhappiest place in *The Industry* right now 18

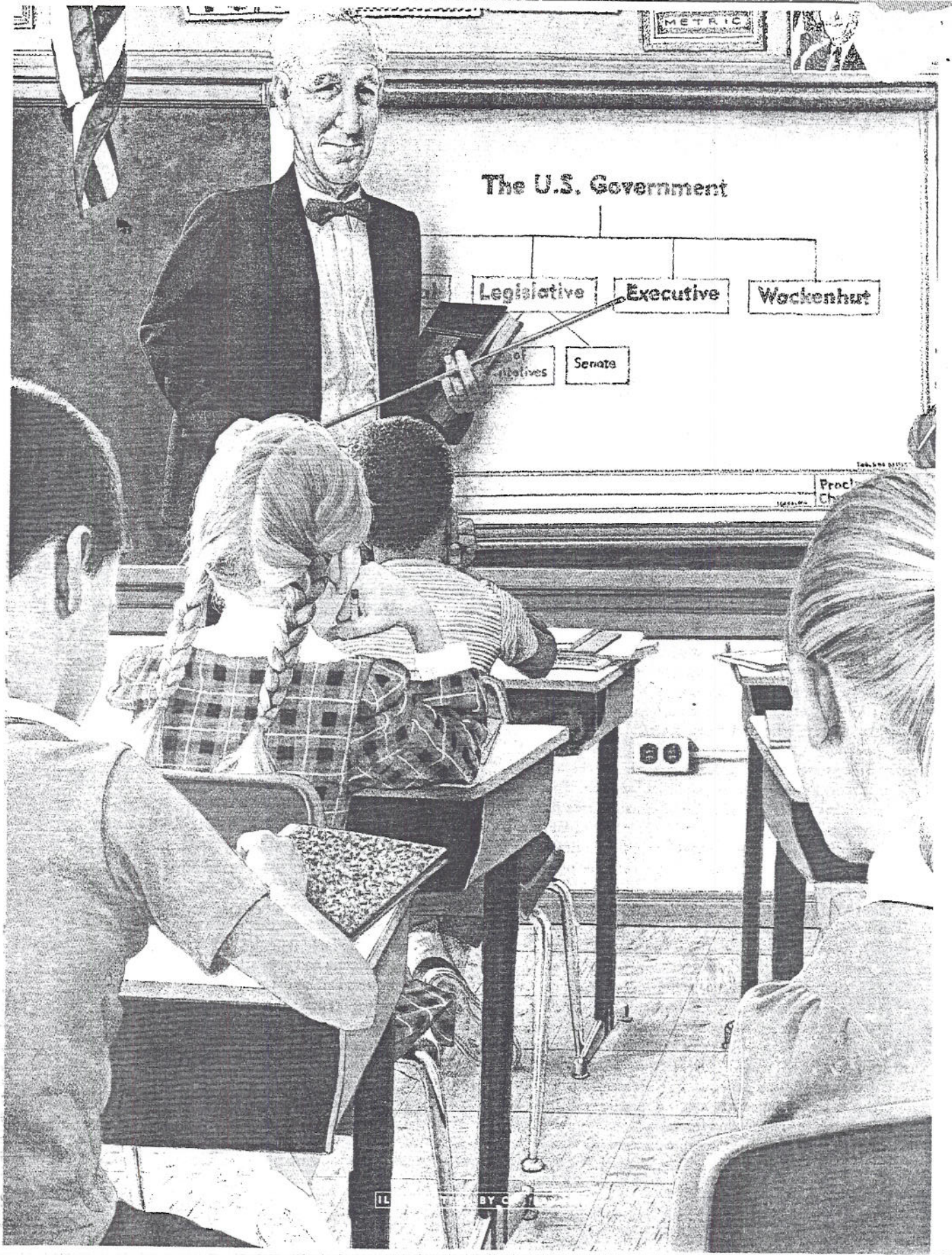
► JAMES COLLINS takes *Patriot Games* out for a spin in *Review of Reviewers*; EDWARD ZUCKERMAN talks to America's most oblivious white impersonator of Negroes in *Entertainment*; and ROY BLOUNT JR. *is* the cultural elite in *Live White Male* 76



THE COVER
Photographed by Carolyn Jones
More information on page 95.



SPY (ISSN 0890-1759) is published monthly with combined July-August and December-January issues for a total of ten issues annually. © 1992 by SPY Corp., 5 Union Square West, N.Y., N.Y. 10003. Submissions: Send with SASE to same address. For advertising sales, call 212-633-6550. Second-class postage paid at N.Y., N.Y., and additional mailing offices. Annual subscription rates: U.S. and possessions, \$14.75; Canada, U.S.\$25; foreign, U.S.\$35. Postmaster: Send address changes to SPY, P.O. Box 57397, Boulder, CO 80521-7397. For subscription information, call 800-333-8128. Member, Audit Bureau of Circulations. Canada GST Reg. No. R129021093. Canada Post Int'l Mail Publication No. 0003433.



The U.S. Government

Legislative

Executive

Wockenhut

House of Representatives

Senate

66

WHAT? A BIG PRIVATE COMPANY—ONE WITH A BOARD OF FORMER CIA, FBI AND PENTAGON OFFICIALS; ONE IN CHARGE OF PROTECTING NUCLEAR-WEAPONS FACILITIES, NUCLEAR REACTORS, THE ALASKAN OIL PIPELINE AND MORE THAN A DOZEN AMERICAN EMBASSIES ABROAD; ONE WITH LONG-STANDING TIES TO A RADICAL RIGHT-WING ORGANIZATION; ONE WITH 30,000 MEN AND WOMEN UNDER ARMS—SECRETLY HELPED IRAQ IN ITS EFFORT TO OBTAIN SOPHISTICATED WEAPONS? AND FUELED UNREST IN VENEZUELA? THIS IS ALL THE PLOT OF A NEW BEST-SELLING THRILLER, RIGHT?

OR THE RAVINGS OF SOME OVERHEATED CONSPIRACY BUFF, RIGHT? RIGHT?

Wrong.

IN THE WINTER OF 1990, DAVID RAMIREZ, a 24-year-old member of the Special Investigations Division of the Wackenhut Corporation, was sent by his superiors on an unusual mission. Ramirez, a former Marine Corps sergeant based in Miami, was told to fly immediately to San Antonio along with three other members of

INSIDE THE SHADOW CIA

by John Connolly

By 1966, Wackenhut could confidently state that it had secret files on 4 million Americans

SID—a unit, known as founder and chairman George Wackenhut's "private FBI," that provided executive protection and conducted undercover investigations and sting operations. Once they arrived, they rented two gray Ford Tauruses and drove four hours to a desolate town on the Mexican border called Eagle Pass. There, just after dark, they met two truck drivers who had been flown in from Houston. Inside a nearby warehouse was an 18-wheel tractor-trailer, which the two truck drivers and the four Wackenhut agents in their rented cars were supposed to transport to Chicago. "My instructions were very clear," Ramirez recalls. "Do not look into the trailer, secure it, and make sure it safely gets to Chicago." It went without saying that no one else was supposed to look in the trailer, either, which is why the Wackenhut men were armed with fully loaded Remington 870 pump-action shotguns.

The convoy drove for 30 hours straight, stopping only for gas and food. Even then, one of the Wackenhut agents had to stay with the truck, standing by one of the cars, its trunk open, shotgun within easy reach.

"Whenever we stopped, I bought a shot glass with the name of the town on it," Ramirez recalls. "I have glasses from Oklahoma City, Kansas City, St. Louis."

A little before 5:00 on the morning of the third day, they delivered the trailer to a practically empty warehouse outside Chicago. A burly man who had been waiting for them on the loading dock told them to take off the locks and go home, and that was that. They were on a plane back to Miami that afternoon. Later Ramirez's superiors told him—as they told other SID agents about similar midnight runs—that the trucks contained \$40-million worth of food stamps. After considering the secrecy, the way the team was assembled and the orders not to stop or open the truck, Ramirez decided he didn't believe that explanation.

Neither do we. One reason is simple: A Department of Agriculture official simply denies that food stamps are shipped that way. "Someone is blowing smoke," he says. Another reason is that after a six-month investigation, in the course of which we spoke to more than 300 people, we believe we know what the truck did contain—equipment necessary for the manufacture of chemical weapons—and where it was headed: to Saddam Hussein's Iraq. And the Wackenhut Corporation—a publicly traded company with strong ties to the CIA and federal contracts worth \$200-million a year—was making sure Saddam would be getting his equipment intact. The question is why.

IN 1954, GEORGE WACKENHUT, THEN A 34-YEAR-OLD former FBI agent, joined up with three other former FBI agents to open a company in Miami called Special Agent Investigators Inc. The partnership was neither successful nor harmonious—George once knocked partner Ed Dubois unconscious to end a disagreement over the direction the company would take—and in 1958, George bought out his partners.

However capable Wackenhut's detectives may have been at their work, George Wackenhut had two personal attributes that were instrumental in the company's growth. First, he got along exceptionally well with important politicians. He was a close ally of Florida governor Claude Kirk, who hired him to combat organized crime in the state, and was also friends with Senator George Smathers, an intimate of John F. Kennedy's. It was Smathers who provided Wackenhut with his big break when the senator's law firm helped the company find a loophole in the Pinkerton law, the 1893 federal statute that had made it a crime for an employee of a private detective agency to do work for the government. Smathers's firm set up a wholly owned subsidiary of Wackenhut that provided only guards, not detectives. Shortly thereafter, Wackenhut received multimillion-dollar contracts from the government to guard Cape Canaveral and the Nevada nuclear-bomb test site, the first of many extremely lucrative federal contracts that have sustained the company to this day.

The second thing that helped make George Wackenhut successful was that he was, and is, a hard-line right-winger. He was able to profit from his beliefs by building up dossiers on Americans suspected of being Communists or merely left-leaning—"subversives and sympathizers," as he put it—and selling the information to interested parties. According to Frank Donner, the author of *Age of Surveillance*, the Wackenhut Corporation maintained and updated its files even after the McCarthyite hysteria had ebbed, adding the names of antiwar protesters and civil-rights demonstrators to its list of "derogatory types." By 1965, Wackenhut was boasting to potential investors that the company maintained files on 2.5 million suspected dissidents—one in 46 American adults then living. In 1966, after acquiring the private files of Karl Barslaag, a former staff member of the House Committee on Un-American Activities, Wackenhut could confidently maintain that with more than 4 million names, it had the largest privately held file on suspected dissidents in America. In

1975, after Congress investigated companies that had private files, Wackenhut gave its files to the now-defunct anti-Communist Church League of America of Wheaton, Illinois. That organization had worked closely with the red squads of big-city police departments, particularly in New York and L.A., spying on suspected sympathizers; George Wackenhut was personal friends with the League's leaders, and was a major contributor to the group. To be sure, after giving the League its files, Wackenhut reserved the right to use them for its clients and friends.

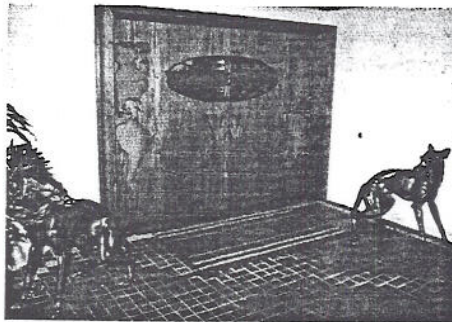
Wackenhut had gone public in 1965; George Wackenhut retained 54 percent of the company. Between his salary and dividends, his annual compensation approaches \$2 million a year, sufficient for him to live in a \$20-million castle in Coral Gables, Florida, complete with a moat and 18 full-time servants. Today the company is the third-largest investigative security firm in the country, with offices throughout the United States and in 39 foreign countries.

It is not possible to overstate the special relationship Wackenhut enjoys with the federal government. It is close. When it comes to security matters, Wackenhut in many respects *is* the government. In 1991, a third of the company's \$600-million in revenues came from the federal government, and another large chunk from companies that themselves work for the government, such as Westinghouse. Wackenhut is the largest single company supplying security to U.S. embassies overseas; several of the 13 embassies it guards have been in important hotbeds of espionage, such as Chile, Greece and El Salvador. It also guards nearly all the most strategic government facilities in the U.S., including the Alaskan oil pipeline, the Hanford nuclear-waste facility, the Savannah River plutonium plant and the Strategic Petroleum Reserve.

Wackenhut maintains an especially close relationship with the



Mother Ship Wackenhut—armed employees strike a fearsome pose outside world headquarters in Coral Gables, Florida.



Grotesquerie at the gate: Egyptian guard dogs defend George Wackenhut's office. Below: In the office, our man finds Wackenhut in his element—yes, the tusks are real.



federal government in other ways as well. While early boards of directors included such prominent personalities of the political right as Captain Eddie Rickenbacker, General Mark Clark and Ralph E. Davis, a John Birch Society leader, current and recent members of the board have included much of the country's recent national-security directorate: former FBI director Clarence Kelley; former Defense secretary and former CIA deputy director Frank Carlucci; former Defense Intelligence Agency director General Joseph Carroll; former U.S. Secret Service director James J. Rowley; former Marine commandant P. X. Kelley; and acting chairman of President Bush's foreign-intelligence advisory board and former

CIA deputy director Admiral Bobby Ray Inman. Before his appointment as Reagan's CIA director, the late William Casey was Wackenhut's outside legal counsel. The company has 30,000 armed employees on its payroll.

We wanted to know more about this special relationship, but the government was not forthcoming. Repeated requests to the Department of Energy for an explanation of how one company got the security contracts for nearly all of America's most strategic installations have gone unanswered. Similarly, efforts to get the State Department to explain whether embassy contracts were awarded arbitrarily or through competitive bidding were fruitless; essentially the State Department said, "Some of both." Wackenhut's competitors—who, understandably, asked not to be quoted by name—have their own version. "All those contracts," says one security-firm executive, "are just another way to pay Wackenhut for their clandestine help." And what is the nature of that help? "It is known throughout the industry," says retired FBI special agent William Hinshaw, "that if you want a dirty job done, call Wackenhut."

Wackenhut has been involved with the CIA, the ex-analyst says, on a quid pro quo basis

WE MET GEORGE WACKENHUT IN HIS swanky, *muy macho* offices in Coral Gables. The rooms are paneled in a dark, rich rosewood, accented with gray-blue stone. The main office is dominated by Wackenhut's 12-foot-long desk and a pair of chairs shaped like elephants—"Republican chairs," he calls them—complete with real tusks, which, the old man says with some amusement, tend to stick his visitors. The highlight of the usual collection of pictures and awards is the Republican presidential exhibit: an autographed photo of Wackenhut shaking hands with George Bush (whom Wackenhut, according to a former associate, used to call "that pinko") as well as framed photos of Presidents Reagan, Nixon and Bush, each accompanied by a handwritten note. The chairman looks every inch the comfortable Florida septuagenarian. The day we spoke, his clothing ranged across the color spectrum from baby blue to light baby blue, and he wore a lot of jewelry—a huge gold watch on a thick gold band, two massive gold rings. But Wackenhut was, at 72, quick and tough in his responses. Near the end of our two-and-a-half-hour interview, when asked if his company was an arm of the CIA, he snapped, "No!"

Of course, this may just be a matter of semantics. We have spoken to numerous experts, including current and former CIA agents and analysts, current and former agents of the Drug Enforcement Administration and current and former Wackenhut executives and employees, all of whom have said that in the mid-1970s, after the Senate Intelligence Committee's revelations of the CIA's covert and sometimes illegal overseas operations, the agency and Wackenhut grew very, very close. Those revelations had forced the CIA to do a housecleaning, and it became CIA policy that certain kinds of activities would no longer officially be performed. But that didn't always mean that the need or the desire to undertake such operations disappeared. And that's where Wackenhut came in.

Our sources confirm that Wackenhut has had a long-standing relationship with the CIA, and that it has deepened over the last decade or so. Bruce Berckmans, who was assigned to the CIA station in Mexico City, left the agency in January 1975 (putatively) to become a Wackenhut international-operations vice president. Berckmans, who left Wackenhut in 1981, told SPY that he has seen a formal proposal George Wackenhut submitted to the CIA to allow the agency to use

Wackenhut offices throughout the world as fronts for CIA activities. Richard Babayan, who says he was a CIA contract employee and is currently in jail awaiting trial on fraud and racketeering charges, has been cooperating with federal and congressional investigators looking into illegal shipments of nuclear-and-chemical-weapons-making supplies to Iraq. "Wackenhut has been used by the CIA and other intelligence agencies for years," he told SPY. "When they [the CIA] need cover, Wackenhut is there to provide it for them." Canadian prime minister Pierre Trudeau was said to have rebuffed Wackenhut's efforts in the 1980s to purchase a weapons-propellant manufacturer in Quebec with the remark "We just got rid of the CIA—we don't want them back." Philip Agee, the left-wing former CIA agent who wrote an exposé of the agency in 1975, told us, "I don't have the slightest doubt that the CIA and Wackenhut overlap."

There is also testimony from people who are not convicts, renegades or Canadians. William Corbett, a terrorism expert who spent 18 years as a CIA analyst and is now an ABC News consultant based in Europe, confirmed the relationship between Wackenhut and the agency. "For years Wackenhut has been involved with the CIA and other intelligence organizations, including the DEA," he told SPY. "Wackenhut would allow the CIA to occupy positions within the company [in order to carry out] clandestine operations." He also said that Wackenhut would supply intelligence agencies with information, and that it was compensated for this—"in a quid pro quo arrangement," Corbett says—with government contracts worth billions of dollars over the years.

We have uncovered considerable evidence that Wackenhut carried the CIA's water in fighting Communist encroachment in Central America in the 1980s (that is to say, during the Reagan administration, when the CIA director was former Wackenhut lawyer William Casey, the late superpatriot who had a proclivity for extralegal and illegal anti-Communist covert operations such as Iran-contra). In 1981, Berckmans, the CIA agent turned Wackenhut vice president, joined with other senior Wackenhut executives to form the company's Special Projects Division. It was this division that linked up with ex-CIA man John Philip Nichols, who had taken over the Cabazon Indian reservation in California, as we described in a previous article ["Badlands," April 1992], in pursuit of a scheme to manufacture explosives, poison gas and biological

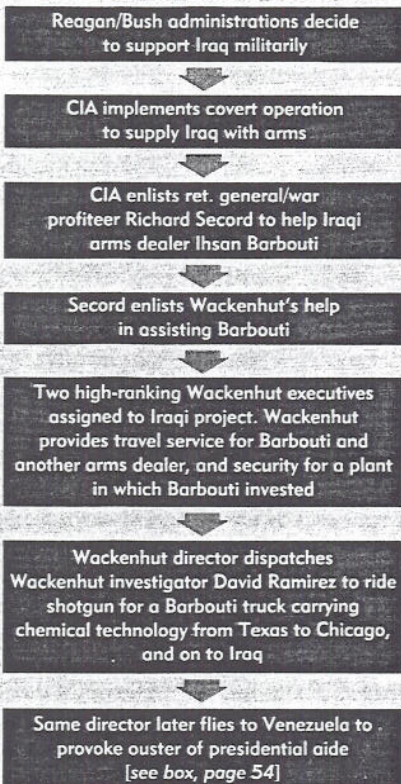
weapons—and then, by virtue of the tribe's status as a sovereign nation, to export the weapons to the contras. This maneuver was designed to evade congressional prohibitions against the U.S. government's helping the contras. Indeed, in an interview with SPY, Eden Pastora, the contras' famous Commander Zero, who had been spotted at a test of some night-vision goggles at a firing range near the Cabazon reservation in the company of Nichols and a Wackenhut executive, offhandedly identified that executive, A. Robert Frye, as "the man from the CIA." (In a subsequent conversation he denied knowing Frye at all; of course, in that same talk he quite unbelievably denied having ever been a contra.)

In addition to attempted weapons supply, Wackenhut seems to have been involved in Central America in other ways. Ernesto Bermudez, who was Wackenhut's director of international operations from 1987 to '89, admitted to SPY that during 1985 and '86 he ran Wackenhut's operations in El Salvador, where he was in charge of 1,500 men. When asked what 1,500 men were doing for Wackenhut in El Salvador, Bermudez replied coyly, "Things." Pressed, he elaborated: "Things you wouldn't want your mother to know about." It's worth noting that Wackenhut's annual revenues from government contracts—the alleged reward for cooperation in the government's clandestine activities—increased by \$150 million, a 45 percent jump, while Ronald Reagan was in office. "You've done an awful lot of research," George Wackenhut said to me as I was leaving. "How would you like to run all our New York operations?"

IF THAT WAS THE EXTENT of Wackenhut's possible involvement in a government agency's attempt to circumvent the law, then we might dismiss it as an



THE WACKENHUT WAY: AN IRAQGATE PRIMER



CURRENT AND FORMER WACKENHUT DIRECTORS

- John Ammarell, former FBI agent
- Robert Chasen, former FBI agent
- Clarence Kelley, director emeritus, former FBI director
- Willis Hawkins, former assistant secretary of the Army
- Paul X. Kelley, four-star general (ret.), U.S. Marine Corps
- Seth McKee, former commander in chief, North American Air Defense Command
- Bernard Schriever, former member, President's Foreign Intelligence Advisory Board
- Frank Carlucci, former Defense secretary and former deputy CIA director
- Joseph Carroll, former director, Defense Intelligence Agency
- James Rowley, former director, U.S. Secret Service
- Bobby Ray Inman, former deputy CIA director

interesting footnote to the overheated, cowboy anti-Communist 1980s. However, the U.S. Attorney for the Southern District of Florida has been conducting an investigation into the illegal export of dual-use technology—that is, seemingly innocuous technology that can also be used to make nuclear weapons—to Iraq and Libya. And SPY has learned that Wackenhut's name has come up in the federal investigation, but not at present as a target.

Between 1987 and '89, three companies in the United States received investments from an Iraqi architect named Ihsan Barbuti. The colorful Barbuti owned an engineering company in Frankfurt that had a \$552-million contract to build airfields in Iraq. He also admitted having designed Mu'ammarr Qaddafi's infamous German-built chemical-weapons plant in Rabta, Libya. According to an attorney for one of the companies in which Barbuti invested, the architect owned \$100 million worth of real estate and oil-drilling equipment in Texas and Oklahoma. He may also be dead, there being reports that he died of heart failure in Queen Mary's University Hospital in London on July 1, 1990, his 63rd birthday. Barbuti, however, had faked his death once before, in 1969, after the Ba'ath takeover in Iraq, which brought Saddam Hussein to power as the second-in-command. That time, Barbuti escaped Iraq, resurfacing several years later in Lebanon and Libya. There are now reports that he is living in Jordan—or, according to other reports, in a CIA safe house in Florida. Those reports can be considered no better than rumor; what follows, though, is fact.

As reported on ABC's *Nightline* last year, the three companies in which Barbuti invested were TK-7 of Oklahoma City, which makes

The Iraqi arms dealer's associate was Richard Secord, of Iran-contra; he brought in Wackenhut

a fuel additive; Pipeline Recovery Systems of Dallas, which makes an anti-corrosive chemical that preserves pipes; and Product Ingredient Technology of Boca Raton, which makes food flavorings. None of these companies was looking to do business with Iraq; Barbouti sought them out. Why was he interested? Because TK-7 had formulas that could extend the range of jet aircraft and liquid-fueled missiles such as the SCUD; because Pipeline Recovery knows how to coat pipes to make them usable in nuclear reactors and chemical-weapons plants; and because one of the by-products in making cherry flavoring is ferric ferrocyanide, a chemical that's used to manufacture hydrogen cyanide, which can penetrate gas masks and protective clothing. Hydrogen cyanide was used by Saddam Hussein against the Kurds in the Iran-Iraq war.

Barbouti was more than a passive investor, and soon he began pressuring the companies to ship not only their products but also their manufacturing technology to corporations he owned in Europe, from which, he told the businessmen, it would be sent to Libya and Iraq. In doing so, Barbouti was attempting to violate the law. First, the U.S. forbade sending anything to Libya, which was embargoed as a terrorist nation. Second, the U.S. specified that material of this sort must be sent to its final destination, not to an intermediate locale, where the U.S. would risk losing control of its distribution. According to former CIA contract employee Richard Babayan, in late 1989 Barbouti met in London with Ibrahim Sabawai, Saddam Hussein's half brother and European head of Iraqi intelligence, who grew excited about the work Pipeline Recovery was doing and called for the company's technology to be rushed to Iraq, so that it could be in place by early 1990. And the owner of TK-7 swears that Barbouti told him he was developing an atom device for Qaddafi that would be used against the U.S. in retaliation for the 1986 U.S. air strike against Libya. Barbouti also wanted the ferrocyanide from Product Ingredient.

Assisting Barbouti with these investments was New Orleans exporter Don Seaton, a business associate of Richard Secord, the right-wing U.S. Army general turned war profiteer who was so deeply enmeshed in the Iran-contra affair. It was Secord who connected Barbouti with Wackenhut. Barbouti met with Secord in Florida on several occasions, and phone records show that several calls were placed from Barbouti's office to Secord's private number in McLean, Virginia; Secord has

acknowledged knowing Barbouti. He is currently a partner of Washington businessman James Tully (who is the man who leaked Bill Clinton's draft-dodge letter to ABC) and Jack Brennan, a former Marine Corps colonel and longtime aide to Richard Nixon both in the White House and in exile. Brennan has gone back to the White House, where he works as a director of administrative operations in President Bush's office. He refused to return repeated calls from SPY. Interestingly, Brennan and Tully had previously been involved in a \$181-million business deal to supply uniforms to the Iraqi army. Oddly, they arranged to have the uniforms manufactured in Nicolae Ceaușescu's Romania. The partners in that deal were former U.S. attorney general and Watergate felon John Mitchell and Sarkis Soghanalian, a Turkish-born Lebanese citizen. Soghanalian, who has been credited with being Saddam Hussein's leading arms procurer and with introducing the demonic weapons inventor Gerald Bull to the Iraqis, is currently serving a six-year sentence in federal prison in Miami for the illegal sale of 103 military helicopters to Iraq. According to former Wackenhut agent David Ramirez, the company considered Soghanalian "a very valuable client."

Unfortunately for Barbouti, none of the companies in which he made investments was willing to ship its products or technology to his European divisions. That, however, doesn't necessarily mean that he didn't get some of what he wanted. In 1990, 2,000 gallons of ferrocyanide were found to be missing from the cherry-flavor factory in Boca Raton. Where it went is a mystery; Peter Kawaja, who was the head of security for all of Barbouti's U.S. investments, told SPY, "We were never burglarized, but that stuff didn't walk out by itself."

What does all this have to do with Wackenhut? Lots: According to Louis Champon, the owner of Product Ingredient Technology, it was Wackenhut that guarded his Boca Raton plant, a fact confirmed by Murray Levine, a Wackenhut vice president. Champon also says, and Wackenhut also confirms, that the security for the plant consisted of one unarmed guard. While a Wackenhut spokesperson maintains that this was the only job they were doing for Barbouti, he also says that they were never paid, that Barbouti stiffed them.

This does not seem true. SPY has obtained four checks from Barbouti to Wackenhut. All were written within ten days in 1990: one on March 27 for \$168.89; one on March 28 for \$24,828.07; another on April 5 for

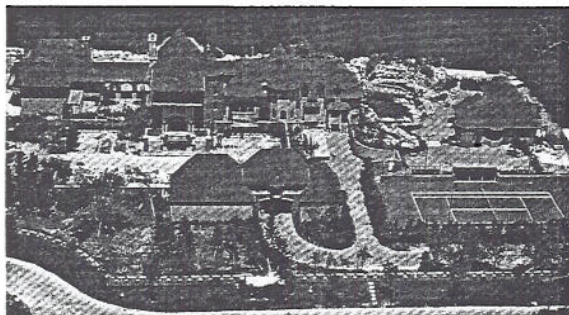
\$756; the last on April 6 for \$40,116.25. We asked Richard Kneip, Wackenhut's senior vice president for corporate planning, to explain why a single guard was worth \$66,000 a year; Kneip was at a loss to do so. He was similarly at a loss to explain a fifth check, from another Barbouti company to Wackenhut's travel-service division in 1987, almost two years before Wackenhut has acknowledged providing security for the Boca Raton plant.

Two former CIA operatives, separately interviewed, have the explanation. Charles Hayes, who describes himself as "a CIA asset," says Wackenhut was helping Barbouti ship chemicals to Iraq. "Supplying Iraq was originally a good idea," he maintains, "but then it got out of hand. Wackenhut was just in it for the money." Richard Babayan, the former CIA contract employee, confirmed Hayes's account. He says that Wackenhut's relationship with Barbouti existed before the Boca Raton plant opened: "Barbouti was placed in the hands of Secord by the CIA, and Secord called in Wackenhut to handle security and travel and protection for Barbouti and his export plans." Wackenhut, Babayan says, was working for the CIA in helping Barbouti ship the chemical-and-nuclear-weapons-making equipment first to Texas, then to Chicago, and then to Baltimore to be shipped overseas. All of which makes the story of the midnight convoy ride of David Ramirez, recounted at the beginning of this article, rather less mysterious. SPY has learned that this shipment is now the subject of a joint USDA-Customs investigation.

When we asked George Wackenhut what was being shipped from Eagle Pass to Chicago, the sharp, straightforward chairman at first claimed they were protecting



George Wackenhut and wife Ruth at a 1969 gala. Below, the Wackenhuts' estate on Casuarina Concourse in Coral Gables.



Below: Former Florida governor Claude Kirk places IOU note in a time capsule with George Wackenhut (center, as pirate) and Grace Kelly's brother, Jack (right).



an unnamed executive. He then directed an aide to get back to me. Two days later, Richard Kneip did, repeating the tale that had been passed on to David Ramirez—that the trucks contained food stamps. We told him that we had spoken to a Department of Agriculture official, who informed us that food stamps are shipped from Chicago to outlying areas, never the other way around, and that food stamps, unlike money, are used once and then destroyed. All Kneip would say then was, "We do not reveal the names of our clients."

WACKENHUT'S connection to the CIA and to other government agencies raises several troubling questions.

First, is the CIA using Wackenhut to conduct operations that it has been forbidden to undertake? Second, is the White House or some other party in the executive branch working through Wackenhut to conduct operations that it doesn't want Congress to know about? Third, has Wackenhut's cozy relationship with the government given it a feeling of security—or, worse, an outright knowledge of sensitive or embarrassing information—that allows the company to believe that it can conduct itself as though it were above the law? A congressional investigation into Wackenhut's activities in the Alyeska affair last November [see "Sure, but Wackenhut Must Have Its Good Points, Right?," page 54] began to shed some light on Wackenhut's way of doing business; clearly it's time for Congress to investigate just how far Wackenhut's other tentacles extend. **D**

Additional reporting by Eric Reguly, Margie Sloan and Wendell Smith

SURE, BUT WACKENHUT MUST HAVE ITS GOOD POINTS, RIGHT?

Nor really. Wackenhut's labors on behalf of Arab despots aren't the company's only unsavory episodes. Here are some other items from our Wackenhut file:

◆ Wackenhut's right-wing politics have not been confined to supporting U.S. administrations. In 1977, Wackenhut obtained special permission to operate in Belgium; according to Edward Herman and Gerry O'Sullivan's *The Terrorism Industry*, Wackenhut "quickly got involved with right-wing terrorists who were themselves linked to state security agents." Wackenhut's local director in Brussels, Jean-François Calmette, was a rightist who had hired and given combat instruction to members of Westland New Post, a Belgian fascist group. Wackenhut left Belgium in the early 1980s, following accusations that its guards were luring immigrant children into basements and beating them.

◆ Tom Carpenter of the Washington-based Government Accountability Project, a nonprofit organization that protects whistle-blowers, considers Wackenhut a major oppressor. At many of the nuclear installations guarded by Wackenhut, the company works to identify and discourage whistle-blowers. Earlier this year, an investigation by the Energy Department's Inspector General's Office into the illegal use of electronic eavesdropping equipment at plants run by Westinghouse and other private companies in the nuclear-energy business found 147 different pieces of surveillance equipment; one could listen in on 200 phones at once. Many of the bugs had been planted by Wackenhut. The private companies agreed to dismantle the equipment, and sent the bugs off to a Department of Energy training center in Albuquerque. As it happens, the training center is operated by Wackenhut. These are not the only complaints against the company. Robert Jacques of the Energy Department's Inspector General's Office told SPY, "We have had hundreds of complaints about Wackenhut."

◆ This August a House committee was due to release a report on its investigation into the way Wackenhut's Special Investigations Division handled a job for one of its clients, the oil consortium Alyeska. The committee has been looking into allegations, reported on *60 Minutes* and elsewhere, that Wackenhut had conducted illegal surveillance of an outspoken Alyeska critic, Chuck Hamel, who has funneled information about the oil consortium's safety and environmental abuses to Congress and the media for more than a decade. Wackenhut is accused of setting up a phony environmental-law firm and offering money to Hamel to discover his Alyeska sources. Wackenhut says it operated legally.

◆ While Wackenhut has been involved with the CIA in clandestine adventures, sometimes it just goes off on its own. That's what happened last year, when Wackenhut's dirty work on behalf of a client helped bring down a presidential aide and fueled unrest that led to an attempted coup against the democratically elected, pro-American government of Venezuela.

On June 21, 1991, Wayne Black, the director of Wackenhut's Special Investigations Division, flew from Miami to Caracas. He traveled on an Abu Dhabi passport, using the name Wayne Jenkins—the same name he'd used while heading the Alyeska business. The purpose of this trip was to destroy the reputation of Orlando Garcia, the chief of security for President Carlos Andres Perez.

According to Gus Castillo, a former FBI special agent who worked for Wackenhut, Black began last summer to plant false information about Garcia with government officials, members of opposition parties and other influential Venezuelans. Black's stories concerned an investigation by the Venezuelan attorney general into accusations that a munitions company owned by Garcia had taken money from the army for weapons it failed to supply. Garcia

denied any wrongdoing but resigned later in the year and was placed under house arrest. "You would not be wrong in saying that Wackenhut helped get Orlando Garcia out of the government," says a source in the Venezuelan government.

Soon the stories Black had spread took on a life of their own. President Perez, who had been hailed by President Bush as "one of the great democratic leaders of our hemisphere," was suffering a bout of unpopularity. Austerity measures he had implemented had lowered the standard of living. New allegations of corruption by a member of the president's inner circle fueled this unrest, and in February 1992 a group of midlevel army officers attempted a military coup. In the end, Perez survived an attack that claimed three of his bodyguards; 17 soldiers and 42 civilians were also killed. Meanwhile, Orlando Garcia fled to Paris.

Wackenhut helped instigate this episode neither to forward a political philosophy nor to protect any security interests, but simply for a fee. The client was Blanca Ibanez, a wealthy 38-year-old Venezuelan expatriate now living in Boca Raton who is the mistress of Jaime Lusinchi, Perez's predecessor as president. In addition to her duties as Lusinchi's personal secretary and mistress, Ibanez had another responsibility—regulating the flow of hard currency in and out of Venezuela. After she left public office, her activities were investigated, and she was suspected of stealing more than \$300 million. The person in charge of that investigation was Orlando Garcia.

In May 1991, Ibanez flew to Miami; when she arrived, she and her luggage were searched by U.S. Customs officials. The search was conducted at the request of Venezuelan officials, who were hunting for financial records and evidence of offshore accounts. Nothing showed up, but Ibanez was clearly rattled. Soon afterward, she had her American attorney hire Wackenhut to stymie the Venezuelan government's investigation of her. Obviously, Wackenhut was successful, although apparently only in the short run. This past June, the Venezuelan attorney general indicted her for influence-peddling.

◆ Michael Riconosciuto is the mysterious convicted drug dealer who became a government informer and then became a Wackenhut employee, and who is now back in jail [see "Badlands," April 1992]. He told SPY that during the early 1980s he was "working for Wackenhut to adapt Inslaw's Promis." Promis is the computer program allegedly stolen by Reagan-administration officials from Inslaw, a software company, and resold for private gain. Although Wackenhut denies any involvement with improper appropriation of software, Riconosciuto said in an interview with SPY that he "met with George Wackenhut and John Ammarell [a Wackenhut board member and consultant to George Wackenhut] in Las Vegas." Riconosciuto went on to say that accompanying him was Dr. John Philip Nichols, the former CIA agent and Wackenhut business partner who was running the shadowy activities on the Cabazon Indian reservation in the California desert. Riconosciuto says that during their Vegas evening together, George Wackenhut asked how his work on the software was coming along.

Such comments from a twice-convicted felon would normally be dismissed out of hand. But in an interview with SPY, Wackenhut's John Ammarell confirmed that such a meeting did indeed take place in Las Vegas. "I don't remember any specific conversations," Ammarell said, "but I think we were there to discuss the sale of George's yacht, the *Top Secret*. I think Nichols said he had a potential buyer." So: The wealthy president of a large security company with CIA ties and one of his board members meet with a drug dealer turned electronics expert and a spook turned arms supplier—and all they discuss is the sale of a boat? ☛