Argentine Filled Key Role
In Latin’s Drugs Network

Third of four articles on why Latin America is now the major source of hard drugs entering the United States.

By NICHOLAS GAGE

The man in South America whom drug enforcement officials say they would most like to see behind bars is Armando H. Nicolai, a 46-year-old Argentine who has been under indictment on narcotics conspiracy charges in New York since 1971.

"Nicolai is the only man down here with the reputation, contacts and know-how to organize the South American Connection," said Frank Macolli, the Federal Drug Enforcement Administration’s deputy regional director for South America.

Until 1972, 35 percent of all the heroin smuggled into the United States every year was sent through the Latin-American networks of European fugitives, most of them former French Cooperatives.

At its peak, the French Connection controlled much of the heroin supply to the United States, but it lost its hold on all its markets except New York. Even in the cities, the French traffickers faced stiff competition for a long spell, but authorities report that French heroin is plentiful on the streets again. [Page 53.]

The South American Connection, in its powerful days, was composed primarily of two major groups of Corsican traffickers.

One organization, based in Bogota, was led by a fugitive, Joseph Ricord, a 46-year-old

Continued From Page 1, Col. 7

naturalized Argentine citizen who served as an agent of the Gestapo in France during World War II. The other was headed by Lucien Sarti, the fugitive murderer of a Belgian policeman, who arrived in South America in 1966, when he was 29, to look into the narcotics trade. Mr. Nicolai was an important member of the Sarti organization.

Beginning in 1972, a barrage of extraditions, shootouts and seizures broke up the lucrative South American Connection.

Most of the leading principals, including Mr. Ricord, were expelled to the United States, where they were convicted of narcotics violations and imprisoned. Others fled to their native Europe. Authorities say the only major figure who managed to avoid their net was Mr. Sarti.

Mr. Sarti and Mr. Nicolai were arrested when the Corsican and his associates began courting massive contrabandists — South Americans who made a living by smuggling various goods, especially borders for the black market.

Mr. Nicolai had already become a legend among the contrabandists. Part of his fame was due to his physical size and strength, for in a country where great height is uncommon, Mr. Nicolai is 6 feet 3 inches tall and weighs over 230 pounds.

In one instance, in 1963, when he and a group of associates were arrested by the police, Mr. Nicolai broke his handcuffs with his bare hands and beat up seven policemen. Later that evening, every contrabandist in Argentina looked up to him," said Roy C. Tryal, the head of the Drug Enforcement Administration’s district office in Buenos Aires.

Mr. Nicolai has an aristocratic appearance that hints of his Italian heritage and a strong profile, with an arched nose. He is a Roman Catholic, and his hair, though fairly long, is dyed reddish brown. He walks with a decided stoop.

Mr. Nicolai was involved in shipping heroin at the height of the profits to be made by smuggling hard drugs. He is said to be a shrewd businessman, in addition to being a shrewd drug dealer.

Mr. Macolli of the Federal Drug Enforcement Administration says the group’s members included Franco Rossi, Benzo Rogal and Francois Chapagne, who practiced giving one another shock treatments to free themselves to withstand torture if they were seized and questioned by the police. Mr. Sarti himself was admirably referred to by his cronies as “Iron Head.”

Informants say that Mr. Nicolai regarded these activities of the French Forte with some amusement. He considered himself merely the “director” of the smuggling business and had no taste for robbing banks or exchanging hostages.

As a contrabandist, Mr. Nicolai had accumulated a large number of contacts, including associates throughout Latin America, in addition to ease his passage across borders and through customs.

Informants say Mr. Nicolai got into the heroin trade after about a year, when he used some money he was making to extend his influence within the government and to buy the police in half a dozen Latin American countries.

He moved his headquarters from Buenos Aires to Montevideo, Uruguay, where he lived in luxurious style, entertaining influential politicians at his apartment near the presidential palace and overseeing his fleet of automobiles and private planes, staffed by his own pilots.

Informants maintain that Mr. Nicolai’s contacts were so good that he would fly to France himself to pick up shipments of heroin and carry them in suitcases to South America, say he would be allowed to go through customs without having his bags examined.

Mr. Nicolai was doing very well in the heroin-smuggling business when, on July 8, 1977, a young man from Panama named Rafael Richard was arrested at John F. Kennedy Airport in New York after it was discovered that his luggage contained 70 kilograms (154 pounds) of heroin.

Mr. Richard had refused to open his suitcases, maintaining that he had diplomatic immunity because his father was Panama’s Ambassador to Taiwan. But the inspector opened them anyway and when Mr. Richard was taken into custody, he agreed to cooperate with the authorities.

Mr. Richard said he had made five earlier smuggling trips to the United States and another to Brazil and Argentina, most of them with his uncle, Guillermo Gonzalez, or in one case with his aunt, Nelva Jurado de Gonzalez. In Buenos Aires, he said, his uncle gave a package to a man named Armando, who gave her money in return.

Two other informants submitted what they said Guillermo Gonzalez was closely linked with Armando Nicolai, and that the association between them dated back 10 years. When Mr. Gonzalez was an air controller in Panama and would clear planes for Mr. Nicolai that contained contraband.

As a result of this information, Mr. Nicolai was indicted in New York for conspiracy to distribute drugs.

Mr. Richard attempted to smuggle into the United States Mr. Richard and Mr. Gonzalez were convicted and sent to prison.

A Prime Target

After the Richard arrest, Mr. Nicolai became a prime target of United States narcotics agents posted in South America. When informants leaked the information that something big was brewing in the Sarti-Nicola group, United States narcotics agents got permission from Uruguay’s officials to put a tap on Mr. Nicolai’s telephone.

In early 1972, Lucien Sarti traveled to La Paz, Bolivia, in the company of a friend named Jean-Paul Angeletti and Housep Caraman, a business associate who had been introduced to the heroin traffic a few years earlier.

Traveling with them were Mr. Sarti’s common-law wife and Mr. Angeletti. All were using false identities...
Informants say the group went to Bolivia to buy a 6,000-acre coca plantation on which to grow their own coca leaves so that they could branch out into cocaine. They carried with them $380,000 in a case, which they were arrested with when they were arrested at their hotel.

The police had been called by an acquaintance who remembered Mr. Sarti from a previous visit and who noticed that on this trip he was registered under a different name.

Miss Ferreira's lawyer in Buenos Aires, Mario Contorno, promptly turned up in La Paz and attempted without success to obtain their release. Next to arrive, however, was Helena Ferreira.

Miss Ferreira had flown to La Paz from her native Brazil, where she had been living for Mr. Sarti. Pretending to be his sister, she persuaded the Bolivian officials to release Mr. Sarti and all his associates except Mr. Carmin. But when they left La Paz, informants say, they no longer had the $380,000 that had been on their possession when they arrived.

The group traveled first to Peru, where they were picked up by Mr. Sarti's pilot, Julio Llorente, and flown to Mexico City. Miss Ferreira, however, was not with them; she had been arrested in Brazil and detained on a currency charge. The arrest may have saved her life. When Mr. Sarti arrived in Mexico, he telephoned Armando Nicolai in Montevideo.

The narcotics agents who were taping Mr. Nicolai's phone heard (Mr. Sarti, whom they had not yet identified) tell him that he must come at once to Mexico City. Mr. Sarti wanted him to meet with two French Corsi- lari who were suppliers of heroin and some representatives from Mafia families in New York who were presumably to be the buyers.

There was going to be a conference to come up future sales, Mr. Sarti indicated, as well as to provide a deal of 70 kilograms of heroin that he had already on hand.

Mocellin, who was in reservations half a dozen times for Mexico, but could not be held, ordered recalled Mr. Macollini, the narcotics agent heading the investigation of Mr. Nicolai. "He drove us crazy."

Macollini couldn't put his finger on what was wrong, Mr. Nicolai apparently sensed that there was danger afoot and he was reluctant to join Mr. Sarti in Mexico City; it was just one example of Mr. Nicolai's sixth sense for danger that authorities say has made him the only survivor of the South American Connection.

Lucien Sarti's associates were all using aliases during this stay in Mexico City and in their telephone conversations with Mr. Nicolai. The telephoning narcotics agents were desperately trying to find out their identities.

The Agents Move In

The break came when, in the course of registration with Mr. Nicolai, Mr. Sarti mentioned his own daughter's name, Veronica.

The name was telegraphed to Washington, where Jerry Stricker was then heading the Federal drug agency's Latin American desk. Mr. Stricker was known for his computer-like memory and soon he was able to identify Lucien Sarti simply from his daughter's name.

After repeated telephone calls to Mr. Nicolai, saying that the Frenchmen were now in Mexico City and waiting for him, Mr. Sarti gave up and decided to go ahead with the deal without him. At that point the police decided to move against the principals.

On April 27, 1972, the Mexican police approached Lucien Sarti as he was getting into an automobile with his wife and young daughter, Mr. Sarti, who probably realized he would be identified by the Mexican authorities, pulled out a Colt pajara and opened fire. The police shot him dead. Immediately the police moved in on the hotel room, Mr. Sarti's companion, Jean-Paul Angeteli, they way they expected to shoot, but when they entered the room Mr. Angeteli was in bed with his wife, Georgette Vazzio, and his Colt Cobra was out of reach on the night table.

After the death of Lucien Sarti, all of his associates in Mexico were deported. Mr. Angeteli and Mr. Sarti's wife, Liliana Rous Villato, were sent back to France. Within the next several months most of the European-born traffickers involved in the South American Connection were arrested or deported and the Sarti and Nicolai organizations had collapsed.

Armando Nicolai alone had survived the purge, but shortly after, he faced a new threat. The Drug Enforcement Administration had organized an "Operation Stockboard," which was designed to persuade Latin American countries to deport their traffickers who were not natives of the United States.

Mr. Nicolai realized that was no longer safe in Uruguay and he decided to return to his native Argentina. Authorities say he made some efforts toward reorganizing the drug traffic from Buenos Aires. But they also told he knew he was a prime target of the police and that the knowledge evidently was working on his nerves.

In February, 1973, during a state of siege in Argentina before Juan Perón had returned to power, the police picked him up in several round-ups. He was said to be so rattled that he shouted at the arresting officers, "I give up! Don't hurt me!"

Elements of the Argentine police were said to be so eager to get Mr. Nicolai out of the country that they arranged to hold him incommunicado until the Federal drug agents arranged for a plane to come and take him to the United States.

But once again Mr. Nicolai somehow managed to slip out and reach Mr. Sarti in Buenos Aires. He would tell them every couple of hours, if they did not hear from him, they were to assume he had been arrested.

Within two hours of his arrest, Mr. Nicolai's lawyer, Ma- rio Contorno, notified the police, saying that a writ of habeas corpus was on its way and demanding that his client be produced.

Within four hours the writ arrived—not from a local court, but from the Supreme Court of Argentina. There they realized that they would never be able to speak to Mr. Nicolai with an offer, if the United States conspired, they would have him killed.

The offer was rejected, "We didn't want him to understand the United States official to whom the offer was made, Mr. Nicolai insisted he was holding a very low profile in Buenos Aires, conscientiously living the life of a middle-class merchant in leather goods. He lives in a modest apartment, according to Mr. Contorno, an aristocratic, handsome, well-spoken lawyer, reports of such involvement in drugs are "fantasy." He said that Mr. Nicolai has only denied any involvement in the drug charges against him in the United States.

While he was pointed out that Rafael Richard and other Italian drug traffickers have named Mr. Nicolai as an important source of their drugs, Mr. Contorno said, "When a man is facing 20 years in jail and you give him a guitar and tell him that if he sings well he might get out earlier, you'd be surprised how many of us will make up a song."

He contended that he maintained per- secution of Mr. Nicolai by United States agents was a "water-closet scandal. It's like Watergate and it stinks."

Underworld informants suggest, however, that Mr. Nicolai, like many other narcotic agents, is eager for a fight to show that he has survived. In addition, Mr. Sarti is said to have hidden under 100 kilos of heroin in several places, and Mr. Nicolai is trying to find it.

Meanwhile, both American and Latin American narcotics agents are eagerly trying to find something—anything—on Mr. Nicolai that can connect him in Argentina. They believe his freedom constitutes the biggest threat to the South American Connection might once again be revived.
Armando H. Nicolai, right, who now operates a leather business in Buenos Aires, is believed by American and Latin American narcotics agents to be best equipped to renew the drug trade in Latin America.