

Vesco Role in Heroin

By Susanna McBee
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A top government drug investigator said yesterday he has no evidence indicating that financier Robert L. Vesco planned to back a \$300,000 scheme to smuggle 100 kilograms of heroin into the United States.

George Brosan, acting chief inspector of the U.S. Drug Enforcement Administration, said in an interview that he is convinced by his talks with agents working on the case that Vesco had nothing to do with such a scheme.

While Brosan said he wants to see written reports on the investigation, he stressed, "I can't find anything indicating this guy is involved in junk."

The charge, which Vesco has called "a foul and sneaking lie," was made last summer by an informant named Frank Peroff to Customs Bureau agents and later to DEA agents in New York. (As of July 1, the 50-member narcotics unit of Customs was merged into the newly formed DEA.)

Because the charge was not pursued, the Senate Permanent Subcommittee on Investigations has sought to learn why. Peroff has said that he also told his story to the White House.

Vesco, who employs President Nixon's nephew, Donald A. Nixon, was indicted last May along with former Attorney General John N. Mitchell, former Commerce Secretary Maurice H. Stans, and New Jersey Republican leader Harry L. Sears on obstruction of justice charges involving a secret Vesco contribution last year to the President's campaign.

Brosan emphatically denied that the White House was responsible for calling off an inquiry into a drug plot involving Vesco.

Instead, he said, drug agents here and in Canada believe Peroff was given false information by an underworld figure named Conrad Bouchard, who "we think used a magic name like Vesco just to keep Peroff interested" in a drug smuggling deal Bouchard was trying to promote.

"We believe Peroff was being strung along by Bouchard who really wanted Peroff to help him escape from Canada," Brosan said. "This theory is shared by agents in both countries."

Brosan, who has been a drug agent for 12 years, described the bizarre case, "which has made my life a nightmare," this way:

The mysterious Peroff, who

is 36, worked as an informant with the Customs Bureau since the beginning of this year. Through his efforts, French authorities seized 10 kilograms of heroin and arrested eight drug smugglers.

In Rome he turned over to Customs agents \$430,000 in counterfeit money that he had been given by Bouchard and other underworld figures in Montreal. He had apparently known Bouchard for several years and the Canadian wanted him to pass off the phony money in a foreign country to get real money.

Late last spring Peroff came to the United States, got into a disagreement with Customs Commissioner Vernon D. Acree over payments due him, and finally reached an undisclosed agreement over money.

He was then sent by Customs to Montreal and found that Bouchard, 42, was then on trial on a narcotics charge. Because "the case Peroff was trying to make was not going too well, Customs sent him to Puerto Rico," Brosan said.

At the end of June and in July Peroff told his "control," the Customs agent who was his contact, about tape recorded conversations he had had with Bouchard in which Bouchard said Vesco would supply \$300,000 to finance the heroin deal.

Peroff, who Bouchard believed had access to a private plane, was to fly to Costa Rica, get the \$300,000 from Vesco, fly to Rome, pick up the heroin, then fly back to the United States and on to Canada.

Peroff has said that after he reported the name of Vesco to the U.S. drug agents, they denied him use of the plane (which they had been supplying him) and directed him to make impossible demands on Bouchard so that the smuggling scheme would collapse.

Brosan said that at this time Peroff's control agent had moved from Customs to DEA, and that he discussed the case with his DEA supervisor. They decided to talk further with Peroff and asked him to fly from his home in Puerto Rico to New York.

"They went to meet him at the airport and found not only him but his wife, five kids, and a dog," Brosan said.

"There was a dispute, and ultimately they paid only for his plane ticket. So at this point, the relationship between him and our agents began to deteriorate.

"His story about Vesco was a little wild as far as we were



ROBERT L. VESCO

... denies charge

concerned, but we told him to go to Montreal and try to get more of a line on the plan."

While in Montreal, Peroff saw Bouchard and later reported to the U.S. agents that Bouchard had told him he had met with another Canadian underworld figure, Pepe Cotroni. Cotroni had left the country and was going to try to contact a Vesco associate named Norman LeBlanc in Central America, Bouchard told Peroff.

"Peroff told our agents this," Brosan continued, "but we were working with the Royal Canadian Mounted Police, who told us they were watching Bouchard and that Bouchard had not met with Cotroni.

"And they said that Cotroni had not left the country; so Bouchard was lying to Peroff. That's why we got skeptical of the story—not because of Peroff but because of Bouchard.

"We think Bouchard wanted to string Peroff along because Peroff had demonstrated he

Plot Doubted

could get hold of fraudulent passports and a Lear jet.

"Peroff was Bouchard's means of escaping from Canada should his narcotics trial go against him."

After seeing that the U.S. drug agents were stalling on the alleged Vesco connection, Brosan said, Peroff went to U.S. Attorney Paul J. Curran in Manhattan and told him of a burglary at his New York apartment.

Peroff said that during the burglary there was an unsuccessful attempt to steal his tape recordings of the Bouchard conversation about Vesco. He then asked Curran to put him under protective custody because, he said, he was afraid of DEA agents.

Brosan said he thinks Peroff was really afraid that Bouchard and his henchmen would come after him because he had never returned cash for the \$430,000 in counterfeit money they had given him.

Peroff had told Bouchard that he had put the money in a bank deposit box in Chile just before the Allende government fell and that when order was restored, he would exchange it for Chilean currency and then peddle that money in Europe. "Instead, of course, the money was sitting in a U.S. safe in Rome," Brosan said. "So our guess is that Peroff thought Bouchard and his gang would do him in."

Brosan said Peroff had never reported any burglary to Manhattan police. In July he called the White House about his problems, and a Secret Service check on the call turned up the fact that Peroff was wanted on a charge of passing bad checks in Florida.

Florida police notified New York police, and on July 22 he was picked up on the Florida warrant. "He yelled for help," said Brosan. "and a DEA

agent called the district attorney in Queens County and said he was a valuable informant."

Asked why DEA would do that, Brosan, referring to Peroff's work in Europe early this year, said, "We owed him a debt."

On Oct. 1, Peroff called the Senate investigating subcommittee alleging, according to Brosan, "that we squashed a case because Vesco was close to the administration, that our agents tried to burglarize his apartment, and that we were trying to do him bodily harm."

Senate subcommittee staffers brought the charges to Brosan, "and I said, OK, we'll have an A to Z investigation."

While DEA was investigating its own agents, Peroff contacted the Canadian Mounties in late October and aided them in arresting Bouchard in an \$82,000 counterfeiting case.

"The Canadians then shipped Peroff back to New York, and the next day a Canadian constable told the court there that he was the informant in the Bouchard arrest," Brosan said.

Asked why, he replied, "Because I don't think they could have made their case without revealing his identity."

The Mounties then called DEA in New York, Brosan continued, and said "Peroff's hot. Give him protective custody. So we did—the very people against whom he's making allegations were then trying to protect him. What a weird turn of events."

Brosan said, however, that the agents protecting Peroff did not know of the internal investigation. He conceded, though, that the DEA protection "looked a little peculiar" and, as of noon, Nov. 13, "we bailed out" of the protection duty.