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# NICARAGUA TODAY

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A REPUBLICAN STAFF REPORT  
TO THE  
COMMITTEE ON FOREIGN RELATIONS  
UNITED STATES SENATE



AUGUST 1992

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# C O N T E N T S

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|                                                                                                                | Page |
|----------------------------------------------------------------------------------------------------------------|------|
| Letter of Transmittal .....                                                                                    | VII  |
| Foreword .....                                                                                                 | IX   |
| Key Findings .....                                                                                             | XI   |
| Recommendations .....                                                                                          | XIII |
| I. President Chamorro's First Two Years .....                                                                  | 1    |
| A. Lacayo-Ortega .....                                                                                         | 1    |
| B. Chamorro's Agreement with the Sandinistas .....                                                             | 2    |
| C. Chamorro's Agreement with the Resistance .....                                                              | 2    |
| D. The "Secret" Sandinista Military Law .....                                                                  | 3    |
| E. "La Piñata" .....                                                                                           | 4    |
| F. Nepotism .....                                                                                              | 4    |
| G. Reconciliation With the Sandinistas .....                                                                   | 5    |
| H. Conclusion .....                                                                                            | 6    |
| II. The Failure to Return Confiscated Properties .....                                                         | 6    |
| A. The Number of Confiscated Properties .....                                                                  | 6    |
| B. The "Process" for Filing Property Claims .....                                                              | 10   |
| C. The Nicaraguan Government's Inaction on the Return of Confiscated<br>Properties .....                       | 10   |
| D. Specific Cases of American Citizens .....                                                                   | 12   |
| E. The Broader Issues of Confiscated Properties in Nicaragua .....                                             | 16   |
| F. Lack of Enforcement of Property "Resolutions" .....                                                         | 18   |
| G. Is United States Policy Addressing the Property Issue? .....                                                | 19   |
| H. Discrimination Against Naturalized American Citizens .....                                                  | 20   |
| I. The U.S. Constitution and the Rights of Naturalized Citizens .....                                          | 21   |
| J. The Hickenlooper Amendment .....                                                                            | 21   |
| K. State-Owned Enterprises .....                                                                               | 23   |
| L. Precedents for Withholding Assistance Over Property Claims of U.S.<br>Citizens .....                        | 24   |
| M. Finiquitos .....                                                                                            | 24   |
| N. Conclusion .....                                                                                            | 24   |
| III. Who Stole What .....                                                                                      | 27   |
| IV. Sandinista Control and Illicit Activities .....                                                            | 35   |
| A. The Sandinista Popular Army Five Year Secret Plan .....                                                     | 35   |
| B. Army .....                                                                                                  | 35   |
| C. Territorial Militias .....                                                                                  | 35   |
| D. Active Retired .....                                                                                        | 36   |
| E. One of the Most Sophisticated Arsenals in Latin America .....                                               | 36   |
| F. The Largest Military in the Region .....                                                                    | 37   |
| G. Military and Police Budget Equals 25 Percent of Total Budget—<br>Chamorro Vetoes Law to Reduce Budget ..... | 39   |
| H. Secret Bank Accounts .....                                                                                  | 39   |
| I. Arms Shipments and Sales .....                                                                              | 40   |
| J. Arms Trafficking Routes .....                                                                               | 40   |
| K. Arms Trafficking Incidents .....                                                                            | 41   |
| L. The Peruvian Arms Sale .....                                                                                | 43   |
| M. The Ortega Brothers .....                                                                                   | 43   |
| N. No Role for the Minister of Defense .....                                                                   | 44   |
| O. Intelligence Apparatus .....                                                                                | 45   |
| P. The Ministry of the Interior .....                                                                          | 45   |
| Q. National Police Responds to General Ortega .....                                                            | 46   |
| R. Sandinista Control of Other Ministries .....                                                                | 47   |
| S. The Constitution and the Judiciary .....                                                                    | 48   |
| T. Conclusion .....                                                                                            | 49   |

IV

|                                                                                      | Page |
|--------------------------------------------------------------------------------------|------|
| V. Command Structure of the Sandinista Popular Army (EPS) .....                      | 51   |
| VI. The Nicaraguan Resistance .....                                                  | 53   |
| A. The Agreement Between the Nicaraguan Resistance and the Chamorro Government ..... | 53   |
| B. Broken Promises .....                                                             | 54   |
| C. Assassinations and Human Rights Abuses of Former Resistance Members .....         | 57   |
| D. Nicaraguan Resistance Members Rearm .....                                         | 60   |
| E. Resistance Security Needs .....                                                   | 62   |
| F. Conclusion .....                                                                  | 63   |
| VII. 217 Freedom Fighters Assassinated During the Chamorro Administration .....      | 65   |
| VIII. Who Killed Whom .....                                                          | 73   |
| IX. The Murder of Jean Paul Genie .....                                              | 79   |
| A. The Cover-Up .....                                                                | 82   |
| B. The Ortega-Controlled Military Tribunal .....                                     | 83   |
| C. Conclusion .....                                                                  | 84   |
| X. Human Rights .....                                                                | 85   |
| A. The Assassination of Enrique Bermúdez .....                                       | 85   |
| B. The Illegal Arrest and Torture of Aristides Sánchez .....                         | 87   |
| C. Mass Graves .....                                                                 | 89   |
| D. Amnesty for Common Criminals .....                                                | 90   |
| E. The Plight of the Former Nicaraguan Resistance .....                              | 91   |
| F. No Justice for Jean Paul Genie .....                                              | 91   |
| G. Lack of Judiciary Reform .....                                                    | 92   |
| H. Controlled Press—Newspapers .....                                                 | 93   |
| I. Controlled Press—Radio Stations .....                                             | 94   |
| J. Controlled Press—Television Stations .....                                        | 95   |
| K. Conclusion .....                                                                  | 95   |
| XI. Government Corruption .....                                                      | 97   |
| A. Source Says Lacayo Masterminded Bribery Scheme .....                              | 97   |
| B. The Comptroller General Investigates the Bribery Scheme .....                     | 98   |
| C. Lacayo Attacks Comptroller General Investigation .....                            | 101  |
| D. Conclusion .....                                                                  | 102  |
| XII. United States Economic Assistance to Nicaragua .....                            | 103  |
| A. \$1 Billion in U.S. Foreign Aid to Nicaragua .....                                | 103  |
| B. \$167 Million in Bank Loans That Will Never be Repaid .....                       | 104  |
| C. More U.S. Assistance to the Sandinistas .....                                     | 105  |
| D. Conflict of Interest/Preferential Treatment .....                                 | 107  |
| E. Nicaragua Received More Than Actual Appropriation .....                           | 108  |
| F. Chamorro Says She Will Not Accept Conditions .....                                | 109  |
| G. Lack of Assistance to Nicaragua's Poor .....                                      | 109  |
| H. Nicaraguan Support for the Aid Suspension .....                                   | 110  |
| I. Conclusion .....                                                                  | 110  |

APPENDIX

|                                                                                                                               |     |
|-------------------------------------------------------------------------------------------------------------------------------|-----|
| A. Agreements Between the Chamorro Government and the Nicaraguan Resistance .....                                             | 113 |
| B. U.S. Citizens With Property Claims in Nicaragua .....                                                                      | 119 |
| C. Glossary of Sandinista Leaders .....                                                                                       | 128 |
| D. Accomplishments of the Organization of American States in Nicaragua .....                                                  | 132 |
| E. Nicaraguan Resistance-AID Correspondence .....                                                                             | 134 |
| F. Aristides Sánchez Letter to Senator Helms .....                                                                            | 136 |
| G. Aristides Sánchez Statement of Torture by Sandinistas .....                                                                | 136 |
| H. Nicaraguan Resistance Letter to Senator Helms .....                                                                        | 137 |
| I. Excerpts from Statement on Nicaragua by Senator Jesse Helms on the Floor of the U.S. Senate—February 22, 1990 Speech ..... | 138 |
| J. February 28, 1990, Senator Helms Speech: The Nicaragua Elections: Beware of Trojan Horses .....                            | 139 |
| K. Congressional Objections to AID Disbursements to Nicaragua .....                                                           | 142 |

## LETTER OF TRANSMITTAL

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*August 27, 1992.*

The HON. CLAIBORNE PELL,  
*Chairman, Committee on Foreign Relations*

The HON. JESSE HELMS,  
*Ranking Member, Committee on Foreign Relations*  
*U.S. Senate, Washington, DC.*

DEAR CHAIRMAN PELL and SENATOR HELMS: On May 27, 1992, and again on June 22, 1992, Senator Helms filed formal objections in writing to the disbursement of any further foreign aid funds to the Government of Nicaragua. His objections were made primarily due to the confiscation of U.S. citizens' property by the Government of Nicaragua, but they were also predicated on an ongoing analysis by this staff since December 1991.

Copies of both of Senator Helms' letters to the Administrator of the Agency for International Development are attached.

As directed by Senator Helms, and approved by both Chairman Pell and Senator Helms, two Professional Staff Members of the SFRC Republican staff were dispatched to Managua to verify the preliminary findings of the seven month investigation. Our objective was to ascertain: (1) the severity of the confiscation problem; (2) a possible solution to the confiscation problem; (3) the Sandinista control of the Government and of the country; (4) the extent of corruption at the highest levels of the Nicaraguan Government; and, (5) additional factors that should influence the validity of providing aid to Nicaragua. To develop the report that is attached, six members of the staff were assigned to work exclusively on this project.

In any effort of this magnitude and one that is based on such a variety of sources, there always may be errors. However, instructions to this team were to "verify," "double-check," "show me proof," "how many sources," "prove it to me." In every instance, multiple source verifications were used if possible. I feel satisfied that their efforts are factual and objective.

At times in the past, when we have discussed Nicaragua, the Senate has fallen into factions: Democrats and Republicans, liberals and conservatives. I do not believe the Democrats believe differently than the Republicans or that the liberals believe differently than the conservatives as to the conditions existing in Nicaragua that this staff study addresses in detail. It is not, and should not be, a partisan issue. In this case I am persuaded that the various factions will react in identical fashion.

As I read and reread this report, it became apparent that Nicaragua is not merely a country controlled by Sandinista communists. A more accurate description is that Nicaragua is a country over-

whelmingly controlled by terrorists, thugs, thieves and murderers at the highest levels. Whether they are left-wing or right-wing is neither relevant nor important. The foremost question is, "What is in the best interest of the United States in our relations with this country?" The other question that demands to be answered is: "Is there any justification for sending U.S. taxpayers' money to the Government of Nicaragua under the existing conditions?"

I fully concur with the findings and recommendations in this staff study.

Additional data and information are being provided to the Senate Committee on Foreign Relations Republican staff from sources all over Latin America with such volume and such diversity in subject that the staff has been directed to continue their effort and produce a second report. To the best of my knowledge, the information contained in this report is accurate as of August 1, 1992.

Very respectfully,

JAMES W. NANCE,  
*Republican Staff Director.*

## FOREWORD

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In December 1991, Senator Jesse Helms, Ranking Republican Member on the Senate Committee on Foreign Relations, directed that a Republican staff study be conducted of the conditions in Nicaragua, with an emphasis on problems that would impact on the validity of granting U.S. aid to that country. This action was initiated because of the dramatic differences between what was being espoused by the Government of Nicaragua and what was being reported to the members of this staff by the Nicaraguan people.

Initially, the staff effort was deliberate and not conducted on an expedited manner. As the small group that was initially assigned to the project delved more deeply into the conditions in Nicaragua, it became obvious that there were serious problems in that country. When Senator Helms objected to the release of aid to Nicaragua based on the initial findings of this group, additional staff members immediately were assigned to the investigation. From that point forward, six staff members devoted their full time to this investigation. Four of the Task Force Members are fluent in Spanish.

### TASK FORCE MEMBERS

Deborah L. De Moss, *Senior Professional Staff*  
G. Garrett Grigsby, *Professional Staff Member*  
Thomas Kleine, *Professional Staff Member*  
Stephen C. Jordan, *Professional Staff Member*  
Claudio Thiermann, *Research Assistant*  
Elisabeth De Moss, *Research Assistant*

The following members of the Senate Foreign Relations Committee Republican staff contributed significantly to this report: Elizabeth Lambird, *Professional Staff Member*; Karen O'Callaghan, *Legislative Assistant*; Jeffrey Hall, *Staff Assistant*.

Since the suspension of aid to the Government of Nicaragua, the Senate Foreign Relations Committee (SFRC) Republican staff has received literally thousands of letters, faxes, and phone calls in support of the aid suspension. Only two letters have supported continued aid to Nicaragua and neither of those letters was from a Nicaraguan. The Nicaraguans, the very people who are to receive the foreign aid in question, have been in favor of the action Senator Helms has taken. This report, our key findings, and recommendations are the result of suggestions and information given to us by hundreds of Nicaraguans.

Many Nicaraguan nationals, both inside and outside the Government, whose names must be withheld for security reasons, pro-

vided invaluable assistance to this staff effort in Washington, in Miami and in Managua. Congressional staff personnel, both Democrats and Republicans, also provided significant assistance. In fact, some of the most enlightened assistance was from Democrats. Furthermore, contacts from many Central and South American countries, and from Spain, provided invaluable information and documentation for this project.

You will note that some of the sources quoted hold high positions in the present Government of Nicaragua. Most Nicaraguans in the country, and some even in Miami, asked that their names be withheld for fear of their lives. Some, like the father of Jean Paul Genie, a murdered boy, talked openly. In instances where our sources asked that their names be withheld, verification will not be shown in the report but will be retained in Republican Committee files.

We asked senior personnel in the United States Government to read sections of the report about which they were knowledgeable to check for accuracy. We also sent portions of the report to Nicaraguan nationals for review when the individuals were directly involved in the subject being discussed, or had first-hand knowledge of it.

In 1990, Mrs. Chamorro was elected President of Nicaragua by a clear majority—54.7 percent to 40.8 percent for the Sandinistas. One of the first actions that she took after assuming office, however, was to allow the Sandinistas to retain control of the Sandinista Popular Army, the National Police, the courts, the intelligence services and all major bodies of government. In fact, the country still lives under the Sandinista Constitution of 1987.

These actions were taken against the wishes of the broad coalition (UNO) that brought President Chamorro to power. Instead, Mrs. Chamorro took the advice of her son-in-law, Antonio Lacayo, who had grown wealthy during the years that the Sandinistas were in power.

This has proved to be a tragic mistake for Mrs. Chamorro and for the people of Nicaragua. All real power remains with the Sandinistas, who were supported by only 40.8 percent of the popular vote. It is important to remember that the Nicaraguan Resistance sacrificed 25,000 lives while trying to oust the Communist Sandinistas. In essence, Mrs. Chamorro, a gracious and charming lady, is today no more than the titular head of state. Herein lies the tragedy of Nicaragua: the elected Government of Nicaragua has failed to bring about the genuine democracy for which the freedom fighters fought.

DEBORAH L. DE MOSS,  
*Director, Inter-American Affairs.*

## KEY FINDINGS

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Listed below are some of the major findings of the investigation conducted by the Senate Foreign Relations Committee Republican staff:

I. President Chamorro is the titular head of state in Nicaragua. The country is actually controlled by General Humberto Ortega, and the Sandinista National Liberation Front. They dominate the Nicaraguan Government through Antonio Lacayo—Minister of the Presidency and son-in-law of Mrs. Chamorro. Dozens of relatives of President Chamorro and Antonio Lacayo have been appointed to the most prestigious government posts.

II. Since her election in 1990, Mrs. Violeta Chamorro has failed to fulfill the promises she made to the Nicaraguan people. The Government of Nicaragua has not:

A. Returned tens of thousands of confiscated properties to the rightful owners. (Chapter II)

B. Removed the Sandinistas from the highest levels of the Sandinista Popular Army, the National Police, or the government bureaucracies. (Chapter IV)

C. Proposed a new package of Constitutional amendments to the National Assembly for consideration in order to establish rule of law in Nicaragua. Nicaragua continues to be governed by the 1987 Sandinista Constitution. (Chapter I)

III. Over four hundred fifty (450) Americans still have not had their confiscated properties returned. These citizens' claims total more than 2,000 individual pieces of confiscated property. Even though Mrs. Chamorro has been in power over two years, there was not even talk of a feasible and legitimate plan to return property to the rightful owners until Senator Helms objected to aid disbursements to Nicaragua.

To date, *not one single American* has had all his property returned. Mrs. Chamorro vetoed the legislation to return property which was passed by the National Assembly. She also signed two decrees legalizing the previous Sandinista confiscations. We now have documentation that there have been *further* confiscations of property since Mrs. Chamorro came to power. This report confirms that high-level Nicaraguan Government officials and Government agencies live and work in confiscated properties. (Chapter II)

IV. It is against United States law to provide aid to any country that has not returned confiscated properties to any American citizen. The United States withheld aid from Honduras for five years because of *one* confiscated American prop-

erty, and is currently withholding aid to Costa Rica because of *seven* confiscated American properties.

V. According to secret Sandinista documents in our custody, Nicaragua is the most militarized country in Latin America, outside of Cuba. The Sandinista Popular Army is the largest military force in Central America, and has the most sophisticated weapons systems. (Chapter IV)

VI. There are strong indications of a systematic campaign to assassinate former members of the Nicaraguan Resistance. This staff investigation found that 217 former freedom fighters have been assassinated after they demobilized and since Mrs. Chamorro has been in power. Eleven were assassinated in July of this year alone. Cardinal Miguel Obando y Bravo has stated there are indications that there is a systematic campaign to eliminate former Resistance members. (Chapters VI, VII and VIII)

VII. The killing of the sixteen year old boy, Jean Paul Genie, was a blatant murder by the bodyguards of General Humberto Ortega. The evidence shows that the General was present when the murder took place. No one has ever paid for this crime even though an independent Venezuelan investigation (which was requested by the Nicaraguan National Assembly) charged General Ortega's bodyguards with the crime. (Chapter IX)

VIII. Human rights abuses are rampant in Nicaragua. Typical examples are the murder of Nicaraguan Resistance Commander, Enrique Bermúdez, the torture of Resistance leader Aristides Sánchez, the murder of Jean Paul Genie, the assassination, torture, and harassment of thousands of former Resistance combatants, the failure to investigate numerous massacres of peasants and the condoning of these atrocities by granting blanket amnesties for common criminals. (Chapter X)

IX. There is increasing evidence that corruption is rampant at the highest levels of the Chamorro Government. Information is provided in this report to show that foreign aid funds were used by high-level officials to bribe Nicaraguan Congressmen. According to a source with first hand knowledge, Antonio Lacayo personally masterminded the scheme and paid the bribe money. (Chapter XI)

X. There is evidence of the misuse of United States economic assistance to Nicaragua. American foreign aid has gone *directly* to the Sandinistas. Over US\$167 million in bank loans have been made and then simply been written off as bad debts. There is strong evidence of conflict of interest and preferential treatment for family and friends of Antonio Lacayo, President Chamorro and the Sandinistas in giving out loans from the state-controlled banks. The lack of assistance to the Nicaraguan poor for basic human needs is obvious. (Chapter XII)

DEBORAH L. DE MOSS.

## RECOMMENDATIONS

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These conditions and others that will be discussed in this investigation demand that dramatic changes be made before further United States aid is provided to that country. The following conditions should be met before the resumption of any United States assistance to Nicaragua:

I. No direct assistance should go to the Government of Nicaragua in FY 1992 and no assistance in FY 1993 until:

A. All American citizens' property claims have been resolved. No claim should be considered solved until the claimant has signed a "finiquito" for each piece of stolen property. An independent commission of non-Sandinista personnel should be established to adjudicate claims for those properties destroyed or reduced in value. This commission should be totally unbiased and acceptable to the Department of State.

B. A fair process for resolving Nicaraguan citizens' property claims, under the same process as those of American citizens, is in place and operating.

C. The leadership of the Sandinista Popular Army is replaced. A commission is established under Cardinal Obando y Bravo consisting of representatives of human rights organizations, the former Nicaraguan Resistance and the Nicaraguan private sector personnel to oversee the all aspects of the transition.

D. A non-Sandinista official, which must include former Resistance combatants as candidates, has been named to command the Armed Forces, the National Police, and the Vice-Ministry of the Interior. The Sandinistas may not fill more than 40.8 percent (the exact percentage they received in the 1990 popular election) of the posts on the General Staff or in any military or civilian organization of the Government. Former Resistance combatants and other members of the society approved by the commission established in paragraph (C) above will fill the remaining positions.

E. President Chamorro has named as many new justices as necessary to the Supreme Court so that the Sandinistas do not retain control of that court. In addition, the entire court system should be reformed so that it is not dominated by the Sandinistas. These new members must be approved by that commission established in paragraph I (C).

F. Thorough and professional investigations and prosecutions have been carried out for the torture and murders of members of the Nicaraguan Resistance. These must include the murder of former Resistance commander Enrique

Bermúdez and the torture of Resistance leader Aristides Sánchez. These investigations must be conducted under the leadership of the Organization of American States, a foreign government, or another unbiased group, approved by those Nicaraguans in the commission established in paragraph I (C).

G. A complete and thorough investigation has been conducted of the murder of Jean Paul Genie by a group similar to that in paragraph I (F). An alternative is to accept the investigation Venezuela has already conducted. In either case, the family of Jean Paul Genie must be satisfied with the objectivity of the inspection group.

II. The AID Inspector General will make a detailed study of where the more than one billion dollars of U.S. aid has gone in Nicaragua.

III. Request that the U.S. IMF Director provide a report on Nicaragua's economic policy reforms and its ability to comply with IMF policy reform benchmarks prior to release of IMF loans.

IV. Fifty million dollars (\$50,000,000) may be made available directly to international financial institutions from the U.S. Treasury on behalf of Nicaragua, provided that by September 20, 1992:

A. The Government of Nicaragua has replaced the Sandinista-dominated leadership of the police with non-Sandinista professionals. The approval process for those replacements should be under the same commission delineated in paragraph I (C). The ground rules outlined in paragraph I (D) must be maintained.

B. The Government of Nicaragua has established an inflexible timetable that will demonstrate that paragraph I (A) and I (B) will be accomplished in an expedited manner. This timetable must be acceptable to the Department of State.

C. The Government of Nicaragua has established an inflexible timetable acceptable to the Department of State and the commission delineated in paragraph I (C), that will accomplish each of those actions called for in paragraphs I (D), I (E), I (F) and I (G). This timetable must be in an expedited basis.

V. The Agency for International Development shall monitor and track all disbursements of aid to ensure that U.S. funds, or goods purchased by the United States, are not diverted to support Sandinista-owned businesses or organizations. Furthermore, A.I.D. shall monitor and track local currencies generated by U.S. economic assistance programs. Quarterly reports will be submitted to the AID Inspector General and the Department of State of these actions.

VI. The Department of State should provide all foreign governments giving aid to Nicaragua and all Latin American presidents a copy of this report.

VII. The Department of State should stress to the Government of Nicaragua the importance that should be placed on im-

plementing Constitutional changes on which the UNO coalition ran in the 1990 elections.

VIII. Any future U.S. bilateral assistance that does go to Nicaragua should go through private non-Sandinista controlled banks, not state-owned banks nor the Central Bank.

DEBORAH L. DE MOSS.

## **I. President Chamorro's First Two Years**

Sandinista President Daniel Ortega lost the 1990 Nicaraguan Presidential elections to Violeta Chamorro, wife of Pedro Joaquín Chamorro, the late publisher of Nicaragua's oldest newspaper, *La Prensa*. Ortega received only 40.8 percent of the vote compared to Mrs. Chamorro's 54.7 percent. The United Nicaraguan Opposition (UNO), the coalition which backed Mrs. Chamorro, won a majority in the National Assembly.

Despite losing by a wide margin, Daniel Ortega vowed over Radio Sandino two days after the election, that the Sandinistas would "rule from below." From the day after the election until Mrs. Chamorro was inaugurated, Sandinista officials worked to make sure that they would accomplish that goal.

### **A. LACAYO-ORTEGA**

Mrs. Chamorro's first act as President was to announce that Sandinista General Humberto Ortega would remain as Commander-in-Chief of the Sandinista Popular Army. She then appointed her son-in-law, Antonio Lacayo, as her most senior advisor and gave him the title of Minister of the Presidency. This position is equivalent to that of United States' White House Chief of Staff.

Antonio Lacayo was born in 1947, and was trained by the Jesuits. He remained in business in Nicaragua throughout the Sandinista regime. According to his friends, Lacayo prospered significantly during that time by conducting business with the Sandinistas. Lacayo's unclassified biography from the Central Intelligence Agency confirms accounts of his financial success with the Sandinistas.

Friends of Lacayo confirmed to the Senate Foreign Relations Committee (SFRC) Republican staff that he became involved in cotton seed oil and poultry ventures on the basis of contracts and monopolies granted by the Sandinista dictatorship. Nicaraguan sources claim that Lacayo's partners in some of these ventures included Commander Jaime Wheelock, one of the nine original Sandinista Commanders, and General Humberto Ortega.

Many of Lacayo's relatives and friends have confided to the SFRC Republican staff that Lacayo maintains a close business and personal relationship with the Ortega brothers. A member of Antonio Lacayo's staff told us that in 1990 he formed CODISA, a meat packing business, with General Humberto Ortega and Bayardo Arce, one of the nine original Sandinista Commanders. This company allegedly exports meat to Mexico and is operated by Mr. Ramiro Contreras, who handles General Ortega's business deals.

Preliminary investigations of Mr. Lacayo's business interests reveal that he has already received financing to operate a shrimp farm on confiscated property. This information has been con-

firmed to SFRC Republican staff by two sources with direct knowledge of this business deal.

A source close to Lacayo confided that former President Daniel Ortega shares a social friendship with Lacayo. According to this source, on December 24, 1991, the biggest holiday of the year in Nicaragua and one spent only with very close friends, Daniel Ortega and his wife were dinner guests in the home of Antonio Lacayo and his wife Cristiana, the daughter of President Chamorro.

Lacayo also maintains a close relationship with other Sandinista officials. Several sources in the Nicaraguan Government have confirmed to us that Lenin Cerna, Sandinista intelligence chief, has an office near to Lacayo's on the fourth floor of the Presidency.

#### B. CHAMORRO'S AGREEMENT WITH THE SANDINISTAS

Before the inauguration, Mrs. Chamorro appointed Antonio Lacayo to represent the UNO coalition (which supported Mrs. Chamorro in the elections) in transition negotiations with the Sandinistas. General Humberto Ortega represented the Sandinistas.

In the final agreement on March 27, 1990, known as the "Protocol of Transition", Lacayo disregarded the platform of the UNO coalition on which Mrs. Chamorro ran by making key concessions to the Sandinistas. In essence, the Protocol reaffirms the Sandinista Constitution of 1987 and recognizes the "achievements and transformations implemented" during the Sandinista regime.

The Protocol signed between the incoming Chamorro Government and the Sandinistas also calls for the following:

- Respect for the Sandinista Popular Army;
- Respect for the Sandinista National Police;
- Maintaining the ranks, hierarchy, promotion roster and command structure of the Sandinista Popular Army and the National Police;
- Legal security for those persons who had confiscated properties under the Sandinista regime;
- All weapons and combat equipment to remain solely in the hands of the Sandinista Armed Forces; and
- A guarantee of job security for all Sandinista employees in the Government bureaucracy.

A reliable source told the SFRC Republican staff that Lacayo agreed to let General Ortega remain as Commander-in-Chief of the Sandinista Popular Army for an indefinite period of time in a secret addendum to the Protocol. A Nicaraguan source very close to Mrs. Chamorro informed SFRC Republican staff that Antonio Lacayo told his mother-in-law that he would only serve in her Government if General Ortega retained his position. This source confirmed that in a meeting with approximately 40 of President-elect Chamorro's top advisors, only Lacayo and one other person insisted on keeping Ortega in the Government.

#### C. CHAMORRO'S AGREEMENT WITH THE RESISTANCE

During the transition period, the Government also negotiated the Toncontin Agreement with the Nicaraguan Resistance. This Agreement set out the terms under which the Nicaraguan Resistance

would demobilize and disarm. It was signed on March 3, 1990 by Nicaraguan Resistance leaders, the Chamorro Government and a representative of Cardinal Miguel Obando y Bravo. These agreements should have been the first steps toward the "national reconciliation" promised by Mrs. Chamorro between the former combatants and the Government of Nicaragua.

Less than a month later, on April 18, 1990, Nicaraguan Resistance leaders signed a cease-fire with General Humberto Ortega. During the first three months of the Chamorro Administration, the former Nicaraguan Resistance complied with their promises in the agreement and turned in 20,000 weapons. This was observed and verified by Cardinal Miguel Obando y Bravo. The terms of this Agreement are detailed in the Nicaragua Resistance Chapter.

#### D. THE "SECRET" SANDINISTA MILITARY LAW

Before Mrs. Chamorro was elected, the Sandinista National Assembly quietly passed legislation affecting the military. Since this legislation was not published in *La Gaceta*, the official Nicaraguan Government register, until after Mrs. Chamorro's inauguration, it became known as "the secret Military Law."

The military law mandates that the secret police and all intelligence organizations remain under the control of the Sandinista Popular Army. It also gives absolute control of the Sandinista Army to the Commander-in-Chief, General Humberto Ortega. Furthermore, the law gives General Ortega indefinite tenure and requires that the successor to General Ortega be chosen exclusively from the ranks of the Sandinista Popular Army.

The Military Law relegates the Minister of Defense to purely ceremonial duties. Mrs. Chamorro later signed two Presidential Decrees which confirmed the "secret Military Law" and General Ortega's absolute power. (Decrees No. 1-91 and 2-91)

There were no significant changes in the structure of the Sandinista security forces after Mrs. Chamorro came to power. The minor changes include the following:

- The mandatory draft was eliminated;
- Sandinista State Security and intelligence apparatus relocated from the Ministry of the Interior to the offices of the Sandinista Popular Army;
- Senior intelligence officers were given Army ranks; and
- Some Army personnel were transferred to other Sandinista security forces or paramilitary organizations.

Instead of working to implement further military reform, Mrs. Chamorro has essentially maintained the status quo. Senior Sandinista military chiefs have moved from one position to another within the Sandinista Popular Army, but all the players are the same as they were during the Sandinista regime. (See chapter on the Sandinista Command Structure)

When the elected representatives of the National Assembly passed a law in late 1991 to reduce substantially the annual budget for the Sandinista military, Mrs. Chamorro vetoed the law. The **official** budget for the military and police is currently more than 15 percent of the Nicaraguan national budget. Nicaraguan Government sources, however, confirm that the budget for the security forces is almost **25 percent** of the total budget—in spite of the fact

that there is no known threat in the region. Neighboring country Honduras (which has twice the population of Nicaragua) uses only **1.8 percent** of its entire national budget for military and police expenditures.

#### E. "LA PIÑATA"

Other important bills that became law after the 1990 election, but before Mrs. Chamorro's inauguration, included those which dealt with confiscated property. These laws are collectively known as "La Piñata," an allusion to the candy-stuffed papier-mache animals children break open on their birthdays.

In short, the Sandinista legislators in the National Assembly legalized the property confiscations which had occurred during the Sandinista regime and allowed key Sandinista leaders and their friends to confiscate even more property. The media reported that the "Piñata" land grab encompassed more than **one million** acres of farmland and over **ten thousand** homes. (*The Washington Post*, June 23, 1991.)

According to Nicaraguan legal scholars, Mrs. Chamorro has no intention of making progress on returning confiscated properties to the rightful owners. Instead of attempting to reverse the massive property confiscations, Mrs. Chamorro upheld the "Piñata" laws, and gave legal titles to all those who had stolen property during the last regime by issuing Presidential Decrees 46-91 and 47-91. Furthermore, she personally signed fifteen confiscation decrees in 1979 as a member of the Sandinista ruling Junta.

#### F. NEPOTISM

Mrs. Chamorro was elected with the support of a broad based coalition of political parties, the UNO coalition. Since her election, however, her Administration has appointed relatives and friends, rather than UNO coalition members, to important Government posts. Sources close to President Chamorro and her top aide, Antonio Lacayo, told SFRC Republican staff that dozens of relatives of Chamorro and Lacayo have been named to Government posts. Following is a list of just some of these relatives who have held positions at one time in the Chamorro Administration.

- Carlos José Barrios, brother of President Chamorro—Ambassador to France
- Alberto Barrios, nephew of President Chamorro—President of Industrial People's Corporation (Government Agency)
- Ricardo Barrios, nephew of President Chamorro—Vice President, Central Bank
- Ricardo Elizondo, father-in-law of President Chamorro's son—Ambassador to Guatemala
- Pedro Joaquín Chamorro, son of President Chamorro, former Ambassador to Taiwan
- Luís Cardenal, cousin of President Chamorro—Ambassador to El Salvador
- Manuel José Torres Barrios, cousin of President Chamorro—Ambassador to Venezuela
- Manuel José Torres Jr., nephew of President Chamorro—Deputy Chief of Mission in Nicaraguan Embassy in Taiwan

- Noël Vidaurre, nephew of President Chamorro—former Vice Minister of Economy
- Filadelfo Chamorro, cousin of President Chamorro—Ambassador to Spain
- Alvaro Chamorro, cousin of President Chamorro—Minister of Tourism
- Mariano Fiallos Oyanguren, cousin of Antonio Lacayo—President, Supreme Electoral Council
- Ernesto Fonseca, father-in-law of Antonio Lacayo's brother—Ambassador to Mexico
- Eduardo Holman Chamorro, nephew of President Chamorro—Manager, state-owned banana company
- Clarisa Barrios, niece of President Chamorro—Private Secretary to President Chamorro
- Gabriel Urcuyo, nephew of President Chamorro—Director of Expo, Seville 1992
- Maribel Urcuyo, sister-in-law of President Chamorro's son—Advisor, Minister of Tourism
- Colonel Oswaldo Lacayo, cousin of Antonio Lacayo—Vice Chief of Staff, Sandinista Popular Army
- Alfonso Ortega Urbina, uncle of the Ortega brothers—Ambassador to Brazil.

#### G. RECONCILIATION WITH THE SANDINISTAS

Since President Chamorro came to power her policy has been one of cooperation and acquiescence to the Sandinista National Liberation Front. When the Sandinistas were soundly defeated at the ballot box, there was great hope around the world that democracy would be established in Nicaragua.

Financial and moral support for Mrs. Chamorro and the new Government poured in from around the world. But she has done little to maintain the support and confidence of the people of Nicaragua, the coalition of parties which supported her during the elections, or the former Nicaraguan Resistance members who fought for 10 years to free Nicaragua.

After Mrs. Chamorro came to power, the Sandinista labor union, the National Federation of Workers, went on strike. When violence broke out, the Sandinista security forces did little to curb the street violence.

The Chamorro Government capitulated to virtually all of the strikers' demands. It raised state employee wages, strengthened job security for the entrenched Sandinista bureaucracy, guaranteed continued transportation subsidies, and promised to uphold the confiscation laws and decrees.

The policy of reconciliation with the Sandinistas has resulted in the perpetuation of grave human rights violations in Nicaragua. The SFRC Republican staff has compiled a list of 217 former combatants of the Nicaraguan Resistance who have been assassinated since Violeta Chamorro came to power. (See chapter on Assassinated Resistance Members) According to human rights leaders, virtually every assassination of a former Resistance combatant can be attributed to one of the Sandinista security forces or paramilitary organizations. No one has ever paid for these crimes.

Dozens of Nicaraguan leaders told staff that these human rights abuses will not cease until there is radical military and judicial reform, and until all senior Sandinistas are removed from all the security forces.

These same Nicaraguans have explained that there will never be a state of law in Nicaragua until the Supreme Court is out of the control of the Sandinistas and until the Sandinista Constitution of 1987 is amended. As of this date, the Sandinistas control five out of nine seats on the Supreme Court. Mrs. Chamorro has the power to name as many justices as she chooses so that the Sandinistas will not maintain a majority. She has chosen not to do so.

The Sandinista Constitution of 1987 still governs Nicaragua, because Mrs. Chamorro has not yet sent forward a package of constitutional amendments to the National Assembly. This is in spite of the fact that the coalition which she headed campaigned for 17 constitutional changes.

#### H. CONCLUSION

In the last two years, many Nicaraguans have told us of their concerns that United States economic assistance is being misused, benefiting relatives and friends of those in power and propping up the Sandinistas. This report confirms many of these allegations.

The course which Mrs. Chamorro has chosen to follow thus far has forced the UNO coalition, which supported her during the elections, to move into an opposition role against the Government. In the National Assembly, the Sandinistas are now in an alliance with Mrs. Chamorro, Antonio Lacayo and Humberto Ortega. The UNO coalition legislators now oppose the key Government policies, the permanence of General Ortega in power and the partnership of the Chamorro Government with the Sandinista National Liberation Front.

The architects of the Nicaraguan Government's policies are Mrs. Chamorro's son-in-law and Minister of the Presidency, Antonio Lacayo and Sandinista Popular Army chief, General Humberto Ortega. A source well versed in Nicaraguan politics and who knows Mrs. Chamorro well told the SFRC Republican staff that both Lacayo and General Ortega must leave the Nicaraguan Government for the good of the country. According to this source, one man can not survive without the other, and the country cannot survive if either stays in power.

This report does not take issue over whether or not the Nicaraguan people made the right decision in electing Mrs. Chamorro, as that is a question of national sovereignty. Rather this report raises questions about the legitimacy of sending U.S. Taxpayers' money to support the current Nicaraguan Government. These questions include:

- When the Sandinistas lost the elections and obtained only 40.8 percent of the vote, why do they still have absolute control of the Army, the National Police, the intelligence apparatus, all the courts and all major bodies of the Government?
- Why does the country still govern under the Sandinista Constitution of 1987?

- Why does it appear that nothing except the disarming of the Nicaraguan Resistance has occurred by way of change since the 1990 election?
- Why should United States taxpayers' money be used to support this government, as it is now constituted?

## **II. The Failure to Return Confiscated Properties**

One of the major problems facing the Government of Nicaragua today is the failure to return tens of thousands of confiscated homes, businesses and parcels of land. The Senate Foreign Relations Committee (SFRC) Republican staff has conducted exhaustive research on the issue of confiscated properties. We have received literally thousands of letters and phone calls from both American and Nicaraguan citizens stating that they have attempted to recover their confiscated properties—but to no avail.

Based on conversations with United States Government legal authorities, it is our opinion that United States law prohibits this country from continuing to send foreign assistance to the Government of Nicaragua under the current circumstances. Foreign aid should continue to be suspended to the Government of Nicaragua as it has been with other Central American countries until all confiscated properties are returned to American citizens.

We believe that the Chamorro Government has not demonstrated the will to return confiscated properties. According to Mr. Oscar Herdocia, a prominent Nicaraguan jurist, this may be due in part to the fact that Mrs. Chamorro herself signed fifteen confiscation decrees when she was a member of the Sandinista Junta. (President Chamorro offered Mr. Herdocia a place on the Supreme Court, which he declined.) And since she has been President, she has signed two more executive decrees validating the three Sandinista confiscation decrees of March and April 1990.

### **A. THE NUMBER OF CONFISCATED PROPERTIES**

As of August 1, the staff has compiled information on 465 American citizens who have one or more confiscated properties in Nicaragua. In total, we estimate that the claims of these 465 Americans total at least 2,000 homes, parcels of land, and businesses. The United States Department of State provided the Committee with a list of 284 Americans who have contacted the American Embassy with property claims.

It is reasonable to assume that there may still be hundreds of American citizens who have not yet filed claims for the return of property because they do not wish to expend the necessary resources until they see a commitment on the part of the Government of Nicaragua to return the confiscated properties.

Not only has the Government of Nicaragua failed to resolve the claims of United States citizens, but they have also failed to return confiscated property to thousands of Nicaraguan citizens. Nicaraguan citizens must approach the Government of Nicaragua directly or through legal representation. President Chamorro has told United States Members of Congress that confiscated Nicaraguan properties total 18,000. Other credible estimates reach as high as 30,000 homes, businesses and parcels of land. Furthermore, there

are citizens from many other Latin American and European countries who own confiscated properties in Nicaragua. Citizens of all nationalities have been unable to recover their confiscated properties.

#### B. THE "PROCESS" FOR FILING PROPERTY CLAIMS

One of the major problems in solving the property issue in Nicaragua is the lack of any defined procedure for filing a claim.

Soon after the Chamorro Government came into office in April 1990, the National Review Commission was created under the Attorney General to facilitate the return of all confiscated properties. Claimants were told they had only six months to file all claims. Many American citizens filed claims in the Office of the Attorney General at that time. In fact, American citizens continued to file claims with both the American Embassy in Managua and the office of the Attorney General for a period of two years.

In May of 1991, it was ordered by decree that all files be transferred from the Office of the Attorney General to the Office of Antonio Lacayo, Mrs. Chamorro's son-in-law and Minister of the Presidency. Included in those files were the cases of American citizens.

At the end of 1991, the Nicaraguan Foreign Ministry took over the cases of United States citizens with property claims in Nicaragua. The case files of Americans who had already filed claims however, were never transferred to the Foreign Ministry. Therefore, Americans who filed claims almost two years ago, are now having difficulty even getting their cases considered.

Earlier this year, the United States Embassy in Managua developed a questionnaire for American citizens, in order to assist the Embassy in processing the requests. This was an informal two page form sent out to citizens who had already contacted the United States Embassy.

On June 10, 1992, the Nicaraguan Foreign Minister informed the United States Embassy that the Government of Nicaragua was now going to require the new questionnaire as part of all formal claims. However, all American citizens we contacted stated that neither the Government of Nicaragua, nor the United States Embassy ever notified them that this new questionnaire had suddenly become a "requirement" in order for the Government of Nicaragua to consider a claim. The United States Embassy sent out a letter telling people that the purpose of the form was to "assist" the American Embassy, but it was never stated that it was now required by the Government of Nicaragua in order to process a claim.

Consequently, there are possibly hundreds of American citizens who have already filed claims with the United States Embassy or the Nicaraguan Attorney General, and are completely unaware that their files are now being considered "incomplete" by the Government of Nicaragua, simply because they have not filled out the new two page questionnaire.

#### C. THE NICARAGUAN GOVERNMENT'S INACTION ON THE RETURN OF CONFISCATED PROPERTIES

Despite the enormity of this property crisis, there is little to no evidence that the Government of Nicaragua is committed to return-

ing private properties that were stolen or confiscated by the Sandinistas. While the Government of Nicaragua has stated publicly its commitment to resolving property claims, the record of the past 28 months paints a dramatically different picture.

Our review has found the Nicaraguan Government's explanations of the alleged return of properties of American citizens to be either misleading, inaccurate, or false. Our staff findings are in full accord with the findings of the General Accounting Office (GAO) draft report on Nicaragua (dated June 4, 1992) which states: "we could find no evidence during our review that the Government of Nicaragua is in the process of resolving U.S. citizens' claims for expropriated property."

One of President Chamorro's two campaign pledges in 1990 was the return of confiscated properties. Officials from the United States Embassy, and Nicaraguans in and out of Government, agreed that without action to secure the respect for private property there will be little to no investment in Nicaragua. All Nicaraguans we met—with the exception of representatives of the Chamorro Government—agreed that the Government's track record on this score is disgraceful.

Of particular concern is the fact that material was provided to the Republican staff of the Senate Foreign Relations Committee and to other Members of Congress by the Nicaraguan Government which is factually incorrect. We can only reach the conclusion that the Government of Nicaragua is either uninformed, or is deliberately trying to deceive the United States Congress by providing names of individuals whose property has not been returned to them. SFRC Republican staff can only assume that the Nicaraguan Government expects that Congress will take such assertions at face value.

The following is an analysis of the steps the Government of Nicaragua claims to have taken—followed by documentation that refutes the assertions that certain properties have been returned.

According to the Nicaraguan Attorney General and numerous other individuals whom we interviewed, the National Review Commission was highly ineffective. No concrete mechanism was established for processing property claims, and cases were not analyzed in any systematic order. On December 13, 1991, the National Assembly upheld President Chamorro's veto of a law intended to establish a mechanism to return property. President Chamorro has submitted no legislative proposals of her own on this issue, and the National Assembly is planning another attempt to pass legislation which would enable the return of confiscated property.

Beginning in mid-1991, the Minister of the Presidency, Antonio Lacayo (who has been accused by the Comptroller General of Nicaragua of involvement in the theft of up to US\$1 million in foreign assistance), took the unusual step of transferring all files regarding property claims from the office of the Attorney General to his office. He reportedly now has 4,600 files in his office and a team of twelve lawyers analyzing the cases.

The Government of Nicaragua, in materials submitted to the Republican staff of the Senate Foreign Relations Committee (dated July 6, 1992) asserts: "the Ministry of Foreign Affairs has developed an office which will be exclusively dedicated to facilitate the

resolution of the confiscation to United States citizens. Cases for Nicaraguan citizens will be entirely handled by the Attorney General." As of July 17, 1992, the Attorney General had not received any of the files from the Minister of the Presidency.

Moreover, the Foreign Minister assured us that a new position of a Deputy Attorney General will be created to handle claims involving Americans and Nicaraguans. To date, the new position has not been filled. In the situation that now exists, it appears that the Nicaraguan Government still has competing offices and no central direction on this issue.

#### D. SPECIFIC CASES OF AMERICAN CITIZENS

The Government of Nicaragua has submitted to SFRC Republican staff several lists of American citizens who have allegedly had their properties returned. Based on discussions with the individuals listed and the Committee To Recover Confiscated American Properties In Nicaragua we have found the list to be highly misleading, and, in many cases, simply untrue.

The first list provided to the staff in June 1992 contains the names of nine American citizens with a corresponding description of the property that was reportedly returned. A second similar list dated July 6, 1992, contains the names of 21 Americans. The list provided by the Government of Nicaragua is reproduced below.

| Claimant                   | Property Returned                                                                                  |
|----------------------------|----------------------------------------------------------------------------------------------------|
| 1. Smith C. Jorge          | Finca "La Trinidad"<br>Finca "El Muñeco"<br>Finca "El Diamante"                                    |
| 2. Kettel Charles          | Casa En Boaco                                                                                      |
| 3. Vasalli Roberto         | Casa En Huehuate<br>Agencia Vasalli S.A.,<br>Almacenadora Del Pacifico<br>Agropecuario "El Charco" |
| 4. Garold Larue            | Beneficio De Cafe En Sebaco                                                                        |
| 5. Alicia Clayton          | Casa En Pachomil                                                                                   |
| 6. William Curtiss Hentgen | Casa                                                                                               |
| 7. María Luisa Labró       | Casa En El Velero                                                                                  |
| 8. Teodolinda Becklin      | 20 Casas Colonia Becklin                                                                           |
| 9. Lothrop Shirley         | Casa En Matagalpa                                                                                  |
| 10. Bendaña Frank          | Finca "El Quetzal"                                                                                 |
| 11. Freeman Frederick      | Centro Comercial En Estelí                                                                         |
| 12. Cohen Edith            | Fábrica "El Chipirul"                                                                              |
| 13. Arthur Floyd Jones     | Acciones En:<br>—Tip-Top<br>—Encubadoras S.A.                                                      |
| 14. Jorge Smith Pastora    | Finca "El Campamento San<br>Luis"<br>Finca "San Jorge"<br>Finca "El Carmen"                        |
| 15. Rosita Pellas          | Acciones En Ingenio San Anto-<br>nio                                                               |

| Claimant           | Property Returned               |
|--------------------|---------------------------------|
| 16. Gloria Barton  | Acciones En Ingenio San Antonio |
| 17. Tom Barton     | Acciones En Ingenio San Antonio |
| 18. Sharon Barton  | Acciones En Ingenio San Antonio |
| 19. Victoria Frauz | Acciones En Ingenio San Antonio |
| 20. Deborah Butter | Acciones En Ingenio San Antonio |
| 21. Kathy Whitney  | Acciones En Ingenio San Antonio |

Neither list mentions that in many cases the property specified is only one of many properties that were confiscated from that individual. The list leaves the reader with the impression that each claimant has been completely satisfied.

The following is an analysis of just some of the cases that the Nicaraguan Government provided on the list of 21 cases they claim are resolved. The number to the left of each name corresponds with the number of each name on the list provided by the Nicaraguans and reproduced above. In almost every case, our office was contacted by the individual, a close relative, or lawyer familiar with the case to dispute the claims made by the Government of Nicaragua. In most cases the individuals also submitted signed documents supporting their assertions. The names shown are only a few examples of the duplicity of the Nicaraguan Government.

No. 1. **Jorge C. Smith**, and his son, No. 14. **Jorge C. Smith Pastora** are both deceased. The inheritor of these properties is Luz Marina Benard de Smith, the secretary to Minister of the Presidency Antonio Lacayo (which may explain why that particular property was returned). While the list states that four properties were returned, we have a letter from the daughter-in-law of Jorge C. Smith (July 4, 1992) stating that a fifth property not listed still has not been returned. Jorge C. Smith Pastora is listed as having received three properties. However, we have a signed document from his wife (Luz Marina Benard de Smith), stating that the estate has not received a fourth property.

No. 2. **Charles Kettel**, a member of the Committee To Recover Confiscated American Properties in Nicaragua, also appears on the list as having a house returned. When he learned that his name was on a list being circulated by the Nicaraguan Government he wrote the United States Embassy: saying, "I wish to make clear that in fact nothing has yet been legally returned to myself or any member of my family. The house in Huehuetete to which they refer as if this were our sole asset in Nicaragua, is a small rustic beach house on the Pacific coast and doesn't amount to even 3 per cent of what has been stolen from us. Besides, we have been told that this return is not legal but only gives us the right to administrate the property." Mr. Kettel has no legal title to the house. Mr. Kettel also details six other properties that are not even mentioned on the list.

No. 3. **Roberto Vasalli** is listed as having received three confiscated properties. However, he wrote to inform us that of those three, only one has been officially returned. In fact, the Government of Nicaragua is billing him US\$3.2 million to repossess one of the businesses that is listed as having been returned (Almacenadora del Pacífico). With regard to another property listed—Agropecuaria “El Charco”—the Government of Nicaragua is billing him for equipment that was installed while the property was confiscated. While Vasalli is willing to pay for the depreciated value of the equipment, the Government is billing him for its original value.

Mr. Vasalli also has claims to at least six other properties or businesses that are not included in the Government’s official list. Over the last two years, Mr. Vasalli has spent virtually all of his time, and a vast percentage of his resources, attempting to recover his properties and businesses.

No. 4. **Garold LaRue** is listed as having received a property named in Sebaco, Nicaragua. Upon speaking with LaRue and his lawyer however, we learned the Government informed him that he could take possession, but when he attempted to do so, it was reconfiscated within two weeks by members of the Sandinista military. After further attempts to recover the property it was ultimately returned, but it had been physically destroyed. For that reason, he is unwilling to sign a document stating that the claim has been resolved since he has received no compensation for the destruction.

The list does not mention that LaRue has three other confiscated properties that have not been returned. Two of them are occupied by Sandinistas. To achieve the minimal progress to date, Mr. LaRue traveled to Nicaragua on at least seven occasions, depleting most of his life savings.

No. 6. **William Curtiss Hentgen** admits the house mentioned on the list was finally returned. However, his wife informed us that the house is in such poor condition that it is uninhabitable and of minimal value. Mr. Hentgen also owns other property in Chontales which has not been returned. He also owned substantial shares in banks that were confiscated and have not been returned.

No. 7. **María Luisa Labró** is listed as receiving her house in Veleró. In fact, she did not receive her residence but rather received her beach house in early July 1992. On July 20, 1992 she wrote to inform us: “Everything had been removed, including the basins, toilets, showers, doors, air conditioners and even the electric panel.” Her actual home was “sold” by the Sandinista Government and has been occupied since March 30, 1990 by a Captain in the Sandinista Popular Army. Other properties that were owned by her late husband (tortured and killed by the Sandinistas in 1978) have also not been returned.

No. 8. **Teodolinda Becklin** is one of the most prominent people in Nicaragua. The Sandinistas seized all her property and businesses, and literally left her on the street. Her advancing age has made her attempts to recover her properties extremely stressful. She is listed as having received twenty properties of the Becklin estate. Her niece contends that only seven of those properties have been returned. She is unable to occupy the homes because the Gov-

ernment of Nicaragua has reportedly set the condition that the Government will rent her houses for the next three years and give her only US\$200 per month for each house.

No. 12. **Edith Cohen** is listed as receiving her candy factory "El Chipirul." She informed us that the factory was returned, but it had been destroyed and is now used for a warehouse. She received no compensation for the damage. The list does not mention that she claims textile factories valued at US\$3 million that have not been returned. Her personal residence has also not been returned. It was confiscated and occupied by the Sandinista Minister of Energy, Emilio Rappaccioli. The property was passed to Rappaccioli's wife as part of a divorce settlement—and legally registered in his ex-wife's name after Chamorro was elected. Rappaccioli reportedly then moved into the confiscated home of another American citizen who now lives in Texas. It is important to emphasize that Rappaccioli remains in his post as a Minister of the Chamorro Government.

No. 13. **Arthur Floyd Jones** is listed as receiving shares in companies called Tip Top and Encubadoras S.A. Jones contends that the shares in Tip Top were never confiscated in the first place. The shares in Encubadoras were sold by Jones in July 1991. In short, the Government is claiming that they returned property that was never confiscated, while ignoring Jones' legitimate claims for three houses. On July 29, 1992, Jones wrote to us: "the Nicaraguan Government has not returned to me any property that I am claiming."

On July 17, 1992, the Government of Nicaragua submitted a list of 22 Americans that allegedly had their property returned. That list contains the same names as the list of 21 Americans that is analyzed above. The only new addition is **Bruce Cuthbertson** who is listed as receiving shares of stock in several companies. Mr. Cuthbertson is President of the Committee to Recover Confiscated American Properties in Nicaragua. Upon learning that his name was on the list provided by the Nicaraguans, Mr. Cuthbertson wrote in a letter of July 29, 1992: "THAT IS NOT TRUE! The stock was never confiscated from me."

The inclusion of Mr. Cuthbertson on this list is even more perplexing since he met with the Nicaraguan Foreign Minister on July 11, 1992, and "explained to him that my shares of stock had never been confiscated and that therefore they could not be returned to me."

Given the time constraints on this first report, we were unable to complete our research of each of the 21 individuals listed. We are in the process of doing so. The findings as reported above clearly demonstrate that the list provided on July 6, 1992 is a farce. Moreover, the updated list of July 17, 1992 included the name of an individual who met with the Foreign Minister just one week earlier to explain the fact that his case had not been resolved. We can only conclude that the Government of Nicaragua is intentionally misleading the United States Congress.

## E. THE BROADER ISSUES OF CONFISCATED PROPERTIES IN NICARAGUA

Almost everyone the SFRC Republican staff spoke with while in Nicaragua had had something confiscated by the Sandinistas. Many of those who lost properties to the Sandinistas were either American citizens at the time of confiscation or have become American citizens in the meantime. Each story involving the confiscation of property seems more compelling than the last.

Some people have lost millions of dollars in businesses and personal residences. Other people have lost the only home they ever owned. Many fled to the United States in order to start over again. Others who returned to Nicaragua with high hopes after the 1990 elections have spent months (and more than two years in some cases) bouncing from one government ministry to the next—to no avail. In virtually every case, the people with whom we spoke who had lost their property know exactly who stole it and who is living in it at this time.

Representatives of the Miami-based Committee to Recover Confiscated American Properties in Nicaragua met with Nicaraguan Foreign Minister Ernesto Leal during his visit to the United States in early July 1992. The Leal visit was intended to explain the "progress" of the Chamorro government in resolving property claims and other reforms. When we met with the claimants in Miami following that meeting they expressed unanimous dissatisfaction with the efforts taken by the Government of Nicaragua to resolve their claims.

The list of occupants of many of the confiscated homes reads like a "Who's Who" of undesirables. For example, Cuban Ambassador Fernando Ravelo, who was indicted on drug charges in the United States, confiscated the home belonging to an American citizen. The Chief of Staff of the Sandinista Popular Army lives in another. The widow of one of the nine original Sandinista Commanders lives in yet another. Perhaps of greatest concern is the fact that the highest law enforcement officials live in stolen homes: a Supreme Court Justice, the Chief of the National Police, and the Chief of Police of Managua. The list goes on and on.

While driving through the streets of Managua our guide was able to point out dozens of confiscated residences that are now occupied by Sandinistas, senior officials of the current government, or government offices. The following cases are intended to illustrate the much broader problem.

General Humberto Ortega, Commander-in-Chief of the Army and perhaps the most powerful man in Nicaragua, lives on an entire compound of stolen property. Upon assuming his position, Ortega seized an entire neighborhood that includes some 20 homes in a wealthy subdivision. This subdivision, which is located on a main highway outside of Managua, has been walled-in and is protected at all hours by military security. We measured the length of one side of the property as a little less than one half mile. Although General Ortega is technically employed by President Chamorro, there is no evidence that President Chamorro has taken steps to return the properties that Ortega seized to their rightful owners.

One individual whose property is located on the Ortega compound works for the United States Embassy in Managua. Upon attempting to recover her property she learned that Ortega had given her home to his daughter Elizabeth as a wedding gift in 1989. It is well known in Managua that Ortega's daughter occupied that home after it was given to her. The house, however, was cleverly registered by General Ortega on April 24, 1990 under the name of Adela Candida Cardoza Bravo, one of Ortega's servants. We were unable to find any evidence that the servant ever lived in the house.

Although the original owner has filed a formal claim for the property, there has been no progress to date in getting it returned. Since that property was the original owner's only property, she has been forced to pay rent on another residence pending resolution of this case. Reportedly, three other properties in the compound are also owned by American citizens.

The Attorney General is another senior government official who occupies a confiscated residence. Until recently, his office was located in the home of one of the Nicaraguan Resistance leaders, Aristides Sánchez. We visited the Attorney General in his office on July 17, 1992, which is physically situated in Mr. Sánchez's father's bedroom. The current Attorney General—who has been in office for less than one year—stated publicly that he intended to move his office out of the Sánchez residence. In August, the Attorney General moved into another confiscated residence. Mr. Sánchez' home has still not been returned to him.

The presence of the Attorney General—the senior law enforcement officer in Nicaragua and the official responsible for overseeing the return of confiscated properties—in a confiscated home is a telling symbol of the Nicaraguan Government's lack of seriousness in dealing with this issue.

One prominent Nicaraguan that we met, Dr. Mauricio Téfel, had his home confiscated by Carlos Fernando Chamorro, the son of President Chamorro. Carlos Fernando then passed the home to his sister-in-law who is the daughter of the Nicaraguan Ambassador in Guatemala. At one point, frustrated with the lack of progress on obtaining his confiscated home, Dr. Téfel went to the house and showed the occupant a resolution from the Attorney General ordering the property's return.

The woman occupying the house produced a firearm and called Chamorro's son, Carlos Fernando, for assistance. Carlos Fernando reportedly arrived accompanied by members of the Sandinista military. Carlos Fernando, who as editor of the Sandinista newspaper *Barricada* has no official position in the Nicaraguan government, reportedly then arrested Dr. Téfel and took him to the Sandinista National Police. Téfel, whose mother is a Mexican citizen, sought the intervention of the Mexican consul. As a result of the press attention on this case, Téfel was ultimately granted physical possession of the home, but he has yet to gain legal title to it.

In the rare cases where properties are returned they are generally in a state of disrepair. In many cases the property is stripped bare before it is returned. We visited one residence in Granada (approx. 40 kilometers from Managua) that had been seized for use as a regional office of the Interior Ministry for the Fourth

Region. In essence, it served as the regional intelligence headquarters. The Nicaraguan owner and his American wife, Jaime and Fátima Sáenz, were able to retrieve this residence in November of 1990 after some 150 meetings with a senior Nicaraguan Government official.

The damage to the property was extensive. For example the driveway was transformed into a helicopter landing pad and one of the sitting rooms was divided into four small rooms where individuals were brought for interrogation and torture. We interviewed one woman who was psychologically tortured in the house. It was reported that land mines had been placed throughout the property.

When the Sandinistas learned that they had to move out—after Chamorro was President—they looted the house. Wood from the closets, electrical wiring and plugs, sinks, door knobs, and ceramic tiles were among the many items extracted from the house. The original owner received no restitution for any of the damage and theft. The owner had to invest US\$30,000 to restore the house to its prior condition. Meanwhile, the illegal occupant merely moved next door.

When American citizens Peter and Mangui Sengelmann fled Nicaragua and Sandinista persecution in 1979, they left their five bedroom residence in the care of her sister, Ethel Montealegre. Mrs. Montealegre obtained a handwritten letter from Sandinista Commander Jaime Wheelock (Minister of Agrarian Reform) guaranteeing "respect and protection for Mangui's property." The house was later seized and occupied by Wheelock's own brother, Sandinista Lt. Col. Ricardo Wheelock, Chief of Military Intelligence until 1991, and currently Chief of Public Relations of the Sandinista Popular Army.

The Sengelmanns contacted the Wheelock brothers, (who are cousins of Mangui Sengelmann) in March of 1990 after the election of Mrs. Chamorro. They were assured by Jaime Wheelock on April 2, 1990, of his willingness to buy the house for a fair price (which was then estimated to be worth at least US\$150,000). Four days later, on April 6th, in the midst of their negotiations, the Government awarded the house to Ricardo Wheelock for the equivalent of US\$1,470.

All efforts to recover their home have been fruitless, even though both Mr. and Mrs. Sengelmann received favorable resolutions from the National Review Commission stating that their properties should be returned. Peter Sengelmann, and his brothers Tom, Jurgen, and Klaus, also United States citizens, have other claims pending for a machinery business and its two buildings, a ten thousand acre hacienda, another commercial building, and finally, their mother's house (now occupied by the Sandinista Popular Army.) None of these properties has been returned to this date.

#### F. LACK OF ENFORCEMENT OF PROPERTY "RESOLUTIONS"

Even if there is a favorable judgment by the Nicaraguan Government, there is no mechanism in place to enforce the return of confiscated properties. The chief law enforcement officer of Managua, the Managua Chief of Police, Commander Alvaro Guzmán Cuadra, lives in the confiscated home of an American.

According to Fátima Sáenz, the owner of the home (and an American citizen) her husband asked Guzmán to leave their house in April 1990. Guzmán told Sáenz that as a good Sandinista he took orders from his party, and his party leaders had told him that the house belonged to him. Guzmán also told Sáenz that as Chief of Police for Managua it would set a bad example if he vacated the house because many comrades of his were in the same position. Sáenz currently has a law suit pending against Guzmán.

Guzmán's attitude is symbolic of one that plagues Nicaraguans throughout the country. We met with a group of farmers who traveled 150 kilometers to Managua in order to meet with us. They explained that many people in their region (Estelí) had received favorable resolutions from the "Review Commission" that were unenforceable.

One man showed us an order for the return of his gas station. When he tried to take possession of it, Sandinista mobs attacked the local State Attorney who was seeking to enforce the order. He also received an order for the return of his cattle ranch, but it was invaded by mobs and authorities did not permit him to get it back. Other properties in that region were burned by Sandinista mobs.

In Estelí, the office of the State Attorney is located in a confiscated property. The local office for the Ministry of Agriculture is located in a confiscated property—as is the local office of the Minister of the Government. Tellingly, the Office of the Public Registry, where individuals register properties, is also in a confiscated property. The farmers from Estelí described properties that were confiscated and occupied by Sandinista Army officers in June 1990, two months after Chamorro was sworn into office. SFRC Republican Staff has received other reports of confiscations since Mrs. Chamorro became President.

In one high profile case the American owner of one property became so frustrated by the unwillingness of the police to enforce his claim that he unilaterally occupied the residence. *The Miami Herald* on July 1, 1992 described this case as follows: "Like many owners of confiscated properties, the Zeledóns saw little relief in normal legal channels. They won a favorable ruling from a special office created to deal with property claims, but it had little practical effect since it is impossible to obtain an eviction order with such rulings." Mr. Zeledón was once again evicted from his home by the Sandinistas less than a month later.

Based on dozens of meetings and discussions with individuals who lost their property, it is clear that absent a concrete enforcement mechanism—resolutions by courts or any other judicial mechanism will merely be ignored by the occupants of confiscated property. We do not consider that a claim has been resolved fully when the rightful owner receives a document stating such. We believe that a case is resolved only after the legitimate owner can take legal possession of his property in a condition acceptable to him. At that point he must be able to enjoy all of the rights of real property ownership afforded United States citizens.

#### G. IS UNITED STATES POLICY ADDRESSING THE PROPERTY ISSUE?

Our comprehensive review of the property issue in Nicaragua leads us to share the conclusion of the GAO draft report on Nica-

ragua which states: "resolving this problem does not appear to be very high on either agency's (State Department and AID) list of priorities." We believe that the U.S. Embassy and the AID mission in Managua have based their policies more on promises by the Nicaraguan Government than the glaring realities in Nicaragua. Finally, we believe that the United States Embassy's handling of this issue is working against the interests of United States citizens.

#### H. DISCRIMINATION AGAINST NATURALIZED AMERICAN CITIZENS

Nicaraguan officials have repeatedly asserted that they will place a higher priority on the return of property to individuals who were American citizens before their property was confiscated. Given the lack of priority they have placed on settling any American claims, it could be years before many American citizens get their properties returned, if ever. An article that appeared in *Diario Las Americas* on June 25, 1992, quotes Minister for External Cooperation, Erwin Kruger, as saying: "Nicaraguans who had connections to the Somoza years and had acquired North American citizenship during their exile in the United States will never get their Nicaraguan properties back." (This is an interesting statement, considering that Mr. Kruger himself had strong ties to Somoza and was an advisor to Mrs. Somoza.) We believe that the Government of Nicaragua must return all confiscated properties. Anyone who has properties confiscated has the right to recover his or her property. We do not agree with the Chamorro Government's apparent plan to discriminate against certain American citizens.

We believe that the Nicaraguan Government should not discriminate against any person based on the date on which the person obtained United States citizenship. Unfortunately the United States Embassy in Managua is helping the Nicaraguan Government discriminate against certain American citizens by providing the Government with the date an American became a citizen.

All Americans with property claims are now required to fill out a two page form and submit it to the United States Embassy. This form requires that the individual provide the exact date United States citizenship was acquired. The form is then passed on to the Government of Nicaragua. (The form does include a section where the individual grants consent to provide the complete form to the Nicaraguan Government.) However, the Nicaraguan Government will not consider returning the confiscated property until the claimant has answered each question on the questionnaire. This puts the claimant in a catch-22 situation—either you provide the information knowing it will be used to discriminate against you, or you do not answer the question with the result that the claim will not be considered at all.

In short, the Embassy is passing information to the Government of Nicaragua that the Nicaraguans have said publicly will be used against claimants who were not American citizens when their property was confiscated. The Miami-based Committee to Recover Confiscated American Properties in Nicaragua has written the State Department to protest this policy, and has asked that the question regarding date of citizenship be deleted from the questionnaire. Dozens of other Americans with property claims have also called us to register their disdain for that policy.

The U.S. Embassy in Managua is defending the right of the Nicaraguan Government to discriminate against categories of Americans. In a letter of July 1992, the State Department wrote: "Regarding the decision of the Nicaraguan Government to prioritize the processing of U.S. citizens' claims, the Government is within its discretion under international and domestic law to begin focusing on any particular group of claims . . . We will continue to press for the resolution by the Nicaraguan Government of all U.S. citizen claims."

We find this approach by the State Department to be disingenuous at best. The U.S. Embassy in Managua is passing information in a manner that it knows will be used to discriminate against certain Americans—while at the same time claiming its commitment to the resolution of all claims.

We have raised this issue on three separate occasions with the Chargé D'Affaires at the United States Embassy, Mr. Ronald Godard, (twice in Nicaragua and once from Washington), as well as with high level State Department officials in Washington.

#### I. THE UNITED STATES CONSTITUTION AND THE RIGHTS OF NATURALIZED CITIZENS

The SFRC Republican staff has obtained a copy of an *Analysis and Interpretation of the Constitution of the United States of America* prepared by the Congressional Research Service of the Library of Congress. This legal opinion states: "Clearly, naturalized citizens are fully entitled to all the rights and privileges of those who are citizens because of their birth here."

Chief Justice of the United States John Marshall stated in dictum that "[a] naturalized citizen . . . becomes a member of the society, possessing all the rights of a native citizen, and standing, in the view of the Constitution, on the footing of a native."

A similar idea was expressed in *Knauer v. United States*: "Citizenship obtained through naturalization is not a second-class citizenship . . ."

The Supreme Court stated the same opinion in *Luria v. United States* (231 U.S. 22.) This opinion says, "Under our Constitution, a naturalized citizen stands on equal footing with the native citizen in all respects . . ." And finally, the Fourteenth Amendment to the United States Constitution confirms that native citizens and naturalized citizens enjoy equal rights.

#### J. THE HICKENLOOPER AMENDMENT

Section 620(e)(1) of the Foreign Assistance Act of 1961 as amended—known as the Hickenlooper Amendment—requires that the President:

"suspend assistance to the government of any country . . . when the government of such country has nationalized or expropriated or seized ownership or control of property owned by any United States citizen or by any corporation, partnership, or association not less than 50 per centum beneficially owned by a United States citizen . . . and such country . . . fails within a reasonable time (not more than six months after such action . . .) to take ap-

appropriate steps . . . to discharge its obligations under international law toward such citizen or entity . . . and such suspension shall continue until the President is satisfied that appropriate steps are being taken, and the provisions of this subsection shall not be waived with respect to any country unless the President determines and certifies that such a waiver is important to the national interest of the United States."

To date, the administration has not invoked Hickenlooper. In response to a GAO inquiry earlier this year, the State Department wrote: "the Government of Nicaragua is in the process of taking appropriate steps to discharge its obligations under international law and the prohibition in Section 620(e) of the Foreign Assistance Act does not apply (at this point)."

In July 1992, after the erroneous lists analyzed earlier in this chapter (of Americans who allegedly have had property returned) were provided by the Government of Nicaragua, the State Department continued to contend that Hickenlooper was not applicable. In a letter to the President of the Committee to Recover Confiscated American Properties in Nicaragua, the State Department wrote: "The Amendment does not apply if the country in question is taking appropriate steps to discharge its obligations under international law toward claimants. The Nicaraguan Government has set up and is about to reinforce a mechanism to resolve the claims. We have been assured that the Government is committed to the resolution of this issue."

It is important to note that the Government of Nicaragua had been assuring the State Department since President Chamorro took power that they were committed to the resolution of this issue. On a trip to Washington in July, the Foreign Minister of Nicaragua told staff that they are "still in the process of establishing a mechanism to return property." So on the one hand the State Department asserts that the Government of Nicaragua "has set up and is about to reinforce a mechanism to return confiscated property," and on the other hand the Nicaraguan Government says that after two years they are still "setting up a mechanism."

On June 24, 1992 the State Department wrote to Senator Helms: "the Department has been informed by the Government of Nicaragua that partial progress on a limited number of property claims of United States citizens has been made . . . we seek to confirm such reports . . ." However, a senior United States Government official told staff that the effort to confirm the veracity of the information provided by the Government of Nicaragua did not begin until the last week of July 1992. We believe that the United States Government must make every effort to verify independently every claim made by the Government of Nicaragua regarding the resolution of the property claims of American citizens.

Both the Chargé at the United States Embassy and the head of the AID mission in Managua informed us in a meeting on July 17, 1992, in Managua, that the American Government probably would have suspended assistance to the Government of Nicaragua had it not been suspended by Congress. They explained that the Embassy was seeking further commitments from the Government of Nicaragua. We have found little evidence to support their statements

considering that the entire period that aid has been suspended the State Department has been issuing statements and letters indicating its belief that the Government of Nicaragua is committed to solving the property issue.

This is reflected in the letter of July 1992 to the Committee To Recover Confiscated American Properties in Managua, in which the State Department argues against invoking Hickenlooper. As recently as July 27, 1992, AID Administrator Ronald W. Roskens wrote: "We remain confident, however, that she (President Chamorro) and her senior officials will soon take the difficult but necessary steps needed to address the political issues that stand in the way of economic recovery and social reconciliation."

#### K. STATE-OWNED ENTERPRISES

It has been stated repeatedly to us that in order to reactivate the economy of Nicaragua, all private property rights must be respected. The Government of Nicaragua has made minimal progress in returning all state-owned enterprises, and confiscated companies to their rightful owners.

The National Privatization Corporation (CORNAP) was created by the Government of Nicaragua to privatize all of the state-owned enterprises. The government claims that CORNAP has thus far "privatized" 48 percent of all state-owned enterprises.

The Committee Republican staff was told by the Comptroller General of Nicaragua that there were at least 600 state-owned enterprises in Nicaragua when the Chamorro Government came to office. He finds it strange that CORNAP included only 351 companies under its jurisdiction. He believes that the other 250 companies may still be run by the Sandinista military. Many other knowledgeable sources agree.

For a period of three months the SFRC Republican staff has been requesting from the Nicaraguan and United States Governments a complete list of all 160 companies which allegedly have been "privatized." We repeatedly requested that both governments provide us with names of the original owners of each nationalized company and the name of the person(s) to whom it was returned. If it was not returned free of charge, we requested the information regarding the price of the sale.

To date, we have received none of this information from either government. However, we have information from numerous sources that some of the so-called privatized companies have not been returned to their original owners, rather have been given away to Sandinista cooperatives, or sold to a new owner. In fact, those owners which have had companies returned have received approximately 75 percent of the stock. The other 25 percent is being given to the workers.

Until SFRC Republican staff is provided with complete information on the so-called privatization of state-owned enterprises, it is impossible to verify the claims of the Government of Nicaragua with regard to this issue.

#### L. PRECEDENTS FOR WITHHOLDING ASSISTANCE OVER PROPERTY CLAIMS OF U.S. CITIZENS

It is perplexing that the United States Government did not withhold even a portion of the assistance to Nicaragua considering the fact that the State Department is currently doing so in Costa Rica. The United States has withheld US\$10 million in economic assistance to the Government of Costa Rica for more than two years during the arbitration of property claims lodged by **seven** American citizens. All of those claims are still in arbitration, however they appear to be close to resolution due to the pressure of the withholding of aid.

Congress voted to cut off economic assistance to Honduras in 1985 due to the property claims of **one** United States citizen. Aid was suspended over a period of five years until the property claim was resolved to the satisfaction of the claimant.

#### M. FINIQUITOS

Citizens with confiscated properties in Nicaragua have told us that when they are completely satisfied with the resolution of their claims, they will sign a "finiquito," or the equivalent of a sworn statement. The SFRC Republican Staff believes that a signed "finiquito" is the only true proof that a property claim is completely resolved.

The Committee Republican staff asked the Nicaraguan Foreign Minister if he could provide us with signed "finiquitos," rather than a list of names of cases allegedly resolved. The Foreign Minister assured us that he would send us "finiquitos" the following day. To this date, the Government of Nicaragua has not sent a single signed "finiquito" of an American citizen.

#### N. CONCLUSION

A United States Government source in Washington, involved in the Nicaraguan issue, told the staff that "**not one** American case has been properly solved." Our own investigation leads us to the same conclusion as of this date.

On the issue of return of property versus compensation, we believe that the claimant should have the option of recovering his property if he or she so desires, rather than be compensated for the property. But the evidence thus far leads us to conclude that the Government of Nicaragua has no intention of enforcing the expulsion of well-known Sandinista leaders, or influential Government employees from confiscated homes. In fact, our staff has evidence that the Government of Nicaragua has refused to even consider the claims of persons when their home is illegally occupied by prominent Sandinistas, current government officials, or government agencies.

It is of particular concern that many Nicaraguan Government officials and Government offices are illegally occupying homes and businesses of American citizens. We believe that the Government of Nicaragua could begin to demonstrate the political will to return confiscated properties by vacating these properties and returning them to their lawful owners.

In conclusion, the staff who conducted this investigation believes that the property issue will not be resolved until the Nicaraguan Government returns all confiscated homes, businesses, and lands of American and Nicaraguan citizens, as well as those belonging to citizens of other nationalities. Furthermore, all nationalized or confiscated businesses must be returned to their legitimate owners. Without the respect for basic private property rights, no other economic reforms in Nicaragua will be meaningful or lasting.

### **III. Who Stole What**

All the information on this list was compiled from the Nicaraguan and American citizens who had their properties confiscated. It was current as of August 1, 1992.

## Who Stole What

[Illustrative List of Properties Confiscated By Sandinista Military And Party Members, Government Leaders And Agencies, And Foreign Governments]

| Confiscator or Occupant                                                                                                                                       | Original Owner                  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| 1) General Humberto Ortega, Commander-in-Chief of the Armed Forces/one of nine original Sandinista Commanders                                                 | Guillermo and Gloria Cano       |
| 2) General Ortega's wedding gift to daughter Elizabeth                                                                                                        | Sandra Leets de Montenegro      |
| 3) General Joaquín Cuadra Lacayo, Chief, Joint Chiefs of Staff, Sandinista Army                                                                               | Bruce Cuthbertson *             |
| 4) General Joaquín Cuadra Lacayo                                                                                                                              | Indiana Lacayo de Pereira *     |
| 5) Daniel Ortega, Secretary, Directorate of Sandinista National Liberation Front (FSLN)                                                                       | Jaime and Ampáro Morales Carazo |
| 6) Ramón Romero Alonso, Supreme Court Justice                                                                                                                 | Raúl Alberto Rios               |
| 7) Sandinista Commander Lenín Cerna, Chief, New State Security/one of nine original Sandinista Commanders                                                     | Eduardo Roman                   |
| 8) Sandinista Commander Lenín Cerna; Inhabited by his sister                                                                                                  | Iván Osorio *                   |
| 9) René Vivas, Chief of National Police                                                                                                                       | Alfredo Montealegre             |
| 10) Alvaro Guzmán Cuadra, National Deputy Chief of Police/Chief of Police for Managua                                                                         | Fátima Lacayo de Saenz *        |
| 11) Sandinista Commander Jaime Wheelock, One of nine original Sandinista Commanders                                                                           | Donald Spencer                  |
| 12) Lt. Col. Ricardo Wheelock, Spokesman and Head of Public Relations, Sandinista Popular Army                                                                | Mangui Sengelmann *             |
| 13) Esperanza Roman, mother, Jaime and Ricardo Wheelock                                                                                                       | Alexis Arguello                 |
| 14) Colonel Salvatierra; Chief Commander, Nicaraguan Air Force                                                                                                | Ramón Pais *                    |
| 15) Colonel Antenor Rosales, Chief of Intelligence, Sandinista Army                                                                                           | Michael Spencer *               |
| 16) Sandinista Commander Tomás Borge, One of nine original Sandinista Commanders, used by Office of Agrarian Reform (in name of nephew, Fernando Solís Borge) | Leandro Marín-Abaunza *         |

- |                                                                                                                                                                         |                                       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| 17) Sandinista Commander Bayardo Arce, One of nine original Sandinista Commanders                                                                                       | Roberto Arguello Tefel *              |
| 18) Sandinista Commander Luís Carrion, One of nine original Sandinista Commanders (Registered under his wife's name, Ana Patricia Lacayo de Carrion)                    | Thelma Gallo                          |
| 19) María Lourdes Núñez Vargas, widow of Carlos Núñez (Former President of National Assembly/ one of nine original Sandinista Commanders,) alternate FSLN Congresswoman | Fern Kettel *                         |
| 20) Emilio Rappaccioli, Sandinista Minister of Energy                                                                                                                   | María Lourdes B. de Terán *           |
| 21) Sandinista Commander Juan José Ubeda Herrera, Chief of Security, National Police, Former Sandinista Deputy Chief of Secret Police                                   | Gaye Whitsell de Llanes *             |
| 22) Ambassador Fernando Ravelo, Ambassador from Cuba (Indicted in the U.S. on narcotics charges)                                                                        | Nestor Terán *                        |
| 23) Roberto Rondón Sacasa, Minister of Agriculture (He is building a house on her property.)                                                                            | María Louisa Labró *                  |
| 24) Sandinista Commander Alvaro Baltodano Cantarero, General Ortega's Top Aide                                                                                          | Floyd Jones *                         |
| 25) Sandinista Commander Dora María Tellez, FSLN Congresswoman/former Minister of Health                                                                                | Salvador and Argentina Morales *      |
| 26) Sandinista Commander Dora María Tellez                                                                                                                              | Juan Zavala                           |
| 27) Sandinista Commander Doris Tijerino Haslam, FSLN Congresswoman, former Sandinista Chief of Police                                                                   | Evangelina Sacasa de la Selva         |
| 28) Sandinista Commander Charlotte Baltodano Egner                                                                                                                      | Carlos Tellería *                     |
| 29) Sandinista Commander Adolfo Chamorro Tefel                                                                                                                          | Bruce Cuthbertson *                   |
| 30) Sandinista Commander Antenor Ferrey Pernudi, Former Ambassador to Panama                                                                                            | Elsa Bermúdez (Mrs. Enrique Bermudez) |
| 31) Sandinista Commander Antenor Ferrey Pernudi                                                                                                                         | Ernestina Leal de Voguel              |
| 32) Juan Gaitan-Ramírez, Secretary General, Ministry of Government, Socialist Party Congressman (Alternate)                                                             | Nicolás López-Máltez                  |
| 33) José Pasos Marciaq, Director, International Relations for the FSLN (Sandinista National Liberation Front)                                                           | María Lourdes Sánchez de Ulvert       |
| 34) Miguel D'Escoto, former Secretary of State                                                                                                                          | Roberto Incer Barquero                |

## Who Stole What—Continued

[Illustrative List of Properties Confiscated By Sandinista Military And Party Members, Government Leaders And Agencies, And Foreign Governments]

| Confiscator or Occupant                                                                          | Original Owner                 |
|--------------------------------------------------------------------------------------------------|--------------------------------|
| 35) Lt. Col. Oscar Cortéz Marín, Vice-Chief, Nicaraguan Air Force                                | Heidi Mohrke *                 |
| 36) Arnaldo Alemán Lacayo, Mayor of Managua, (Former President of BAVINIC, government/HUD bank)  | Delia Wehmeyer de Villalta *   |
| 37) Colonel Aldo Gutiérrez, Cuban Military Attaché (Registered under Sandinista Popular Army)    | Alberto José Arguello Choiseul |
| 38) Commander William Ramírez Solórzano, FSLN Congressman                                        | Norman Downs *                 |
| 39) José Leon Talavera, former Vice-Minister for Foreign Affairs, current FSLN Congressman       | Armando and Gaye Llánes *      |
| 40) Lt. Col. Ramiro Contreras (owner,) General Ortega's Aide                                     | Carlos Grana                   |
| 41) Russian Embassy Personnel                                                                    | Mathelda Muñiz de Molina *     |
| 42) Benedicto Meneses, Former Sandinista Minister of Labor                                       | Jorge Sacasa                   |
| 43) Augusto César Zamora, Legal Advisor to Sandinista Foreign Ministry                           | Marcel Langrand Belhome        |
| 44) Martha Araúz, former Ambassador to Cuba                                                      | José Fernández                 |
| 45) Mayra Pasos, "purchased" by ex-husband Emilio Rappaccioli, Minister of Energy                | Edith Cohen *                  |
| 46) Clarisa de Rivas Paniagua, Sandinista Activist                                               | Christianne Bunge de Marin *   |
| 47) Jorge Huevo, former Sandinista Ambassador to Japan                                           | Charles and Rita Kettel *      |
| 48) Paul Atha Ramirez, former Mayor of Managua                                                   | Heinz Luedeking *              |
| 49) Javier Chamorro Mora, former Vice-Minister for Foreign Affairs/Sandinista Ambassador to U.N. | María Tefel                    |
| 50) Dr. Ulises González, Mayor of Esteli                                                         | Isabel Turner                  |
| 51) Dr. Ulises González, Mayor of Esteli                                                         | María Cifuentes                |
| 52) Luís Pérez Caldera, Mayor of Leon                                                            | Miguel Solís                   |
| 53) Vilma Larios Garay, Reporter for Barricada (Sandinista newspaper)                            | Christian Machado              |
| 54) Lily Soto, Manager, Sandinista owned Channel 4                                               | Manuel Midence Montiel         |

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|------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|
| 55) Jimmy González, Sandinista State Security (gift from Commander Tomas Borge)                                                          | Ernesto and Coco Rivas    |
| 56) Naftali Matus, Manager, government owned Compania de Arroz                                                                           | Sonia Rosales             |
| 57) Francisco Xavier Alvarado, Sandinista military official                                                                              | Enrique and Ruth Tijerino |
| 58) Alvaro Reyes Portocarrero, Delegate, Ministry of Agrarian Reform, Northern District; brother of Rodrigo Reyes, Supreme Court Justice | John Spencer Fraunberger  |
| 59) Juan Sanchez Flores, Lawyer/ Professor                                                                                               | Ana María Morejon *       |
| 60) Commander Julio Calero Reyes, Secretary to General Joaquín Cuadra Lacayo                                                             | Jorge A. Cardenas         |
| 61) Commander Amin Gurdian                                                                                                               | Savador Morales *         |

**Government agency**

- |                                                                                      |                                           |
|--------------------------------------------------------------------------------------|-------------------------------------------|
| 62) Attorney General's Office (until August 7, 1992)                                 | Aristides and Cecilia Sánchez             |
| 63) Attorney General's Office (since August 7, 1992)                                 | María Reyes de Noguera                    |
| 64) Office of Press and Information for Chamorro Government                          | The Sengelmanns, Kettels and Spencers     |
| 65) Ministry of Education                                                            | Olga Pérez Fonseca                        |
| 66) Ministry of Health                                                               | César García                              |
| 67) Sandinista National Liberation Front (FSLN)                                      | W. Hermann and Teresa Hueck               |
| 68) FSLN offices in Granada                                                          | Alberto José Arguello Choiseul            |
| 69) Proyecto Quimal (government sugar plantation, materials donated by Fidel Castro) | Melba Fuentes                             |
| 70) Sandinista Defense Committee                                                     | Watch Tower Society (Jehovah's Witnesses) |
| 71) Sandinista Popular Army guest house                                              | Luis Mejía González *                     |
| 72) Sandinista Popular Army's Protocol House                                         | Elga de la Rocha de Vaca *                |
| 73) Sandinista Popular Army (Military Draft Office)                                  | Edmundo Barquero                          |
| 74) Sandinista Popular Army offices                                                  | Inge Sengelmann Bunge                     |
| 75) Sandinista Popular Army                                                          | Soledad Midence                           |
| 76) Sandinista Popular Army                                                          | Alberto José Arguello Choiseul            |
| 77) Sandinista Popular Army living quarters                                          | Ileana Sengelmann *                       |

## Who Stole What—Continued

[Illustrative List of Properties Confiscated By Sandinista Military And Party Members, Government Leaders And Agencies, And Foreign Governments]

| Confiscator or Occupant                                                  | Original Owner                               |
|--------------------------------------------------------------------------|----------------------------------------------|
| 78) Sandinista National Police                                           | César Rorison                                |
| 79) Sandinista National Police                                           | José Andrés and Esther<br>Mairena de Peralta |
| 80) Social Security Administration (INSBBI)                              | Flor Barquero                                |
| 81) National Institute of Agrarian Reform (INRA)                         | Alfredo Gasteazoro                           |
| 82) National Institute of Agrarian Reform (MIDINRA/INRA)                 | Guillermo Barquero                           |
| 83) Sandinista Youth (Juventud Sandinista)                               | Armando Salazár                              |
| 84) Sandinista Youth (Juventud Sandinista)                               | Gloria Gasteazoro                            |
| 85) COIP—People's Industrial Corporation (government agency)             | Charles and Rita Kettel *                    |
| 86) Banco de la Vivienda (government/HUD bank)                           | Carlos Grana                                 |
| 87) United National Farmers and Ranchers (UNAG) (Sandinista Labor Union) | Otto and Harry Moller *                      |
| 88) AGROMAC/CORNAP (state-owned enterprise)                              | The Sengelmanns, Kettels and<br>Spencers     |
| <b>Foreign entity</b>                                                    |                                              |
| 89) Soviet Embassy (1979–1991)                                           | José Guerrero                                |
| 90) Soviet Embassy                                                       | Leonor de Somoza                             |
| 91) Soviet Embassy                                                       | Alexis Arguello                              |
| 92) Soviet Embassy parking lot                                           | William Montiel *                            |
| 93) Cuban G-2 Offices (Secret Police—1979–1990)                          | Juergen Sengelmann *                         |
| 94) Libyan Government                                                    | Haydée Marín *                               |
| 95) North Korean Embassy                                                 | Myriam Montenegro de<br>Sanchez              |
| 96) Mexican Embassy                                                      | Josefina Sánchez                             |
| 97) Cuban Embassy's Protocol House                                       | Alfredo Osorio *                             |

98) German Embassy

Gilberto and Bertha  
Perezalonzo  
Norman Downs \*

99) OXFAM of Canada (occupying lobster receiving plant/dry dock)

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\* Indicates that the original owner of the property is an American citizen.

#### **IV. Sandinista Control and Illicit Activities**

A major theme of Violeta Chamorro's 1990 campaign for the Presidency of Nicaragua was her promise to reform the Sandinista Popular Army and the National Police. Since her election, however, Mrs. Chamorro has failed to address this important issue. The Sandinista Popular Army continues to represent the interests of only the Sandinista National Liberation Front and not the interests of the Nicaraguan people.

The Senate Foreign Relations Committee (SFRC) Republican staff's investigation confirmed that the Sandinista Popular Army continues to supply arms and training to terrorist groups throughout the Western Hemisphere. The Sandinistas continue to be involved in other illicit activities as well.

##### **A. THE SANDINISTA POPULAR ARMY FIVE YEAR SECRET PLAN**

Senate Foreign Relations Committee Republican staff has obtained a copy of the Sandinista Popular Army Five Year Secret Plan for 1991 through 1995. The Secret Plan, which was provided to us by a source within the Sandinista Army, demonstrates clearly that the Sandinista Popular Army has **no** intention of downsizing, separating itself from the Sandinista National Liberation Front or providing for the defense of **all** Nicaraguans. The only significant changes outlined by the plan include the reassignment of personnel and a diversification of the armament base. There are three major branches of the Sandinista security forces: The Sandinista Popular Army, the Territorial Militias, and the "Active Retired" Services.

##### **B. ARMY**

The Sandinista Popular Army is the official military institution of Nicaragua, and is an integral part of the Sandinista National Liberation Front. The Sandinista Popular Army Five Year Secret Plan directly contradicts the information the Chamorro Government is supplying regarding the Sandinista Popular Army. Nicaraguan military authorities have confirmed to the SFRC Republican staff that the Sandinista Popular Army is as much as two times larger than the Chamorro Government claims. The plan shows that the Sandinistas intend to **increase**, rather than decrease, the number of personnel carrying arms.

##### **C. TERRITORIAL MILITIAS**

The Sandinistas plan to augment significantly their Territorial Militias by filling their ranks with troops from the Sandinista Popular Army. The Militias have the advantage of being less costly to maintain, and are less visible. The Militias are comprised of men and women, often in uniform, who are armed, and are well trained

by the Sandinista Popular Army. It is estimated that there are more than 75,000 members of the Territorial Militias.

The Sandinista Territorial Militias operate throughout rural Nicaragua. They were founded in 1980 as the "Sandinista Popular Militias." In 1981 members of the "Popular Militias" were given vocational training in agricultural skills. Since that time, the Militias have performed military functions first and agricultural work second. Every member of a Sandinista cooperative receives military training after which the members form a battalion. The Territorial Militias operate in coordination with the Sandinista Popular Army and are under the orders of General Humberto Ortega.

Territorial Militias are a paramilitary organization whose members are often those who form part of the Sandinista cooperatives. Sandinista cooperative leaders are the regional commanders for the Territorial Militias. Some of the Sandinista cooperatives, which form part of the Territorial Militias, are: UNAG (a Sandinista agricultural union), Dalia, Zahiño, Tamarindo, Wiwili, Wiliquito, and the Cooperative of Nueva Guinea.

A high ranking Nicaraguan Government official claims that these troops are being used to wage the "dirty war" of assassinations against the former Nicaraguan Resistance members so that the Sandinistas can maintain control of the rural areas. The Chamorro Government claims that the Sandinista Popular Army is reducing in size. What is actually happening is that the forces are merely being transferred to the Territorial Militias, and the troops are still under orders from General Ortega and the Sandinista Popular Army. Therefore, the alleged reduction in Sandinista Popular Army troop size is a reduction in name only. Between 1990 and 1995, the Sandinista leadership plans to almost triple the size of the Territorial Militias, according to the secret plan.

#### D. ACTIVE RETIRED

The Nicaraguan Government uses the unusual term "Active Retired" to describe the third branch of the Sandinista security forces. According to Nicaraguan military authorities, General Humberto Ortega has promised the "Active Retired" personnel their full salaries for several more years. These officers are still in uniform, they are still armed, and they still have their military credentials and privileges.

Radio Ya, a Sandinista radio station, verified this association on July 24, 1992, reporting that the Commission of Retired Military Officers had demanded that the Chamorro Government continue to pay their full salaries for an additional four years. Nicaraguan Government sources told SFRC Republican staff that the Chamorro Government has acquiesced to these demands. Furthermore, on July 22, 1992 General Humberto Ortega stated on Radio Sandino, another Sandinista radio station, that the Sandinista Popular Army would not be reduced further.

#### E. ONE OF THE MOST SOPHISTICATED ARSENALS IN LATIN AMERICA

According to the Five Year Secret Plan, the Sandinista Popular Army also intends to increase its armored troop units and obtain new sophisticated weapons systems. By 1995, the Sandinista Popu-

lar Army intends to add light infantry brigades, anti-aircraft and heavy artillery battalions, and tank battalions to its arsenal.

These Sandinista Popular Army secret documents show that Nicaragua already possesses the most sophisticated arsenal in the region. Included in Nicaragua's current arsenal are: vehicular and stationary multiple rocket launching systems (BM21s); hundreds of SA-7, SA-14 and SA-16 surface-to-air missiles (SAM missiles are the most sophisticated in Latin America); D-20, 152 mm cannons, (the most powerful artillery pieces in the region); and Hind D (MI-24) attack helicopters (one of the most advanced helicopters in the world).

The plan reveals that the Sandinista Popular Army has approximately 130 T-55 Soviet tanks, and 22 PT-76 amphibious reconnaissance tanks, which are to be replaced with BMP reconnaissance vehicles. The Sandinista Popular Army amphibious armored personnel carriers are called BTR-60PB and are standard equipment in the Soviet Naval Infantry.

Its reconnaissance vehicle, the BRDM, is standard equipment with the former Soviet and Warsaw Pact ground forces. The BRDM has already been upgraded to a BRDM-2. According to the Secret Plan, the Sandinistas already have five times as many BRDM-2s as BRDMs. The Sandinistas also have one of the most sophisticated radar and communication systems outside of those possessed by major powers.

The Sandinista Popular Army has five versions of the BRDM-2 armored vehicles: 1.) Radiological chemical reconnaissance vehicles; 2.) SA-9 SAM Missile Launch vehicles; 3.) command vehicles without gun turrets; 4.) ATGM vehicles; and 5.) Basic reconnaissance vehicles. The BTR Armor Plated Trucks of the Sandinista Popular Army are the same as those found in motorized rifle units in the former Warsaw Pact.

A high-ranking Nicaraguan Government source confirmed that hand-grenades and rocket propelled grenade launchers are bought and sold at local markets with no required permits. The Sandinistas have hundreds of thousands of assault weapons, side arms, and millions of rounds of ammunition, as well as hundreds of cannons and rocket launchers. These are among the weapons that the Sandinista Popular Army has shipped regularly to terrorist groups around the region. (These illegal shipments are discussed in detail later in this chapter.)

#### F. THE LARGEST MILITARY IN THE REGION

According to a respected Nicaraguan military authority, the Sandinista Popular Army is constructed to meet two basic objectives: to put down domestic insurrections, and to provide support for Communist insurgencies and terrorist organizations abroad. Other armies in the region are designed solely for territorial defense.

During the 1980s, the Sandinista Popular Army, under the leadership of General Humberto Ortega, augmented its resources and personnel to meet these two objectives. While the Chamorro Government claims it has reversed this process and bills the Sandinista Popular Army as the smallest army in the region, Latin American intelligence sources strongly dispute those claims. Ac-

According to these analysts, Nicaragua is the most militarized society in Latin America, with the exception of Cuba.

The size of the Sandinista military is even more astounding when comparing military strength and population in all Central American countries. No census figures have been taken in Nicaragua since the Sandinistas came to power, however reliable estimates place the population of Nicaragua at approximately three million people. Another one million people are believed to be in exile. In comparison, El Salvador and Honduras have approximately double the population and Guatemala has at least three times as many people as Nicaragua.

According to information provided to the SFRC Republican Staff by Latin American intelligence agencies and regional military authorities, the other security forces of Central America are far smaller than the Sandinista security forces. Panama and Costa Rica do not have armies. El Salvador is making radical reductions in its army since peace talks with the Salvadoran guerrillas in January 1992.

Guatemala has approximately **one-fourth** the number of security forces of Nicaragua—not counting the Sandinista Territorial Militias. Honduras has twice as many people as Nicaragua, but it has only **one-fifth** the total number of security forces—not counting Sandinista Territorial Militias.

The SFRC Republican staff has compiled extensive data from many Latin America intelligence agencies regarding the number of military forces in all Latin American countries. Inasmuch as Honduras shares the longest border with Nicaragua and has approximately the same land mass, we have compared the size of the security forces of both countries. These figures do not include Nicaraguan Territorial Militias.

|                               | Nicaragua | Honduras | Comparison |
|-------------------------------|-----------|----------|------------|
| Army .....                    | 34,825    | 11,000   | 3.16 to 1  |
| Navy .....                    | 800       | 1,225    | 1 to 1.5   |
| Air Force .....               | 500       | 2,500    | 1 to 5     |
| Police .....                  | 10,900    | 7,500    | 1.45 to 1  |
| Sub-total .....               | 47,025    | 22,225   | 2.12 to 1  |
| Reserves or "Active Retired": |           |          |            |
| EPS .....                     | 147,650   | 20,000   | 7.38 to 1  |
| Navy .....                    | 5,699     | —        | —          |
| Air Force .....               | 2,500     | —        | —          |
| Sub-total .....               | 155,849   | 20,000   | 7.79 to 1  |
| Grand total .....             | 202,874   | 42,225   | 4.8 to 1   |

While the Government of Nicaragua claims that the Sandinista Popular Army has undergone a reduction of 60,000 troops, Latin American intelligence authorities have told SFRC Republican staff that many of these troops were simply transferred to the Active Re-

tired, the Territorial Militias, the National Police or other paramilitary forces. These experts say that the Sandinistas **did not** reduce the number of men-in-arms, but rather counted as reductions those men who deserted the security forces and those who were transferred to other forces after Mrs. Chamorro came to power. Well-informed Nicaraguan military authorities confirm that the majority of people who were retired, had been serving in the mandatory draft.

These same people have also confirmed that the officer corps is substantially the same as it was during the Sandinista regime. SFRC Republican staff was told that officers have either been rotated within the Sandinista Popular Army, or have been transferred to other elements of the security forces. Few high ranking officers have actually retired.

The Nicaraguan National Guard under the command of Anastasio Somoza had fewer than 7,000 troops in times of peace. According to Shirley Christian's **Nicaragua: Revolution in the Family**, Somoza's National Guard reached a maximum of 10,000 men at the height of the civil unrest in 1979. The single elite battalion of the Somoza National Guard had fewer than 800 men. Comparatively, each Sandinista Rapid Response battalion has between 500 and 800 men and is better equipped than Somoza's unit. The Sandinista Popular Army Secret Plan reveals that the Sandinista Army has thirty-five of these elite battalions.

#### G. MILITARY AND POLICE BUDGET EQUALS TWENTY-FIVE PERCENT OF TOTAL BUDGET—CHAMORRO VETOES LAW TO REDUCE BUDGET

For years, the Sandinista Popular Army has amassed resources necessary to finance its arsenal. After the Nicaraguan elections of 1990, the National Assembly voted to reduce the military's budget. In a highly controversial move, Mrs. Chamorro vetoed the bill to reduce the 1992 Sandinista Popular Army budget.

Official Nicaraguan Government documents place the total budget for the Sandinista Popular Army and the Interior Ministry at slightly more than 15 percent of the total national budget. Nicaraguan military sources, however, have told SFRC Republican staff that the actual budget for the Sandinista security forces is closer to **25 percent** of Nicaragua's overall national budget. In comparison, Honduras earmarks a mere 1.8 percent of its national budget for all of its security forces.

Two colleagues of General Humberto Ortega have confirmed that the General and his cronies have relied on legal and illegal business enterprises, and on arms sales to countries and terrorist groups in the region, for additional profits. The budget of the Sandinista Popular Army submitted by the Chamorro Government to the National Assembly does not reflect money the military earned on arms sales in the region or profits earned from the companies it controls.

#### H. SECRET BANK ACCOUNTS

The SFRC Republican staff was told by several Nicaraguan Government officials that the Sandinista Popular Army and General Humberto Ortega have secret bank accounts overseas. One Nica-

raguan Government source very close to President Chamorro alleges that General Humberto Ortega has secret bank accounts in Canada in which US\$1 million were deposited monthly in 1991. US\$500,000 allegedly have been deposited monthly in 1992.

The June 15, 1991 edition of *The Miami Herald* reported that during the 1980s, Humberto Ortega amassed a personal empire worth approximately US\$100 million. According to his colleagues, General Humberto Ortega controls businesses both in and outside of Nicaragua. Among his business interests are shrimp production, a meat-packing company, real estate and transportation. His partner in some of these ventures is Antonio Lacayo, son-in-law of Mrs. Chamorro and Minister of the Presidency.

#### I. ARMS SHIPMENTS AND SALES

Since Mrs. Chamorro was elected, the news media frequently reports the capture of arms being shipped clandestinely to terrorist groups in Latin America from the Sandinistas in Nicaragua. At least five different highly credible sources, including two Latin American presidents and several Nicaraguan Government officials, confirm that the Sandinista Popular Army continues to this day to export arms and assist terrorist groups throughout the Western Hemisphere.

According to these sources, General Humberto Ortega personally authorizes these shipments of arms and ammunition. SFRC Republican staff was told repeatedly that the magnitude of these shipments requires personal attention and authorization from the highest authorities in the Sandinista Popular Army.

Information from Latin American intelligence sources, which has been corroborated by respected Nicaraguan military authorities, indicates that the Sandinista Popular Army continues to supply the Salvadoran guerrillas. The weapons continue to flow to the guerrillas in spite of the fact that a January 1992 peace treaty was signed between the Government of El Salvador and the Salvadoran guerrillas and a cease-fire is in effect.

These same sources say that several Guatemalan terrorist groups, the Cinchoneros in Honduras, the M-20 in Panama, and the "Free Fatherland" Guerrilla Army of the Poor Faction of the Movement of the Revolutionary Left in Chile, receive training and arms from the Sandinista Popular Army.

#### J. ARMS TRAFFICKING ROUTES

According to Nicaraguan and Latin American military authorities, the Salvadoran guerrillas receive arms from the Sandinista Popular Army via two main trafficking routes. One route is by sea from Punta Nata, Nicaragua across the Gulf of Fonseca and into the Salvadoran coast, near La Unión. The other route is by land through Honduras following the Río Negro, near the village of Triunfo, Honduras (on the Honduras-Nicaraguan border) and then into El Salvador.

These same sources say that the Sandinista Popular Army supplies the Honduran Cinchoneros terrorist group through one major land route: from Jinotega, Nicaragua crossing the Río Coco to El

Paraíso, Honduras. From there the weapons are taken to Olancho, Honduras.

Guatemalan terrorists receive shipments of arms by sea on the Atlantic Coast. Shipments allegedly leave Nicaragua from the port of Puerto Cabezas and travel northwest to Guatemala.

#### K. ARMS TRAFFICKING INCIDENTS

SFRC Republican staff has gathered information from international media reports and Latin American intelligence sources showing that the Sandinista Popular Army pursues a consistent pattern of exporting revolution abroad. The following is a partial list of arms trafficking incidents that have occurred since the election of Mrs. Chamorro.

- **August 6, 1992**—Two Guatemalans were arrested in El Guasaule, Honduras, carrying arms and ammunition from Nicaragua, to communist guerrillas in Guatemala. (Associated Press)
- **July 31, 1992 and June 1992**—An El Salvadoran official, Ernesto Altschul, confirms that the Salvadoran guerrillas continue to receive weapons from the Sandinista Popular Army. Guerrilla spokesman, Joaquín Villalobos, does not deny the charges. (Univisión T.V.)
- **June 1992**—According to Latin American intelligence sources, the Sandinista Popular Army gave significant assistance to Noriega and Castro loyalist. The Sandinistas provided transportation, false passports, and weapons to terrorists who carried out violent demonstrations against President George Bush in Panama City on June 11, 1992.

Among those involved in the orchestration of the violence directed against President Bush were: Noriega confidante Eliecer Gaitán (Chief of Counter-Intelligence for the Panamanian Defense Force under Manuel Noriega), Luis Quiel (another Noriega loyalist), and two Cuban veterans of the Angolan War. These same men are allegedly involved in the M-20 terrorist organization in Panama—also a group receiving assistance from the Sandinistas.

- **June 1992**—Latin American intelligence sources say that rocket-propelled grenade launchers and rifles destined for Guatemalan terrorists were seized in Honduran territory on the Honduran-Nicaraguan border.
- **May 28, 1992**—The Colombian terrorist group, the Simón Bolívar Guerrilla Coordinating Committee (CGSB), received more than 1,000 rifles from arms traffickers in Nicaragua, El Salvador, and Guatemala. (Notimex, May 28, 1992)
- **May 2, 1992**—Alfredo Augusto Canales Moreno, a militant from the Movement of the Revolutionary Left "Free Fatherland" Guerilla Army of the Poor Faction in Chile, admitted that his organization receives paramilitary and urban guerrilla training by clandestine commando units of the Sandinista Popular Army in Nicaragua. (*El Mercurio*, May 2, 1992)
- **June 1992**—An arms cache was found in a warehouse owned by the former Chief of Immigration, Luis Armando "El Chiri" Guzmán. According to a source in the Ministry of the Presidency, Antonio Lacayo was informed in an August 1991 con-

fidential letter that Guzmán, Bayardo Arce (one of the nine original commanders), and Lenín Cerna (the Sandinista intelligence chief), were engaged in arms trafficking.

Government authorities did not move to expose the Immigration Chief's arms cache until more than ten months later. No charges have been filed against Guzmán and there is no warrant for his arrest.

- **March 6, 1992**—Honduran Customs and local police seized a large shipment of arms in Honduran territory on the Honduran-Nicaraguan border that was believed to be destined for Mexico via El Salvador. Honduran authorities, however, did not discount the possibility that the weapons could have been destined for terrorists in Honduras. The occupants of the van testified that the "Sandinista Army" was protecting them. (BBC, March 6, 1992)
- **November 11, 1991**—According to Latin American intelligence sources, Honduran Police seized M-16 and AK-47 ammunition and radio equipment en route to Salvadoran Guerrillas at the Guasaule, Honduras customs post on the Honduras-Nicaragua border.
- **September 1991**—The Sandinista Popular Army revealed that five Sandinista "retired" soldiers and one Colombian guerrilla tried to export 20 missiles and 700 mortar shells. (*El Nuevo Herald*, August 4, 1992)
- **April 18, 1991**—In a Senate Foreign Relations Committee Hearing, Assistant Secretary of State Bernard Aronson confirmed that there "are still a lot of weapons in the hands of the former [Sandinista] militias, and some of the [Sandinista] co-operatives remain armed."
 

Aronson also acknowledged that the Cinchoneros, a Honduran terrorist organization, had been receiving arms shipments from the Sandinista Popular Army.
- **April 15, 1991**—Antonio Lacayo, Nicaraguan Minister of the Presidency, defended the Chamorro Government's refusal to throw out the Salvadoran guerrillas headquartered in Managua. He stated that "the sooner the Salvadoran Government learns that it must open a space for the FMLN [Farabundo Marti National Liberation Front] in political life, the better it will be for El Salvador, Nicaragua, and all of Central America." (*New York Times*, April 15, 1991)
- **February 22, 1991**—Honduran Armed Forces seized 35 grenades, about 40 grenade launchers and additional explosives and arms supplies from a truck in El Paraíso, Honduras near the Nicaraguan border. (Reuters, February 22, 1991)
- **January 3, 1991**—A Nicaraguan SA-7 surface-to-air missile was used in the downing of a U.S. helicopter by Salvadoran guerrillas in which three United States military advisors were killed. Salvadoran guerrillas continue to operate from Nicaraguan territory. (*New York Times*, April 15, 1991)
- **January 2, 1991**—Sandinista Popular Army spokesmen admitted that four Sandinista officers had sold 28 SA-7 and SA-14 surface-to-air missiles to the Salvadoran guerrillas. In a three-page communique, the Sandinista General Command asserted that "preliminary investigations showed that the [Salva-

doran guerrillas] had purchased the weapons in October 1990." (*Washington Post*, January 3, 1991, *New York Times*, February 3, 1991)

- **September 20, 1990**—Mrs. Chamorro admitted that weapons were still being sent to the Salvadoran guerrillas by members of the Sandinista Popular Army. (*New York Times*, September 20, 1990)
- **June 6, 1990**—Honduran police seized an arms cache in Potrerillos, Honduras intended for the communist guerrillas in El Salvador. Small rifles, an unidentified number of Uzi submachine guns, grenades, and dozens of rounds of ammunition were captured. (Reuters, June 6, 1990)
- **May 17, 1990**—A top aide to the President Alfredo Cristiani of El Salvador disclosed that Honduran authorities had discovered nineteen arms shipments after the recent Sandinista electoral defeat. (*Washington Times*, May 17, 1990)
- **May 2, 1990**—The Chamorro Government agreed to let the Salvadoran guerrillas maintain their offices in Managua. (*The Christian Science Monitor*, May 2, 1990)

#### L. THE PERUVIAN ARMS SALE

According to unclassified United States Department of Defense documents, the Sandinista Popular Army sold armored personnel carriers to Peru in 1991. Furthermore, it is in the process of selling to Peru some of its Soviet-made helicopters and airplanes. One intelligence source with intimate knowledge of the arrangement has told SFRC Republican staff that the Sandinista Popular Army will receive US\$100 million on the sale. This will be one hundred percent profit for the Sandinistas, considering that Nicaragua originally received the aircraft as a gift from the Soviet Union.

The British Virgin Island Association was established on September 27, 1989, (with the registration number 19779), in the British Virgin Islands to transact the helicopter sale. The deal was brokered by a Nicaraguan official in Hong Kong. Mario Cardenal Chamorro, the Sandinista Popular Army Finance Director, is representing General Ortega in the transaction.

According to a *Diario Las Americas* report published August 4, 1992, the Nicaraguans are also in the process of buying Bell Helicopters from Canada. According to a August 1, 1992 report by Notimex news service, the U.S.-produced Bell helicopters' replacement parts are easier to obtain than the Soviet-made parts. Some of the US\$100 million profit from the sale of aircraft to Peru will reportedly go to finance the Bell helicopter purchase. The rest of the profit is expected to go directly to the top Sandinista officials.

#### M. THE ORTEGA BROTHERS

General Humberto Ortega's official title is General of the Army, which is the same title held by Fidel Castro. He has served as Commander-in-Chief of the Sandinista Popular Army for the past thirteen years. Ortega is also Chief of the Sandinista Military Council. Prior to 1990 he was a member of the Sandinista Executive Commission and the Sandinista Defense and Security Commission, and was Minister of Defense (1979-1990).

According to unclassified United States Department of State documents, Humberto Ortega was born around 1942. After leading the Nicaraguan Patriotic Youth in 1962, he founded the Sandinista Brigades. He was actually suspended from the Sandinista National Liberation Front in the 1960s for "ultra-leftist tendencies." He received military training in Cuba, North Korea, the Soviet Union, and with the PLO in the Middle East. During the 1980s, he advocated hard-line security policies, closer ties with the communist Soviet Union, and the formation of a 600,000 man army.

General Ortega has been assisted by his brother Daniel Ortega, the former President of Nicaragua during the Sandinista regime. Daniel Ortega has made threats as recently as July 10, 1992 against those who advocate the removal of General Humberto Ortega as head of the Sandinista Popular Army. A *Diario Las Americas* article on July 11, 1992 quoted Daniel Ortega saying that "all those who ask for the head of General Ortega, are asking to have their own heads cut off." In the same article, Daniel Ortega also threatened to spark an armed uprising if General Humberto Ortega is fired as Commander-in-Chief of the Sandinista Popular Army.

#### N. NO ROLE FOR THE MINISTER OF DEFENSE

The Chamorro Government has done nothing to curb General Ortega's power. In fact, the Chamorro Government has reinforced General Ortega's position using Presidential Decrees. A very high-ranking Nicaraguan Government official close to Mrs. Chamorro informed the SFRC Republican staff that prior to Mrs. Chamorro's inauguration in 1990, Antonio Lacayo told his mother-in-law that if General Ortega was not retained as the Commander-in-Chief of the Sandinista Popular Army, he (Lacayo) would not serve in the government.

Despite the overwhelming opposition to have General Ortega stay in power, and in contradiction to many of her own promises, Mrs. Chamorro has decided to keep General Humberto Ortega indefinitely. According to Nicaraguan Government sources, there has been no discussion of removing General Ortega.

Rather than exerting civilian control over the military, Mrs. Chamorro has left authority with General Ortega by signing decrees into law.

- Decree number 1-91 gives the Commander-in-Chief authority over all promotions under the rank of Brigadier General.
- Decree 2-91, entitled "Reform of the Law Governing the Military Organization of the Sandinista Popular Army," gives General Ortega "the command and administration" of the Sandinista Popular Army.
- President Chamorro also confirmed General Ortega's authority to procure and produce arms, enter into private contracts, and decide all military promotions.

Mrs. Chamorro personally has assumed the title of Minister of Defense, but the Ministry of Defense is the only Ministry in the Nicaraguan Government with no Vice Ministers and no employees. There are no Defense Ministry offices. After extensive research, SFRC Republican staff could find no substantive role for the Min-

ister of Defense (Mrs. Chamorro), other than consultations with General Ortega regarding the appointments of Military Attachés.

#### O. INTELLIGENCE APPARATUS

The Sandinista National Liberation Front controls the only intelligence agency in the Government of Nicaragua. According to a November 4, 1990 *New York Times* article, "the main elements of the Sandinista domestic espionage network, including key secret police officials, have been transferred intact to the Nicaraguan Army."

In April 1990, the Sandinista State Security was transferred from the Ministry of Interior to the Sandinista Popular Army, and was renamed the Defense Information Directorate. Lenín Cerna, who ran the agency under Daniel Ortega, was given an army rank, and still runs the state security apparatus. According to one high-level Nicaraguan Government source, Mrs. Chamorro receives daily intelligence briefings from this Sandinista intelligence service.

Lenín Cerna's father was a Communist activist. In fact, Cerna's brother's name is Engels. Lenin Cerna was trained in Cuba and joined the Sandinista National Liberation Front (FSLN) in 1963 as a member of Tomás Borge's "Prolonged Popular War" faction. Cerna personally recruited Daniel and Humberto Ortega into the FSLN.

According to an August 7, 1990 *Washington Post* article, Cerna is alleged to have directed the October 1979 torture-killing of Pablo Emilio Salazar. According to his unclassified State Department biography, Cerna has participated in guerrilla training, sabotage, and bank robberies.

The unclassified United States Department of State document says, "after the fall of Somoza, he [Cerna] was assigned to the Nicaraguan Embassy in Honduras, where he directed assassinations of Sandinista regime opponents in exile." The same document says that Cerna is "widely believed to have personally tortured civil opposition activist, including Sofonias Cisneros, President of the Union of Christian School Parents."

#### P. THE MINISTRY OF THE INTERIOR

During the 1980s, the Ministry of Interior was the principal instrument of Sandinista repression. Tomás Borge, the last surviving founder of the Sandinista National Liberation Front, was chief of the Ministry of Interior. The Ministry was condemned by several human rights organizations for engaging in torture, murder, and intimidation of opponents of the Sandinista regime. These same organizations blame the Sandinista Police and State Security for these acts of torture. After the Chamorro Government was elected, the Ministry was renamed the Ministry of the Government, but Borge loyalists still hold many of the top positions in the Ministry—and Nicaraguans still refer to it as the Ministry of the Interior.

According to an August 7, 1990 *Washington Post* article, six months after President Chamorro was elected, there were estimates that the Chamorro Government had appointed only 20 new officials out of approximately 11,700 employees in the Ministry of the Government. Administrative personnel still had military uni-

forms and ranks. The Minister of the Government, Carlos Hurtado, was able to establish special brigades to handle the disarmament of the Nicaraguan Resistance, but no comparable commission was established to dismantle the Sandinista Popular Army, the National Police or the Sandinista intelligence apparatus.

According to Nicaraguan Government officials, Carlos Hurtado was blocked last year by Antonio Lacayo in his efforts to fire René Vivas, the long-time Chief of the Sandinista National Police. According to these same sources, Hurtado was allegedly forced out of the Government due to his desire to implement police reforms, even though the Chamorro Government claimed that he resigned for "health" reasons.

Hurtado was replaced by Alfredo Mendieta on April 3, 1992. According to people close to Mr. Mendieta, he was an agent for Coca-Cola in Jinotega, Nicaragua during the 1970s. He then moved to Costa Rica and continued to work as a Coca-Cola distributor. These same sources claim that both Daniel and Humberto Ortega used Mendieta's father-in-laws' home in Costa Rica as a safe house throughout the Sandinista Revolution.

After the 1990 election, Mr. Mendieta returned to Nicaragua and worked in the National Assembly as a staff employee. According to a high-level Nicaraguan Government official, he was relieved of his duties because he mismanaged government funds. This was confirmed by two sources in the Nicaraguan National Assembly.

Mendieta claims that he was a Nicaraguan Resistance "fighter" during the 1980s. After extensive inquiries into his background, SFRC Republican staff has been able to confirm only that Mendieta served as a bodyguard for a minor Nicaraguan Resistance figure in Costa Rica.

Minister Mendieta assured SFRC Republican staff in Washington that he is head of the National Police, and that he personally is in charge of eliminating Sandinista influence from the National Police. However, high-ranking Nicaraguan Government sources, including sources in the Ministry of the Government, confirm that the National Police responds directly to General Ortega, rather than to the Minister of the Government. This may account for the fact that reforms have not yet been implemented.

#### Q. NATIONAL POLICE RESPONDS TO GENERAL ORTEGA

The 11,000 man National Police is nominally under the control of the Ministry of the Government, but in actuality is completely autonomous and remains firmly in Sandinista hands. René Vivas was the head of the National Police throughout the Sandinista regime, and remains its chief today. An inside Nicaraguan source told SFRC Republican Staff that René Vivas responds to the Sandinista National Liberation Front and considers the Minister of the Government to be irrelevant.

Vivas is a protege of Tomás Borge, former Sandinista Minister of the Interior, and he was trained with the PLO in Lebanon during the 1970s. Vivas was in charge of Sandinista surveillance of Mrs. Chamorro during the Nicaraguan Presidential campaign. Furthermore, he is accused of having personally tortured Nicaraguan Resistance leaders. Evidently, the Chamorro Government has never questioned his record.

Personnel changes in the National Police have consisted of shuffling Sandinista loyalists from one post to another. While both the Army and the National Police are controlled by the Sandinistas, it should be noted that René Vivas does not belong to General Humberto Ortega's faction. Recent press reports have indicated that Vivas might be asked to retire in the near future.

Nicaraguan military authorities have told SFRC Republican staff that Vivas is expendable because he is more loyal to Borge than to General Ortega. General Ortega could use the retirement or dismissal of Vivas to consolidate his hold on the National Police by replacing Vivas with someone from his own faction. A source very close to the Sandinista National Police warned SFRC Republican staff that possible upcoming changes could be purely cosmetic. These same sources indicate that merely changing civilian leadership in the Ministry of the Government would have no effect on the Sandinista National Police.

#### R. SANDINISTA CONTROL OF OTHER MINISTRIES

The Sandinistas continue to control most of the Nicaraguan Government Ministries below the level of Vice Minister. This is because the Chamorro Government has often appointed a Minister and several other top officials while leaving intact the Sandinista-controlled bureaucracy. In some cases, Sandinista Ministers actually have retained the positions they held under the Sandinista regime.

**Immigration**—The new head of Immigration is César Delgadillo, a long-time friend of General Humberto Ortega. Delgadillo's son is Julio César Delgadillo, the Sandinista Popular Army Commander of the Fifth Military Region. According to officials in the Chamorro Government, César Delgadillo replaced Luis Armando "Chiri" Guzmán who was loyal to Tomás Borge.

SFRC Republican staff has been told that this has become a familiar pattern: Borge loyalists are being replaced by Ortega loyalists, but government ministries remain under the control of the Sandinista National Liberation Front.

The second in command at Immigration is Commander Ana Morales, a militant Sandinista. Intelligence sources in the region have told SFRC Republican staff that Nicaraguan Immigration is providing false passports for Libyan, PLO, Iraqi, Cuban, and Panamanian terrorists.

**Electrical Energy**—This Ministry controls oil and petroleum as well as electricity. Nicaraguan Government officials say that this Ministry is completely controlled by the Sandinistas. Mrs. Chamorro's Minister, Emilio Rappaccioli, was also the Minister under the Sandinista regime. (He currently lives in the confiscated home of a U.S. citizen.) It is important to note that this Ministry is of strategic importance to Nicaragua's national security because it controls the energy supply, and the workers can easily paralyze the entire country.

**Customs**—Nicaraguan Customs is currently the subject of a bitter internal dispute. Leonte Lola is currently the acting chief of Customs. While he is not a Sandinista, the majority of the Customs bureaucracy is in the hands of the Sandinistas. All entry points into Nicaragua are controlled by Sandinistas. Government of Nica-

ragua officials claim that the Sandinistas do not have total control over Customs. Nevertheless, every Nicaraguan port is completely controlled by the Sandinista Navy.

**Construction and Transportation**—Sandinista workers at the Construction and Transportation Ministry have paralyzed industry with strikes as late as August 1992. According to an August 4, 1992 broadcast over Radio Corporacion, Minister Jaime Icabalceta offered to request 1.2 million cordobas for the workers from the Finance Ministry in an attempt to persuade them to begin working again.

**Ministry of the Presidency**—Antonio Lacayo, son-in-law of Mrs. Chamorro, is the Minister of the Presidency. He controls the entire civilian government from his office. According to a source in Lacayo's office, 70 percent of the employees in the Ministry of the Presidency are Sandinistas. SFRC Republican staff was told that the same security personnel that guarded Daniel Ortega now guards Mrs. Chamorro and Antonio Lacayo.

According to documents from the Nicaraguan Government, the Ministry of the Presidency (which is equivalent to the office of White House Chief of Staff) has a US\$8 million annual budget. This seems to be a disproportionate amount when compared with the budgets of other government agencies. For example, the total budget for the National Assembly is US\$7 million. The total budget for the judicial system, including salaries and expenses nationwide is US\$8 million. The budget for the Comptroller General is only US\$1.3 million.

#### S. THE CONSTITUTION AND THE JUDICIARY

The Sandinista Constitution of 1987 institutionalizes the Sandinistas' power. It does not establish a framework for a true democracy.

- The Sandinistas' Constitution permits state intervention in the most intimate affairs of the Nicaraguan people;
- The Sandinistas' Constitution contains no guarantees for autonomous control over private property. (The agrarian reform clauses specifically violate the sanctity of private property);
- The Sandinistas' Constitution specifically states that many industries and natural resources are off limits to competitive private enterprises;
- The Sandinistas' Constitution mandates that the financial structures of the country are to be controlled by the Nicaraguan State; and
- The Sandinistas' Constitution gives extraordinary powers and privileges to the Sandinista Popular Army and actively encourages the militarization of Nicaraguan society.

To date, President Chamorro has not presented a package of constitutional amendments to the National Assembly, in spite of the fact that her coalition campaigned on 17 reforms to the Constitution.

Furthermore, there are many laws not in the Nicaraguan Constitution which reinforce the privileged legal standing of the Sandinista National Liberation Front and the Sandinista Popular Army. Laws 85, 86, and 88, which established the Piñata property seizure, as well as laws regulating the military, media, and private

enterprise, continue to benefit the Sandinistas. These laws remain on the books, and have been reinforced by Presidential Decrees signed by Mrs. Chamorro.

The Judiciary is a legacy of the Sandinista regime because the Chamorro Government has allowed it to remain dominated by the Sandinista National Liberation Front. Despite the ideological differences which should have emerged between the Chamorro appointees and the standing justices, SFRC Republican staff was told by the Nicaraguan Foreign Minister, Ernesto Leal, that "Mrs. Chamorro does not find it necessary to make any changes because all decisions are made by consensus."

Currently, five of nine Supreme Court justices are Sandinistas. The other four justices, appointed by Mrs. Chamorro, vote with the Sandinistas. President Chamorro has the constitutional right to increase the number of justices and to name new justices to the court. She has the power to put the Sandinista justices in the minority, but she has chosen not to depoliticize the Supreme Court and has refused to increase the size of the Court in order to take control away from the Sandinistas. The status of the judicial system is evidence that Mrs. Chamorro lacks the political will to drive the Sandinistas out of power as she promised when she was elected.

#### T. CONCLUSION

There is little evidence that the Chamorro Government has ever acted to curtail the power of the Sandinistas in Nicaragua. Instead, the Sandinistas have been able to maintain absolute control over the Sandinista Popular Army, the National Police, and other paramilitary forces in the country. Mrs. Chamorro has not been able to accomplish her desired plan of "National Reconciliation" with the Nicaraguan people in large measure because she has not carried out the following reforms:

- Investigated Sandinista war crimes;
- Professionalized the Sandinista Popular Army;
- Removed Sandinistas from the Government bureaucracies;
- Passed laws to make the Sandinista Popular Army accountable to the civilian authorities;
- Proposed any package of Constitutional Amendments;
- Changed the name of the Sandinista Popular Army; and
- Removed any high-ranking officers of the Sandinista Popular Army or National Police.

Before true and lasting democracy comes to Nicaragua, government institutions should reflect the will of the Nicaraguan people. The evidence suggests that Mrs. Chamorro is merely the titular head of state. General Ortega and the Sandinistas, in partnership with the Minister of the Presidency, Antonio Lacayo, hold the real power in Nicaragua.

## **V. Command Structure of the Sandinista Popular Army (EPS)**

All officers of the General Staff have been members of the Sandinista National Liberation Front (FSLN) since at least 1979. This information was compiled from documents of the United States Government and the Sandinista Popular Army.

## Command Structure of the Sandinista Popular Army (EPS)

| Name                         | Pre-Chamorro position                                         | Current position                                                   |
|------------------------------|---------------------------------------------------------------|--------------------------------------------------------------------|
| General Humberto Ortega      | Minister of Defense                                           | Commander-in-Chief, Chief of Military Council, General of the Army |
| Major General Joaquín Cuadra | Chief of Staff, General Command Chief of the Army             | Same Position                                                      |
| Col Oswaldo Lacayo           | Deputy Chief of Staff                                         | Same Position                                                      |
| Col Javier Carrión           | Deputy Chief of Staff                                         | Same Position                                                      |
| Col Manuel Salvatierra       | Commander, Region VI                                          | Commander of the Air Force                                         |
| LtCol Manuel Rivas           | Commander of the Navy                                         | Same Position                                                      |
| Col Lenín Cerna              | Chief of State Security Directorate, Ministry of the Interior | Chief of Defense Information Directorate (formerly State Security) |
| Col Antenor Rosales          | Commander, Military Region I                                  | Chief of the Military Intelligence Directorate                     |
| Col Omar Halleslevens        | Chief of Military Counterintelligence Directorate             | Same Position                                                      |
| Col Alvaro Baltodano         | Combat Readiness Chief                                        | General Secretariat                                                |
| LtCol José Arauz             | Commander, Motorized Infantry Brigade                         | Same Position                                                      |
| LtCol Ricardo Wheelock       | Chief of Military Intelligence                                | Chief of Public & Foreign Relations Directorate                    |
| Col Roberto Calderón         | Commander, Military Region V                                  | Chief, Logistics Directorate                                       |
| Col Hugo Torres              | Chief, Personnel Directorate                                  | Chief, Political Directorate                                       |

## VI. The Nicaraguan Resistance

The members of the former Nicaraguan Resistance are among those who have sacrificed the most yet gained the least from the changes in Nicaragua since 1990. It was the Resistance that sacrificed some 25,000 lives to pressure the Sandinistas into permitting elections and to bring democracy to Nicaragua.

The Chamorro government, elected largely as a result of the struggle of the Nicaraguan Resistance, has ignored the plight of the former members of the Nicaraguan Resistance while forming a co-government with the Sandinistas. The Government has authorized the Sandinistas to arrest, detain, and imprison Resistance members on specific occasions.

An average of two former Resistance members have been murdered each week since the Chamorro Government came to power, and after the combatants had disarmed. In recent months the rate of the murders has been increasing. The Chamorro Government has undertaken no specific initiatives to prevent the killings or ensure that they are investigated thoroughly.

An Associated Press story of August 22, 1992 states that the Organization of American States received 1,400 complaints of abuses against former Resistance members in 1991 alone. The AP story quotes a leading human rights activist in Nicaragua as saying, "The Sandinistas are simply cutting off the head of the Resistance. No one is being punished. The law does not exist."

To date, the SFRC Republican staff has compiled a list of 217 members of the Nicaraguan Resistance who have been assassinated since President Chamorro came to power. Among those assassinated are five former commanders of the Resistance General Command staff. Only half of the commanders of the General Command staff are still living. Also assassinated were seven former regional commanders of the Resistance forces.

In Nicaragua today, there are more than 130,000 former Resistance members and their families. During our investigation we carried out extensive interviews with former leaders and combatants of the Resistance forces, and visited with some of them in Nicaragua. All of them recounted stories of gross violations of human rights against Resistance members and their families. They told us that they are increasingly concerned about their personal security.

The following chapter reveals the current situation with the former Resistance, as explained by the former Resistance members themselves, representatives the Organization of American States, various human rights organizations and other independent sources.

### A. THE AGREEMENT BETWEEN THE NICARAGUAN RESISTANCE AND THE CHAMORRO GOVERNMENT

Shortly before Violeta Chamorro was sworn into office, the Nicaraguan Resistance signed an agreement (March 23, 1990) known as

the Toncontin Agreement. In this agreement the Resistance pledged a "general demobilization of our forces no later than next April 20 (1990)." The agreement also called for a cease-fire, monthly pensions for the resistance and others affected by the war, and a "special transition commission . . . composed of members of the incoming government and the Nicaraguan Resistance." (See Appendix)

The last accord between the Resistance and the Government was signed May 30, 1990, and entitled "The Managua Protocol on Disarmament." It was known by the Resistance as the "Mother's Day Accord." Although a translation of the full text of each of these accords is included in the Appendix of this Report, it is important to highlight certain major commitments made by both sides.

The central commitments by the Resistance included full demobilization, a unilateral cease-fire, concentration of armed forces in security zones, and a role for the Organization of American States International Commission of Support and Verification in the demobilization and resettlement of the former combatants. By all accounts the Resistance has complied with its commitments.

The Government of Nicaragua has publicized widely the destruction of the weapons turned in by the Resistance. With the exception of a small group of Resistance members who have recently re-armed, all evidence shows that the Resistance has complied fully with its commitments. In fact, several months after Mrs. Chamorro was elected all Resistance troops demobilized, and they turned in 20,000 weapons. Cardinal Obando y Bravo and the Organization of American States verified the demobilization and disarmament process.

The Government repeatedly pledged to protect the security of the former Nicaraguan Resistance. On April 18, 1990, an agreement was signed by representatives of the incoming Chamorro Government, the Sandinistas and the Resistance. Point No. 11 of that agreement states that "the Government of Nicaragua agrees to respect the freedom, security, and physical and moral integrity of the members of the RN [Nicaraguan Resistance] and their families."

In a declaration on May 4, 1990, between the Resistance and President Chamorro, the President reiterated "her commitment to guarantee the physical and moral integrity of each and every one of the combatants of the RN, their family and the civilian population accompanying them." In this accord, the Government agreed to create "development areas" for the demobilized, "in order to meet their material needs."

That commitment was reiterated on May 30, 1990, in the "Managua Protocol on Disarmament" signed by President Chamorro, the Resistance and Cardinal Miguel Obando y Bravo. In this accord, the Government agreed to provide economic assistance to each demobilized member of the Resistance. This agreement "guarantees the security of the ex-combatants who are demobilized and leave the security zones to go settle in the [development] areas."

#### B. BROKEN PROMISES

Independent observers agree that the Nicaraguan Resistance has complied fully with its commitments, but that the Chamorro Government has not fulfilled its part of the bargain. The following is

a list of the written promises agreed upon by the Government of Nicaragua and the Resistance more than two years ago, and an explanation of the current status of each promise.

1.) The Government of Nicaragua promised to integrate into various government agencies representatives appointed by the Resistance. One former Resistance political advisor was named as Minister of Agrarian Reform, but he was not chosen by the Resistance to represent them. He was chosen by the Government. No former combatants have been selected by the Resistance to represent them in Government ministries.

2.) The Government of Nicaragua promised to demobilize and disarm all civilians in national territory. According to two high level Nicaraguan Government sources, a large portion of the population is armed. All members of the Sandinista National Liberation Front and members of the Sandinista cooperatives are armed with war weapons such as AK-47s. Nothing has been done to recover these automatic rifles. In fact, many sources told us that you can buy such weapons—and more advanced weapons—all over Nicaragua, including in the market.

3.) The Government of Nicaragua promised to return all confiscated properties owned by former Resistance members. The Resistance members compiled a list of 5,400 confiscated properties that were registered with the Government at the time of demobilization. These properties include homes, farms, other lands, and personal possessions such as vehicles. Knowledgeable sources indicate that not more than 2 percent of these properties have been returned to the former combatants.

In many cases, armed Sandinistas are illegally occupying these homes and farms. Most of the confiscations took place in Jinotega, Estelí, Boaco, Matagalpa, Nueva Segovia, Chinandega and Zelaya.

4.) The Government of Nicaragua guaranteed both rehabilitation and social readaptation to those affected by the war, in addition to pensions for widows, the maimed and the wounded. The Government promised to provide education and training for technical skills. Only about one half of the former Resistance members are receiving pensions. They are receiving approximately US\$20 per month. This is much less than the Government had promised they would receive.

One half of those eligible have never received pensions. The Resistance members must apply to the local Government for the pension, and the Government has made the process so bureaucratic that it is very difficult to receive the pension. Furthermore, the Government officials at the local level are overwhelmingly Sandinista, and these officials simply block the pensions for former Resistance members.

The Government never initiated the rehabilitation or social readaptation programs for the demobilized combatants.

5.) The Government of Nicaragua promised to give parcels of land with titles to demobilized Resistance members. With this, they were guaranteed financing, housing, health and education.

The Government of Nicaragua gave parcels of land to approximately 45 percent of the former Resistance members. However, they have received **no legal titles** to the land. The vast majority of land received by the Resistance has either not been arable, or has lacked the necessary infrastructure to farm. Many of the towns where land was given to the former combatants have no potable water, no sewage system, no access roads, and no schools. In many cases where arable land was provided, the Sandinistas had destroyed all of the infrastructure.

The Government of Nicaragua has communicated to the Resistance that there is no land left for the other 55 percent of the Resistance who has not yet received land. The Resistance was told that there is no more land available, and that the Government has no money to buy more property.

No housing has been provided to the former Resistance members, with the exception of some housing projects completed by the Organization of American States.

Inasmuch as no legal titles were given to the demobilized Resistance members, it has been impossible for them to get financing from the banks. In May of 1992, the leadership of the former Nicaraguan Resistance met with Antonio Lacayo, Minister of the Presidency (and son-in-law of President Chamorro) to discuss their inability to obtain financing. Lacayo promised them that he would take care of everything, but to date, there has been absolutely no financing.

6.) The Nicaraguan Government promised to create "development zones". These zones have not been created due to lack of any infrastructure and lack of cooperation from the Government. It is widely known that the Sandinistas pressured the Government not to create these zones.

7.) The Government promised representation and participation by the former Resistance at the municipal government level. According to independent sources, the Resistance has sent lists of candidates for these jobs in the local Government, and every name has been rejected by the Government.

8.) The Nicaraguan Government pledged all support necessary to help the demobilized combatants integrate into civilian life. The Government also promised economic assistance to every combatant who turned in a war weapon. To date, the Government has not provided the necessary economic assistance in order to build the infrastructure required in their villages to create the "development zones"

More than five months after 20,000 Resistance members demobilized, each member did receive a **one time payment of ten dollars**. This was enough money just to return to their homes. During negotiations, the Government of Nicaragua promised the Resistance that they would provide financial assistance for a **couple of years** to those who turned in their weapons and demobilized. The Government has awarded full salaries for several years to members of the Sandinista Popular Army who were transferred to the "Active Retired" service, yet will not provide equal treatment for the Resistance members.

9.) The Government pledged to remove all mines in Nicaraguan territory which had been placed there by the Sandinista Popular Army. To date, these mines have not been removed, and have resulted in many persons wounded or dead. Now the Chamorro Government is requesting financial assistance from the United States to remove mines planted by the Sandinistas. It has been suggested that it would be wiser to ask an international team of technical experts to find and remove these mines.

10.) Finally, the Chamorro Government guaranteed indemnification to former members of the Nicaraguan Resistance for material losses sustained during the Sandinista regime. Independent sources tell SFRC Republican staff that there has been no indemnification.

#### C. ASSASSINATIONS AND HUMAN RIGHTS ABUSES OF FORMER RESISTANCE MEMBERS

What the Nicaraguan Resistance and most people of Nicaragua did not know at the time the accords were signed was that the security forces, the police, the intelligence apparatus and the judicial system would remain in the hands of the Sandinistas. Consequently, President Chamorro's pledges to protect the Resistance are being "enforced" by the very same people who have sought the elimination of the Resistance for the last 12 years. The result is that there is no security for the Resistance members and their families.

We have compiled a list of 217 former members of the Resistance who have been assassinated since President Chamorro took office. Cardinal Obándo y Bravo told the SFRC Republican staff in Nicaragua that "there is evidence that there is a campaign to eliminate members of the Nicaraguan Resistance." Many more former combatants have been harassed, detained or tortured.

One senior Nicaraguan official told us that he has seen no effort by the Government to place a priority on the protection of the former Resistance forces. This same source told Committee Republican staff that an effort to investigate the assassination of the former combatants was "not on the agenda of the Government." That statement is supported by the fact that not one individual has been convicted to date in conjunction with the murders of any of the Resistance members.

The most notorious assassination was that of former Resistance General Commander, Enrique Bermúdez, on February 16, 1991. Bermúdez was assassinated in the parking lot of the Intercontinental Hotel in Managua at night as he tried to enter his car. According to someone who had been with Mr. Bermúdez that same evening, he was alone and unarmed at the time he was shot and killed. According to his widow, Elsa, he had asked the Government for an armed bodyguard. The Government told him he could have any bodyguard he wanted, but that the guard could not be armed.

Although the Government of Nicaragua had promised the Resistance members that it would provide for their security, the Bermúdez case shows a failure by the Government to provide security for even the highest military commander of the Resistance. (Meanwhile, Humberto Ortega is surrounded at all times by an en-

tourage of bodyguards.) We were unable to find any evidence suggesting that there has been a credible investigation of the Bermúdez murder. The assassination of Enrique Bermúdez is discussed in greater detail in the Human Rights Chapter.

We have listened to hundreds of stories detailing the gross human rights violations against the former Resistance members allegedly carried out by the Sandinista security forces. The following are a few of these cases as described by various human rights organizations, or family members of the Resistance.

- According to the Nicaraguan Pro-Human Rights Association, on April 12, 1991, a Sandinista patrol composed of ten heavily armed soldiers under the command of Sandinista Lieutenant Luís Urbina arrived at the house of former Nicaraguan Resistance member Rosario Mairena in Matagalpa. After entering the house, they dragged Mairena 150 meters from his house and, in front of his wife and children, shot him, then castrated and decapitated him.

Neither the police nor other authorities have initiated an investigation of the murder. Furthermore, Lieutenant Luís Urbina, whom the Nicaraguan Pro-Human Rights Association has denounced consistently for human rights violations, continues to serve with the National Police in that region.

- On November 8, 1990, José Eliézer Rivera Ubeda and some friends—all former Resistance members from Jinotega—went to Matagalpa to hold a civil protest regarding the failure of the government to comply with the accords it signed with the Resistance. After Sandinista Commander Mario Noguera ordered that the protesters be cleared out by force, Rivera was beaten and imprisoned by members of the Sandinista National Police.
- One of the more brutal massacres of demobilized combatants took place in December of 1990 in Jalapa, Nueva Segovia. According to eyewitnesses, the Police Chief in that area, Captain Luís Enrique Talavera, along with Lt. Eddie Peralta, handed out guns and ammunition to members of the Sandinista Youth brigades. For the next two days, Talavera, Peralta and the youths went from house to house, systematically capturing and assassinating former members of the Nicaraguan Resistance and their friends.

The two-day massacre resulted in 12 deaths, 19 wounded and 45 detentions. Among the dead were former Resistance members Mariano Valle, Jacinto Pérez, Franklin Martínez, Emilio Avila, Marvin Centeño Zeledón, Crecensio Soto and Anselmo Castellón. There was a military trial, but Captain Talavera was fully exonerated by the Military Tribunal.

- In Pantasma, Jinotega, on November 13, 1991, Sandinista forces assaulted people, looted stores, destroyed electric power lines and threw grenades at the Catholic church “La Dolorosa.” Ten days later, Héctor Moreno, a member of the Sandinista military, assassinated Francisco Javier Herrera (“Solín”) by torturing him and then slitting his throat. According to the Nicaraguan Pro-Human Rights Association these events in Pantasma have never been investigated.

The Nicaraguan Permanent Commission on Human Rights states that:

“in the vast majority of Police detention centers, torture, physical and verbal abuse are used against prisoners as a method of investigation . . . Prisoners have complained of receiving cruel tortures during interrogations. These tortures have included the following: . . . being hung upside down by their handcuffed feet, giving electric shocks to the head by sending currents through wires, and having both feet and hands handcuffed for three to four days while not allowing the prisoners to eat.” (Nicaraguan Permanent Commission on Human Rights Report of April 1992.)

The Nicaraguan Government has often treated the Resistance members as if they are the threat to the future of democracy in Nicaragua, rather than the Sandinistas. In May 1990, the Resistance and the Chamorro Government were in the process of negotiating guarantees for economic assistance and personal security after the demobilization of the Resistance forces. During these negotiations, approximately 20 Resistance commanders and three of their political advisors were staying at the Intercontinental Hotel and the Las Mercedes Hotel in Managua.

The Chief of the National Police, René Vivas, and National Police Chief of Security, Juan José Ubeda, led dozens of policemen in an operation to surround the two hotels. According to eyewitnesses with whom we spoke, the two Sandinista National Police commanders told the Resistance leaders that they were being detained inside the hotel under orders from President Chamorro.

When United States Congressional representatives asked Mrs. Chamorro the reason for the detention, they were told that the Resistance leaders were a threat to the general populace because they were walking in the streets of Managua in combat fatigues. The Resistance leaders were indeed in uniform, because they were peasants, and had no other clothing. They were unarmed, however, and could not therefore have been a threat to anyone.

The Resistance leaders were detained at the two hotels for two days, and the telephone lines in their rooms were disconnected. One of the Resistance commanders told the SFRC Republican staff that at one point a Sandinista policeman put a gun to his head and threatened to kill him.

One staff member for a U.S. Democratic Senator, who was staying in the hotel at the time on an official trip to Nicaragua, described the incident as an “outrage.” Resistance members frantically called Congressional offices in Washington seeking assistance from Members of Congress. The Resistance leaders were released only after one influential United States Senator conveyed to President Chamorro that he would support a suspension of assistance if she did not release the commanders, and after Cardinal Obándo y Bravo interceded.

The case of Aristides Sánchez (described in detail in the Human Rights Chapter) provides another glaring example of the Chamorro Government’s disrespect for the Resistance. In that case, according to a high-ranking Nicaraguan Government source, the Minister of the Presidency Antonio Lacayo ordered the arrest of Sánchez, a highly respected former Nicaraguan Resistance leader.

Under orders from René Vivas, the arrest was carried out by 100 National Policemen lead by Javier López, Sandinista Chief of the Penal System. Sánchez was detained, imprisoned, tortured and ordered out of the country. He was never formally charged or accused of anything. The symbolism of the Chamorro Government ordering the Chief of the Sandinista National Police to arrest and imprison a respected Resistance leader speaks volumes about the relationship between the Resistance and the new Government.

#### D. NICARAGUAN RESISTANCE MEMBERS REARM

Mrs. Chamorro has tried to downplay the concerns of her critics at home and abroad by telling them that even with all the problems in Nicaragua, the country is at peace. Yet it is widely known that former members of the Nicaraguan Resistance have taken up arms because of their frustration with the Chamorro Government's unwillingness to uphold the commitments it made to the Resistance in the formal agreements. (See Appendix) Because the movement is clandestine, the exact number of fighters is difficult to determine. Knowledgeable sources believe that as many as 2,000 members of the Nicaraguan Resistance may have rearmed.

The vast majority of the Nicaraguan Resistance simply sought to resettle and start their lives over. The Chamorro Government has claimed that one of its great accomplishments was the complete demobilization of the Nicaraguan Resistance. However, the Sandinista's systematic campaign to eliminate Nicaraguan Resistance members has left many of the Resistance members with the feeling that they have little choice but to rearm in order to protect themselves and their families.

According to Ricardo Bofill, President of the International Institute for Human Rights, the Sandinista Popular Army gave orders to shoot many Nicaraguan Resistance members involved in peaceful demonstrations throughout Nicaragua. Bofill's report states that "in all these cases, civilian investigative commissions found that the military abused their power. But the Nicaraguan Government did not prosecute the criminals."

A leader of the those rearming was José Angel Morán, known as "El Indomable." According to *Barricada* newspaper, "Indomable" was murdered in July 1992 while he was traveling to Nicaragua from Honduras. (His body has not yet been recovered.) The United States Department of State's 1991 Human Rights Report states that Morán rearmed only after his pregnant wife was murdered by Sandinista mobs during an attack on his home. His story is typical of many of the former Resistance combatants.

The Nicaraguan Pro-Human Rights Association reports that on February 28, 1991, in a community called San Estéban in Jinotega, some former Resistance members, who were peasants, sent a group to the "Corinto Finca" Sandinista cooperative to reach an agreement to share some of the excess land under the cooperative's control. At about 10:30 a.m. When the peasants arrived, the cooperative members opened fire with AK-47s, an M-60 machine gun and grenades provided by the Sandinista Popular Army. The group of peasants was unarmed. Roberto Pérez Hernández, María Esperanza Cruz Rivera, Pedro Castro Blandón, César Hernández Castro and Moisés Piñeda were killed. Seven others were wounded.

Several groups went to the scene of the crime to investigate, including the Sandinista National Police, the Ministry of Government, a representative of the Organization of American States, and a representative of Cardinal Miguel Obando y Bravo. However, since the cooperative members maintained military control of the farm, no one was able to enter the property in order to care for the wounded. Only after the Sandinista Popular Army arrived were the dead removed and the wounded and the hostages released. All victims had been stripped of their valuables including money, watches and even clothing.

The police briefly detained the following cooperative members for their role in the murders: Erwin Castrillo, William López Araúz, Isidro Obando (former member of the Sandinista State Security), Estanislao López García, Juan Siles, Manuel Gaitán and Alfredo Núñez. However no arrest warrants were issued, and nobody was prosecuted. The police also arrested peasants who had approached Corinto Finca, and according to the Nicaraguan Pro-Human Rights Association, some of the peasants were held for up to six months. Since this crime, the local police have threatened and harassed local peasants, but have left the Sandinista cooperative alone.

Human rights leader, Ricardo Bofill, provided the SFRC Republican staff with another story which is indicative of why many of the former Resistance fighters have decided to rearm. The incident involves Carlos Abraham Gutiérrez ("Capitol Chiquito") who had served with the Resistance since 1986. On September 12, 1990 he demobilized and turned in his weapons to the Organization of American States. According to Bofill, Gutiérrez and his family traveled to Ocotal after demobilizing and tried "to incorporate themselves into the productive life of Nicaragua."

For no apparent reason, on October 12, 1990 he was taken prisoner by Sandinista Captain Eligio Andino. Three days later, Gutiérrez was dead.

The Sandinista forensic doctor, Mario Calderón, declared that Gutiérrez hung himself in his jail cell with his socks. However, Lino Hernández with the Permanent Commission on Human Rights in Nicaragua conducted his own investigation and found the following disturbing facts:

- The cell where Gutiérrez allegedly hung himself was a "Chiquitas," a cell about the size of a coffin. The height of the cell did not allow enough room for Gutiérrez to hang himself;
- Gutiérrez' body was covered with sand indigenous to the rivers in Ocotal;
- Gutiérrez' neck was flayed;
- His right eye socket was empty;
- His face and body were covered with hematomas; and
- His spine, legs and ribs were broken.

According to human rights leader Lino Hernández, "the impartial investigators stated that due to the type of injuries, they believed that [Gutiérrez] was tied with a rope [to the back of a vehicle] and dragged by his neck until he was dead." Despite knowing about the horrible injuries Gutiérrez sustained, the Government of Nicaragua still claims that Gutiérrez committed suicide by hanging himself.

As long as such violence is directed against the former Nicaraguan Resistance, and the Chamorro Government permits it to continue, we believe the Nicaraguan Resistance will continue to rearm.

The fact that there are well over 200 former Resistance members who have been murdered since President Chamorro took power gives a strong indication that there is a systemic campaign to eliminate the Nicaraguan Resistance—particularly the top commanders. A high ranking Nicaraguan Government official confirmed that there is a systemic effort to kill Nicaraguan Resistance members. "The numbers speak for themselves," this source told the SFRC Republican staff. Independent sources told the SFRC Republican staff that grave human rights abuses are increasing under the Chamorro Government.

Many Nicaraguan leaders told SFRC Republican staff that they are of the opinion that the Sandinista Popular Army and the Sandinista National Police are attempting to eliminate all important former members of the Nicaraguan Resistance. Cardinal Obándo y Bravo expressed great concern over the assassinations of former Resistance members, and said that he sees no particular concern to either put an end to the assassinations or to prosecute those responsible for these abuses. As of this writing, SFRC Republican staff has not been able to confirm one single murder of a Sandinista soldier or policeman by a former member of the Nicaraguan Resistance for political reasons.

#### E. RESISTANCE SECURITY NEEDS

The Resistance reports that they have seen none of the benefits of the United States bilateral economic assistance to Nicaragua. They echoed the view that is held by a wide spectrum of the Nicaraguan people that the assistance package has primarily helped the Government solidify its ties with the Sandinistas.

The one project to which the former Resistance members give high marks is the Organization of American States (OAS) verification program directed by Argentine national, Mr. Santiago Murray. The full scope of the OAS verification team's activities is described in a document in the Appendix of this report. Most people with whom we discussed the OAS program were highly laudatory of its role in assisting the former combatants to reintegrate into civilian life. (See Appendix)

The OAS team has provided invaluable assistance to the Resistance in investigating human right violations. The only housing which has been built for the former Resistance members and their families was done so by the OAS team in Nicaragua. One Resistance member told us that "if it were not for the OAS verification team, we (former Resistance members) would not exist." The Resistance told SFRC Republican staff that the OAS verification team in Nicaragua provides the only security they have.

Because of its key role, the OAS team in Nicaragua has been targeted for attack by the Sandinistas. During our visit, for example, the driver of a marked OAS vehicle was shot dead by a member of the Sandinista Popular Army. When the police tried to downplay the necessity for an investigation of that murder, the OAS sent its own team to the site to investigate. At that point the OAS received

some cooperation from the local police. In August, a Sandinista Army Major was charged with this murder.

The Resistance is alarmed and distressed by an apparent decision of the United States Agency for International Development (AID) to suspend the OAS program on September 30 of this year. In a letter of July 1992 to the Resistance leaders, the Director of AID's mission in Managua, Janet Ballantyne, wrote: "Through this means AID informs you that the bridge financing through CIAV/OAS will be the last that we can offer and we hope that your efforts with the IDB [Inter-American Development Bank] and other institutions will be fruitful." AID Officials in Managua confirmed their intention to suspend assistance to the OAS verification team.

One of the explanations provided to us by AID for the possible termination of "bridge" financing through the OAS is budgetary constraints. Inasmuch as the United States has already given more than US\$1 billion to the Government of Nicaragua, and the OAS verification team is requesting only US\$3.5 million for one more year, we find this explanation to be disingenuous.

No decision to suspend the funding of the OAS project in Managua can be viewed in a vacuum. These programs are the only ones directly assisting the more than 130,000 Resistance combatants and family members. The Resistance members have put down their arms, while the Sandinista Popular Army and National Police remain fully armed.

Moreover, as we have seen in the case of the murdered Resistance leaders, there is no government sponsored protection for former combatants and their families. If one of them has a grievance or has reason to believe that he is at risk, he or she must turn to the Nicaraguan National Police—headed by a Sandinista—for assistance. Since the courts are still controlled by the Sandinistas, there is no chance for judicial relief for the members of the Nicaraguan Resistance. This reality must be juxtaposed against the fact that none of the bilateral assistance from the United States Government and international donors provided to the Government of Nicaragua reaches the Resistance.

Therefore, to discontinue United States support for a highly respected program that many Resistance members feel is their only guarantee for security, seems premature and misguided.

Our discussions in Washington have found broad bipartisan support for the role of the OAS team in Managua directed by Santiago Murray. It is our understanding that the State Department has requested that the Embassy further justify its apparent decision to terminate the OAS program for the Nicaraguan Resistance.

#### F. CONCLUSION

The plight of the Nicaraguan Resistance is of utmost concern. On July 18, 1992, Commander Rubén, the top representative of the Nicaraguan Resistance in Nicaragua wrote to Senator Helms and described the situation of the Resistance members. He stated that the former combatants wanted only to return to civilian life and to be able to guarantee security for their families and friends. (See Appendix)

Commander Rubén and his colleagues have told the SFRC Republican staff that they feel betrayed by the Chamorro Govern-

ment. They negotiated and signed many agreements with the Government, and yet there is no evidence that the Government has any intention of complying with the various accords.

The Resistance members tell us that they live in permanent fear for their lives. Commander Rubén wrote in his letter that the fundamental problem in the country is "the predominance of a political party in arms over the civilian population."

The fears of the Nicaraguan Resistance are very real. The democratic Nicaraguans have all told us that Nicaragua would never have had a chance to be free without the sacrifice of more than 25,000 men and women combatants in the Resistance who gave their lives, and tens of thousand more who fought. They also confirm that there would have never been elections in Nicaragua, and Mrs. Chamorro would not be President today if it had not been for the 10 year struggle of so many young people.

If the Chamorro Government hopes to establish genuine democracy, the people with whom we have spoken believe that the Government must reconcile, not with the Sandinistas, but rather, with the Nicaraguan Resistance.

**VII. 217 Freedom Fighters Assassinated During the  
Chamorro Administration**

Information was obtained from the Organization of American States, the Nicaraguan Pro-Human Rights Association and the International Federation of Human Rights.

## 217 Freedom Fighters Assassinated During the Chamorro Administration

| Name                                          | Date of Assassination | I.D. No. |
|-----------------------------------------------|-----------------------|----------|
| <b>COMMANDERS OF JOINT CHIEFS OF STAFF:</b>   |                       |          |
| 1 Enrique Bermúdez ("380")                    | 02-16-91              |          |
| 2 Francisco Ruíz Castellanos ("Renato")       | 06-27-91              |          |
| 3 Israel Galeano Cornejo ("Franklyn")         | 05-02-92              |          |
| 4 Diógenes Membreño Hernández ("Fernando")    | 06-07-92              |          |
| 5 Manuel Antonio Rugama ("Aureliano")         | Unknown               |          |
| <b>OTHER COMMANDERS:</b>                      |                       |          |
| 6 José Angel Morán ("Indomable")              | 07-19-92              |          |
| 7 Genaro Gómez Vargas ("Freddy")              | 01-08-92              |          |
| 8 Francisco Luis Cano Ch. ("Chapulín")        | 04-13-91              | 3112475  |
| 9 Róger Leonel Benavidez Castellón ("Freddy") | 06-01-92              | 515615   |
| 10 René Espinales Zelaya ("Franklin-2")       | 06-13-92              | 11212    |
| 11 Francisco Rivera Herrera ("Cadejo")        | 06-18-92              |          |
| 12 Noel Urbina Andino ("Rafa")                | 06-30-92              |          |
| <b>COMBATANTS:</b>                            |                       |          |
| 13 Juan Ramón Ruíz Santos ("Esteli")          | 06-09-90              | 310922   |
| 14 José Andrés Zamora Tórrez ("Grano de Oro") | 06-11-90              | 514597   |
| 15 Arturo Medina Stony                        | 06-23-90              | 2610743  |
| 16 Dionisio Bent                              | 07-18-90              |          |
| 17 Jesús Hernández Gonzales ("Carro Rojo")    | 07-18-90              |          |
| 18 Victor Manuel Calero Gutiérrez             | 08-25-90              | 111900   |
| 19 Saturnino Gutiérrez López                  | 09-05-90              |          |
| 20 José Lira Sovalbarro ("Zelaya")            | 09-13-90              | 412108   |
| 21 Evelio Perez Betanco ("Limay")             | 09-24-90              | 511805   |
| 22 José Antonio Carrasco Vanegas ("Diablo")   | 09-24-90              | 511196   |
| 23 José Antonio Romero Carrasco               | 09-24-90              |          |
| 24 Tomás Jarquín García ("Walter")            | 09-26-90              | 310505   |

|                                              |          |         |
|----------------------------------------------|----------|---------|
| 25 Miguel Angel Rugama Ruíz ("Plateada")     | 09-26-90 | 514597  |
| 26 Carlos Abraham Gutiérrez Vallecillo       | 10-01-90 |         |
| 27 Juan Francisco Rayte ("Fernando")         | 10-02-90 | 110049  |
| 28 Secundido Hernández                       | 10-02-90 |         |
| 29 Adrián Jirón Lanuza                       | 10-13-90 |         |
| 30 Jacinto Jirón Lanuza                      | 10-13-90 |         |
| 31 Ismael López                              | 10-19-90 |         |
| 32 Mercedes Matus García                     | 10-20-90 |         |
| 33 Isidoro Orozco Molinares                  | 10-29-90 |         |
| 34 Justo Salgado Aguirre                     | 10-30-90 | 412966  |
| 35 Elvin Melgara Reyes ("Ardilla")           | 10-30-90 | 111038  |
| 36 Narciso Rios Machado                      | 11-02-90 | 1911488 |
| 37 José R. Enrique                           | 11-08-90 |         |
| 38 Antonio Blandón Gutiérrez                 | 11-24-90 |         |
| 39 Marco Antonio Castro Muñoz ("Justiciero") | 11-24-90 | 630052  |
| 40 José Adán Rugama Lopez ("Franklin")       | 11-27-90 | 310834  |
| 41 Benjamín Gutiérrez Matey                  | 12-01-90 |         |
| 42 Sonia Rivera Hernández                    | 12-12-90 | 110027  |
| 43 Mariano Correa Cruz                       | 12-17-90 |         |
| 44 Mariano Valle                             | 12-17-90 | 112016  |
| 45 Jacinto Pérez                             | 12-17-90 | 0311403 |
| 46 Franklin Martínez                         | 12-17-90 |         |
| 47 Emilia Avila                              | 12-17-90 | 310039  |
| 48 Marvin Centeno Zeledón                    | 12-17-90 |         |
| 49 Cresencio Soto                            | 12-17-90 |         |
| 50 Anselmo Castellón                         | 12-17-90 |         |
| 51 Isabel Calderón Martínez ("Israel")       | 12-31-90 | 110974  |
| 52 Benjamín Gómez Matey ("Tirso")            | 01-03-91 | 112144  |
| 53 José Blandón Estrada ("Marvin")           | 01-12-91 | 110932  |
| 54 José Dolores Hernández López ("Valiente") | 01-15-91 | 210779  |
| 55 Carlos Benavides Córtez ("Wilson")        | 02-16-91 | 410704  |

## 217 Freedom Fighters Assassinated During the Chamorro Administration—Continued

| Name                                     | Date of Assassination | I.D. No. |
|------------------------------------------|-----------------------|----------|
| 56 Lázaro Peralta Rodríguez              | 02-23-91              |          |
| 57 José Hernández Rugama ("Giovanni")    | 02-24-91              |          |
| 58 Felix Pérez Reyes ("William")         | 03-01-91              | 413757   |
| 59 Esperanza Cruz Rivera                 | 03-04-91              |          |
| 60 José Ramón Fernández                  | 03-18-91              |          |
| 61 Domingo Salguera                      | 03-22-91              |          |
| 62 Mariano Uriel Fuentes                 | 03-27-91              |          |
| 63 José Rivera López                     | 03-30-91              |          |
| 64 Daniel Mercado Tróchez ("Javier")     | 04-11-91              | 210450   |
| 65 Rosario Mairena Alaniz ("La Pulga")   | 04-20-91              | 510670   |
| 66 José María Duarte Rivera ("Emiliano") | 04-23-91              |          |
| 67 Santos Angel Fajardo Gonzales         | 04-28-91              |          |
| 68 Santos Angel Lagos Fajardo            | 04-28-91              |          |
| 69 Rodolfo Calero Espinoza ("Tigre")     | 04-29-91              |          |
| 70 Enrique Campos Cerna ("Culebra")      | 05-04-91              | 411270   |
| 71 Prospero A. Urbina B. ("Hormiga")     | 05-05-91              | 510547   |
| 72 Domingo López Solís ("Apolinar")      | 05-07-91              | 412784   |
| 73 Pedro Antonio Rocha Díaz ("Tufalera") | 05-18-91              | 80063    |
| 74 Felipe Cruz Guatemala ("Corralito")   | 06-01-91              | 513527   |
| 75 Bismark Zamora Urbina                 | 06-10-91              |          |
| 76 Cruz Huerta Martinez ("Elwi")         | 06-18-91              | 311653   |
| 77 Levi Saturnino López Rayo ("Ratón")   | 06-21-91              | 211349   |
| 78 Leonel Sobalvarro Castro ("Moneda")   | 06-23-91              | 630254   |
| 79 José Noé Portillo Guevara ("Crespo")  | 07-23-91              | 312037   |
| 80 Mario Patrán Vásquez ("Freddy")       | 07-27-91              | 512370   |
| 81 Tomás Hernández Carranza ("Byron")    | 07-29-91              | 515692   |
| 82 Frank Hernández Velásquez ("Chino-1") | 08-21-91              |          |

|     |                                               |          |         |
|-----|-----------------------------------------------|----------|---------|
| 83  | Irán Hernández Velásquez ("El Chino")         | 08-21-91 |         |
| 84  | Martín González Sobalvarro ("Ariel")          | 08-21-91 |         |
| 85  | Ramón Orozco Buazo ("La Garza")               | 08-21-91 |         |
| 86  | Julio Cano ("Jorvin")                         | 08-21-91 |         |
| 87  | Isaac Ramiro Sevilla Montoya ("Walter")       | 08-21-91 |         |
| 88  | "Sony"                                        | 08-21-90 |         |
| 89  | José Alcides Palacios Salgado ("Josué")       | 09-03-91 |         |
| 90  | Martín Rayo Martínez                          | 09-12-91 |         |
| 91  | Tano García                                   | 09-15-91 |         |
| 92  | Ramón Leiva Jarquín                           | 09-21-91 |         |
| 93  | Jesús Antonio Gutiérrez Martínez              | 10-02-91 | 211647  |
| 94  | Rolando Maliano Miranda                       | 10-06-91 | 810616  |
| 95  | Amadeo Mairena García                         | 10-08-91 |         |
| 96  | José Esteban Zeledón Blandón ("Wilfredo")     | 10-30-91 | 511220  |
| 97  | Obdulio Herrera Baquedano ("Dumas")           | 11-06-91 | 80138   |
| 98  | Armando Gadea Hernández ("Veloz")             | 11-16-91 | 110178  |
| 99  | José Daniel Reyes Alfaro ("Juan Carlos")      | 11-17-91 |         |
| 100 | Diego Reyes Rivera ("Donald")                 | 11-17-91 |         |
| 101 | Mauricio Benavídez ("Avispa")                 | 11-17-91 |         |
| 102 | José Rivas Maldonado                          | 11-25-91 |         |
| 103 | Pedro Laguna                                  | 12-16-91 |         |
| 104 | Eleodoro Splinger Varela                      | 12-20-91 | 512740  |
| 105 | Francisco Herrera Tróchez ("Solín")           | 12-23-91 | 5119148 |
| 106 | Rosalio Mendoza                               | 12-24-91 |         |
| 107 | Miguel Angel Centeno Valenzuela ("Erli")      | 12-25-91 |         |
| 108 | Francisco Chavarría Castro ("Ruddy")          | 12-30-91 |         |
| 109 | Jesús Palacios Moreno ("Zapote")              | 03-24-91 | 511004  |
| 110 | Electerio Mejía                               | 01-03-92 |         |
| 111 | Santos Talavera                               | 01-03-92 |         |
| 112 | Tomás Reynerio Gutiérrez Calderón ("Mediano") | 01-03-92 | 310998  |
| 113 | Mario Antonio Ruíz                            | 01-16-92 |         |

## 217 Freedom Fighters Assassinated During the Chamorro Administration—Continued

| Name                                           | Date of Assassination | I.D. No. |
|------------------------------------------------|-----------------------|----------|
| 114 Juan Francisco Ruiz Lúquez ("Chino-Rambo") | 01-24-92              |          |
| 115 Reynaldo Arceda ("Pepe")                   | 02-04-92              |          |
| 116 Ulises Castellón Reyes                     | 02-20-92              |          |
| 117 Calixto Hernández                          | 03-04-92              |          |
| 118 Santos Obando                              | 03-04-92              |          |
| 119 Efraín Castro                              | 03-04-92              |          |
| 120 Omar Andrés Olivas Acuna ("El Pinto")      | 03-07-92              | 211368   |
| 121 Silvio Rios Rodríguez                      | 04-06-92              |          |
| 122 Edgard Pérez Prado                         | 05-01-92              |          |
| 123 Rufino Escoto                              | 05-21-92              |          |
| 124 Javier Oporta                              | 05-21-92              |          |
| 125 Clariso Bermúdez                           | 05-21-92              |          |
| 126 Benigno Gómez                              | 06-01-92              |          |
| 127 Francisco Rivas                            | 06-01-92              |          |
| 128 Runner Rodolfo Reyes Luna                  | 06-18-92              |          |
| 129 Javier Espinoza Delgadillo                 | 06-28-92              |          |
| 130 Julio Cesar Velásquez                      | 07-06-92              |          |
| 131 Tomás Reynerio Gutiérrez                   | 01-03-92              | 310998   |
| 132 José Hernández López ("Valiente")          | 01-15-91              | 210779   |
| 133 Uriel Calderon Martínez                    | 06-14-90              |          |
| 134 Lucio R. Rostrán ("Villatora")             | 07-00-90              |          |
| 135 Francisco Rodríguez                        | 11-12-90              |          |
| 136 Apolonio Amador                            | 12-14-90              |          |
| 137 Paulino Rizo                               | 12-14-90              |          |
| 138 Asisclo Cruz                               | 12-14-90              |          |
| 139 Emilia Avila                               | 12-14-90              |          |
| 140 Isidoro Ortiz Beltrán                      | 12-25-90              |          |

141 Pablo Antonio Casco Urbina

08-06-92

142 Augusto Chavarría Ocón

08-03-92

NOTE: Dates of assassination of the following members of the Nicaraguan Resistance were not available to the Senate Foreign Relations Committee.

143 Domingo Quezada

144 Remberto Hernández

145 Gumercindo Montenegro

146 Mario Matute

147 José Adán Fernández Torres

148 Elvin Pinell

149 Wilmer Sevilla Chavarría

150 Brenen Rostrán Núñez

151 Miguel Angel Lagos Fajardo

152 Alfredo Molinares

153 Evaristo Zeledón Rivera

154 Zenon Meneses

155 "Centella"

156 Emilio Perez Betango

157 José Rivera Torres ("Ranchero")

811402

158 Mr. Palacios ("Capulina")

159 Santos Efraín Betanco C. ("Cáncer")

515726

160 Irma Duarte Rivera

161 Carlos Polanco ("Pájaro Negro")

162 Pedro Monzón Hernández ("Saúl")

163 Enrique Miranda ("El Clarín")

## 217 Freedom Fighters Assassinated During the Chamorro Administration—Continued

| Name                                                          | Date of Assassination                                     | I.D. No. |
|---------------------------------------------------------------|-----------------------------------------------------------|----------|
| One Dead during the events at the "German Pomares" sugar mill |                                                           |          |
| Unknown Name 1990—17 former combatants (Northern Front)       |                                                           |          |
| Unknown Name 1991—21 former combatants (Northern Front)       |                                                           |          |
| Unknown Name 1992—3 former combatants (Northern Front)        |                                                           |          |
| <b>COMMANDERS SERIOUSLY WOUNDED:</b>                          |                                                           |          |
| Encarnación Valdívía ("Tigrillo")                             | severely wounded from attempted assassination on 01-08-92 |          |
| Danilo Galeano ("Tiro al Blanco")                             | severely wounded from attempted assassination on 06-13-92 |          |
| <b>DISAPPEARED:</b>                                           |                                                           |          |
| 1 Concepción Valdivia García                                  | disappeared September 12, 1990; presumed dead             |          |
| 2 Bismark Pérez Zeledón ("Chichi", ID No. 110830)             | abducted by police May 18, 1991; presumed dead            |          |
| 3 Lucas Tercero Zamora ("El Chino"; ID No. 11910021)          | abducted by police October 25, 1991; presumed dead        |          |
| 4 Nicolás Hernández Lumbí ("Otoniel"; ID No. 110637)          | disappeared                                               |          |
| 5 Jesús Hernández González                                    | dates unknown                                             |          |
| 6 Salomé Velasquez Aguilar                                    | dates unknown                                             |          |
| 7 Basilio Velásquez Aguilar                                   | dates unknown                                             |          |
| 8 Encarnación Valdivia C.                                     | dates unknown                                             |          |
| 9 Francisco Valdivia Ch.                                      | dates unknown                                             |          |
| 10 Augusto César Laguna                                       | dates unknown                                             |          |
| 11 Oscar Antonio Parrales                                     | dates unknown                                             |          |
| 12 Santos Francisco Ibarradates                               | dates unknown                                             |          |
| Total Number of Deaths: 205                                   |                                                           |          |
| Total Who Have "Disappeared," and are presumed dead: 12       |                                                           |          |

### **VIII. Who Killed Whom**

Information was obtained from the Nicaraguan Pro-Human Rights Association (Asociacion Nicaragüense Pro-Derechos Humanos) and the International Federation of Human Rights.

## Who Killed Whom

| Victim                                                                                                                      | Assassin                                                                                                       |
|-----------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|
| 1) Diógenes Hernández Membreño ("Commander Fernando")                                                                       | Aníbal País and Aníbal País Tapia, father and son, Sandinista State Security members                           |
| 2) Noel Urbina Andino ("Commander Rafa") and Mayor Abel Fernández, Mayor, El Coral                                          | Sandinista Police under command of Police Chief Sobalbarro of El Coral                                         |
| 3) Benjamín Gómez Matey ("Tirso")                                                                                           | Walter Herrera—former member of Sandinista State Security                                                      |
| 4) Francisco Luis Cano Chavarría ("Chapulín")                                                                               | Members of Sandinista Army and Police; Lieutenant Alberto García Pineda ordered shooting                       |
| 5) Armando Gadea ("Veloz") and Mauricio Benavidez ("Avispa")                                                                | Sandinistas—including Seferino Mairena, Francisco Siles, José Cruz, Reynaldo Vicente Ochoa and Fausto Palacios |
| 6) Jesús Hernandez González ("Carro Rojo")                                                                                  | First Lieutenant Fernando Alvarado, "Casita," and soldier Etanislao Arróliga, members of the Sandinista Army   |
| 7) Miguel Angel Centeno Valenzuela ("Erli")                                                                                 | Serafin Coronado, member of Police                                                                             |
| 8) Mariano Valle, Jacinto Pérez, Franklin Martínez, Emilio Avila, Marvin Centeno Zeledón, Cresencio Soto, Anselmo Castellón | Captain Luis Enrique Talavera, Chief of Police, Jalapa, Lt. Eddie Peralta and members of Sandinista Youth      |
| 9) Miguel Angel Rugama Ruíz ("Plateada")                                                                                    | Etnio Obregón, member of Sandinista Police                                                                     |
| 10) Rodolfo Calero Espinoza ("Tigre")                                                                                       | Antonio, Filemón and Denis Picado, Sandinistas                                                                 |
| 11) Arturo Medina Stony                                                                                                     | Three Sandinista Policemen under orders from Lt. Brígido Zamora                                                |
| 12) José Andrés Zamora Torres ("Grano de Oro")                                                                              | Andrés Montiel Montoya and Santos Zeledón, Sandinista Army reservists, Sotero and Emilio Zeledón               |

- |                                                                                                                                                                           |                                                                                                                                                                                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 13) Juan Ramón Ruíz Santos ("Estelí")                                                                                                                                     | Lt. Leonel Velásquez Chavarría, Luis López Lorente, FSLN (Sandinista National Liberation Front) Activist; Noel Leiva Moreno and Basilio Lorente (accomplices)                                  |
| 14) Francisco Javier Herrera Tróchez ("Solín")                                                                                                                            | Héctor Moreno, former member of Sandinista Popular Army                                                                                                                                        |
| 15) Tomás Reyniero Gutiérrez Calderón ("Mediano")                                                                                                                         | Marta Loza and Luis Felipe Zeledón, member of Sandinista State Security                                                                                                                        |
| 16) Lázaro Peralta Rodríguez                                                                                                                                              | Ramón Palacios Galeano; member, FSLN (Sandinista National Liberation Front)                                                                                                                    |
| 17) Daniel Mercado Tróchez ("Javier")                                                                                                                                     | Apolinar Talavera, former member of Sandinista State Security                                                                                                                                  |
| 18) José Hernández Rugama ("Giovanni Negro")                                                                                                                              | Lorenzo Rodríguez, former member of Sandinista State Security                                                                                                                                  |
| 19) René Espinales Zelaya ("Commander Franklin")                                                                                                                          | Sandinista Army troop, under command of Virgilio Hernández                                                                                                                                     |
| 20) José Antonio Carrasco Vanegas ("Diablo"), Emilio or Evelio Pérez Betanco ("Limay") and civilians Anastasio Díaz Cruz, José Miguel Hernández Torres and Dolores Romero | Róger Rivas, Hector Villareyna, Horacio Casco, Gregorio Castillo, Martín Arteta, Isidro Rivera and Reynaldo Laguna (head of Sandinista paramilitary groups UPE and UNAG in San Juan, Río Coco) |
| 21) Juan Francisco Rayte ("Fernando") and Secundino Hernández                                                                                                             | Captain Gámez, Sandinista Chief, Waslala and Anacleto García and Francisco Cruz, FSLN (Sandinista National Liberation Front) members                                                           |
| 22) Heliodoro Splinger Varela, Chief of Police, Wiwili, Jinotega                                                                                                          | "Matagalpa," "Caminante" and other former members of Sandinista Army under command of Oscar Comacho                                                                                            |
| 23) Tomás Jarquín García ("Walter")                                                                                                                                       | Cándido Medina and other members of the FSLN (Sandinista National Liberation Front)                                                                                                            |
| 24) Adrián and Jacinto Jirón Lanuza                                                                                                                                       | José Antonio Jirón, uncle and former member of Sandinista State Security                                                                                                                       |

## Who Killed Whom—Continued

| Victim                                                              | Assassin                                                                                                            |
|---------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|
| 25) Marco Antonio Muñoz Castro ("Justiciero")                       | Lester Ferrufino ("Capulina"), Jesús Picado and Carlos Patricio Pérez Castro, members of Sandinista Army            |
| 26) Domingo Salguera                                                | Lt. Nicolás Guido, Sandinista Army                                                                                  |
| 27) Saturnino Gutiérrez                                             | Eradio Muñoz Matey and other members of armed paramilitary cooperative, "El Tamarindo"                              |
| 28) Rosalío Mirena Alaníz ("Pulga")                                 | Lt. Luis Urbina, former member of Sandinista State Security                                                         |
| 29) José Alcides Palacios Salgado ("Josué")                         | Sandinista Lt. Mario Jarquín and Lt. Luis Reyes                                                                     |
| 30) Narciso Ríos Machado                                            | Genaro Valle                                                                                                        |
| 31) José Daniel Reyes Alfaro ("Juan Carlos") and Diego Reyes Rivera | Héctor Rivera, active former member of Sandinista Army/Police and Sandinista National Liberation Front collaborator |
| 32) Omar Andrés Olivas Acuña ("El Pinto")                           | Sandinista Chief of the Brigade Morales Bradford and Sandinista police                                              |
| 33) Juan Francisco Ruíz Lúquez ("Chino-Rambo")                      | Members of Sandinista paramilitary group, "la Zahino" and "Wiliquito," lead by Miguel Ismael Martínez               |
| 34) Felipe Cruz Guatemala ("Corralito")                             | Soldiers under command of Juan López Martínez                                                                       |
| 35) José Blandón Estrada ("Marvin")                                 | Pedro José López, involved with Sandinistas                                                                         |
| 36) José Hernández López ("Valiente")                               | Justiniano Treminio, former member of Sandinista State Security                                                     |
| 37) Carlos Benavidez Cortés ("Wilson")                              | Gabino Pérez Méndez, member of Sandinista Popular Army                                                              |
| 38) Jesús Palacios Moreno ("Zapote")                                | Nicolás Guido Navarrete, member of Sandinista Popular Army                                                          |
| 39) Cruz Huerta Martínez ("Elwi")                                   | René Ramos Rodríguez and Luis Vicente Izaguerre, members of Police                                                  |

- |                                                                         |                                                                                                               |
|-------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| 40) Sonia Rivera Hernández                                              | Members of Sandinista paramilitary cooperative, "Banacito"                                                    |
| 41) Justo Salgado Aguirre                                               | Members of Sandinista paramilitary cooperative "Ché Guevara"                                                  |
| 42) Elvin Melgara Reyes                                                 | Members of Sandinista paramilitary cooperative "Ché Guevara"                                                  |
| 43) Tano García                                                         | 1st Lt. Javier Aguilar and his brothers                                                                       |
| 44) Carlos Abraham Gutiérrez ("Capitol Chiquito")                       | Captain Elígio Andino                                                                                         |
| 45) Isidoro Ortez Beltrán ("Gallito")                                   | Faustino Flores and Sergio Suarez, members of Sandinista Popular Army                                         |
| 46) Lucío R. Rostrán ("Villatora")                                      | Lt. Miguel Escorcía, Sandinista Popular Army                                                                  |
| 47) Lucas Tercero Zamora ("El Chino")—Illegally detained, presumed dead | Raúl Castillo, Amado and Justo (last names unknown,) members of Sandinista Police                             |
| 48) Concepción Valdivia García—Missing, presumed dead                   | Abducted by 10 Sandinista Popular Army members from "El Hormiguero" station under command of Daniel Castellón |
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## IX. The Murder of Jean Paul Genie

There is extensive evidence that General Humberto Ortega masterminded the cover-up of the murder of Jean Paul Genie—an unarmed 16 year old youth—who was killed in Ortega's presence. This chapter sets forth the evidence of Ortega's complicity—and the failure of President Chamorro's Government to pursue vigorously the case. The acceptance by the U. S. Military Attaché—with the consent of the U.S. Ambassador—of an award from General Ortega raises questions about the seriousness with which the U.S. Embassy in Managua views this case.

On January 14, 1992, Lt. Col. Dennis Quinn, the Military Attaché at the United States Embassy in Managua, and American Ambassador Schlaudeman attended a luncheon ceremony hosted by the Sandinista Popular Army. The Military Attaché accepted the "Camilo Ortega Saavedra Gold Medal, First Class," the highest military honor the Sandinista Popular Army can bestow on a foreigner. The man who presented the medal to Lt. Col. Quinn was General Humberto Ortega, Commander-in-Chief of the Sandinista Popular Army.

According to an unclassified Department of Defense cable numbered 00458 and dated January 16, 1992, the U.S. Ambassador gave authorization for Lt. Col. Quinn to receive this award the day before the Sandinista-hosted ceremony. Paragraph three of that message states "This message has been cleared by the Ambassador." The message was read to us over the phone by representatives from the Department of Defense.

This award ceremony is pertinent to this investigation because when the medal was given, General Ortega was under investigation for his part in the murder of an unarmed 16 year old youth named Jean Paul Genie; a crime for which no trial has been scheduled. (When the award was given, this staff received many calls from contacts in Managua strongly protesting the acceptance of this award because it gave the appearance that the United States Government was not concerned by the allegations against General Ortega.)

According to a Venezuelan Government investigation, at approximately 8:40 p.m. on October 28, 1990 Jean Paul Genie, a Nicaraguan youth, was driving home alone on the main thoroughfare between the cities of Managua and Masaya. Though unarmed, he was shot and killed in his car by automatic weapons about 1½ miles from the home of General Humberto Ortega, Chief of the Sandinista Popular Army. The scene of the crime is only several kilometers from the United States Ambassador's residence and the chancery of Cardinal Miguel Obando y Bravo. According to eyewitnesses, General Ortega's motorcade was making its way to the General's compound on the same highway at the same time.

## VISTA DE PLANTA

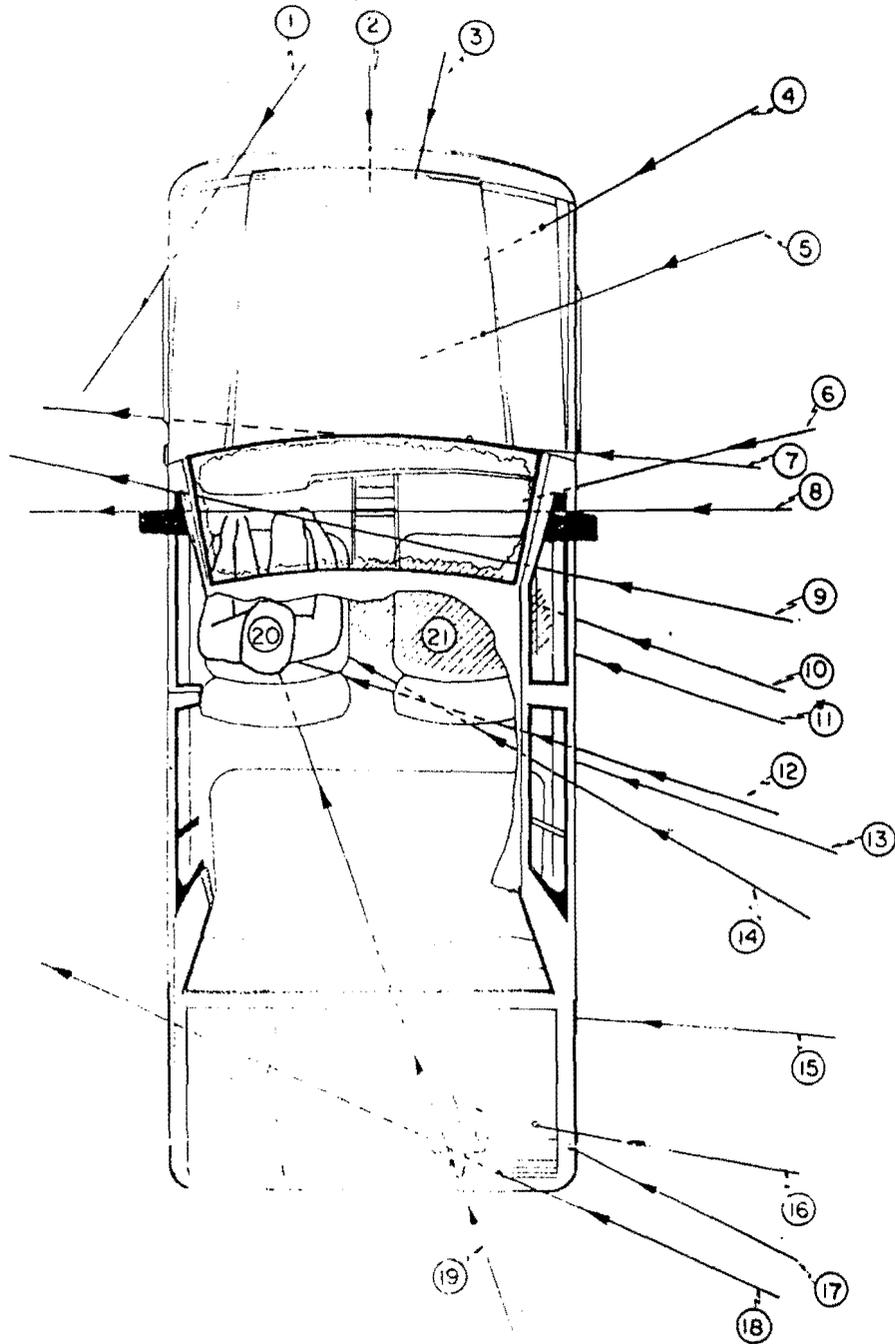


Diagram made by Venezuelan authorities of the number and location of bullets impacting Jean Paul Genie's Mitsubishi Lancer

According to court transcripts, moments before Genie was murdered, a friend of his, named Walter Salmerón, passed him on the highway. Salmerón later testified before the 7th Criminal Court that after passing Genie, he came upon a convoy of four Jeep CJ-7 Renegades, the last two of which had canvas tops and were open. Both were olive green and were occupied by armed soldiers. Other than the Jeep CJ-7 Renegades used by Humberto Ortega and Daniel Ortega, only four Jeep CJ-7s existed in all of Nicaragua, according to the National Police report in the files of the 7th Criminal Court in Managua. The four Jeep CJ-7s not owned by the Ortega brothers are not customized. The Ortegas owned the only customized Jeep CJ-7s in Nicaragua.

Salmerón passed the motorcade at a high speed and saw the two lead vehicles which were also Jeep CJ-7 Renegades, but were black and closed-in with doors. The first Jeep had a siren and police lights. On November 27, 1990 in a letter to General Ortega, Carlos Hurtado, former Minister of the Government, confirmed that this fits the description of both the Ortega's motorcades.

Andrés Duque, a Colombian journalist, driving on the same highway in the same direction, testified before the 7th Criminal Court that he heard shots. Duque further testified that when he reached the top of a hill he saw tracer bullets. He stopped and got out of his car and saw two or three machine-guns from within the Jeeps firing at Genie's brown Mitsubishi Lancer while it passed the motorcade. The car crashed into an embankment, but the shooting continued as the motorcade passed by.

Jean Paul Genie died from a shot in the back. His car was riddled with 19 bullet holes and the police found 51 AK-47 shells on the road.



Police photograph of Jean Paul Genie shortly after he was murdered

The July 14, 1992 edition of the *Miami Herald* reported that Humberto Ortega met with Raymond Genie, (Jean Paul was Raymond Genie's only child), three days after the murder to tell him that neither he nor his brother Daniel had anything to do with the incident. He also said that Mr. Genie should be "trusting and believe in what he was telling us." SFRC Republican staff was told by a very high ranking Nicaraguan Government official with direct knowledge of this affair that General Ortega was indeed in the motorcade when Genie was murdered. Moreover the source knew for a fact that Ortega's bodyguards had standing orders to shoot first and ask questions later if a suspicious car attempted to pass the motorcade.

Genie's parents met with President Chamorro twice in November 1990 to discuss the case. The Genie family told SFRC Republican staff that Mrs. Chamorro promised her full cooperation in the investigation of the crime.

#### A. THE COVER-UP

According to SFRC Republican staff interviews with Raymond Genie, various human rights officials, Oscar Herdocia, (the Genies' counsel and a leading Nicaraguan attorney who turned down an offer by Mrs. Chamorro to sit on the Supreme Court), and numerous international press reports, the police "investigation" was marred with inconsistencies, delays and alleged cover-ups.

- On November 10, 1991, Assistant Commander Mauricio Aguilar was shot and killed by his assistant, Harold Meza. Aguilar was involved in the Genie case as the number two person on the police crime bureau. According to Aguilar's parents, he was about to make public all he knew about the case. (*The Miami Herald*, July 14, 1992.)
- Harold Meza was tried before a military tribunal. Two witnesses testified that he had told Aguilar that he was under orders to kill him (Aguilar). However, the tribunal ruled that this part of the testimony was inadmissible. Meza was given a three year sentence by the tribunal, but is serving his time in the equivalent of a half-way-house and he is free to come and go.
- On March 4, 1991, the Vice Minister of the Government, José Pallais, sent Genie's case to the Attorney General stating that the police had insufficient evidence to prosecute. The Nicaraguan National Assembly requested technical assistance for the investigation from the Venezuela Government on April 22, 1991. (That assistance was subsequently granted and the Venezuelan authorities conducted an investigation—the conclusions of which were filed on August 27, 1991.)
- On September 3, 1991, Colonel Sidney Lacayo, Chief bodyguard of General Ortega, testified before the 7th Criminal Court that the General's motorcade logbook was burned in January 1991 because the Nicaraguan National Police had not requested it.
- On October 7, 1991 the Nicaraguan Attorney General publicly denounced the destruction of Genie's blood stained shirt which was in possession of the National Police.

- Colonel Omar Halleslevens, Chief of Military Counter Intelligence, testified before the 7th Criminal Court that General Ortega had ordered on October 29, 1990, (one day after the murder), to form a committee to investigate the crime. However, in January 1991, the logbook containing information on the entrances and departures of vehicles from Military Camp #003, which is General Ortega's residence were destroyed, according to Colonel Halleslevens.
- According to Colonel Halleslevens' testimony, the weapons control logbook was also destroyed. So there is no proof who had which weapon assigned to him.
- Colonel Halleslevens also testified that the weapons of the General's bodyguards were not submitted to the Nicaraguan National Police until after December 3, 1990—almost 40 days after the murder.

By August 27, 1991—five months after the Nicaraguan National Assembly requested technical assistance—the Venezuelan authorities completed their investigation. A translation of the conclusion reads, "Respectfully we charge the members of the bodyguard of General Humberto Ortega Saavedra, who were on duty on October 28, 1990, as the principal suspects of the homicide of the minor Jean Paul Genie."

Despite the conclusions of the investigation, Nicaraguan authorities refused to prosecute the case.

- On February 7, 1992, the Public Relations Director of the Sandinista Popular Army, Ricardo Wheelock, officially denounced the findings of the Venezuelan investigation as "unsustainable conclusions of a group of foreigners."
- On the same date Ricardo Wheelock notified the 7th Criminal Court that the Sandinista Popular Army would not allow the bodyguards of General Ortega to testify at the Genie trial.
- On February 25, 1992, the 7th Criminal Court issued arrest orders for contempt of court to four bodyguards of General Ortega because of their refusal to testify. The order was never carried out by the National Police.

On July 2, 1992, the 7th Criminal Court charged that General Ortega's bodyguards were the prime suspects in the Genie murder, and that General Ortega, as well as two other military officers, were covering up the bodyguards' crime. Consequently, the Judge recused himself from the proceedings and sent the case to a **military** tribunal because the case involved members of the Armed Forces. (*The Miami Herald*, July 14, 1992.)

#### B. THE ORTEGA-CONTROLLED MILITARY TRIBUNAL

According to Raymond Genie, Lino Hernández, President of the Permanent Commission on Human Rights of Nicaragua, Oscar Herdocia and Cardinal Miguel Obando y Bravo, trying General Ortega and his bodyguards before a Sandinista military court can not result in a fair trial. Hernández was quoted in the July 14, 1992 issue of *The Miami Herald* as saying "the recent history of military courts shows that the results always go in favor of the Army and Sandinismo."

Hernández and Herdocia explained that as chief of the Sandinista Popular Army, General Ortega appoints all the members of

the tribunal. The chief judge of this military tribunal is also the defense attorney for the accused bodyguards. The prosecuting attorney is also a member of the Sandinista Popular Army. The entire proceedings are a military secret, unless the chief of the Sandinista Popular Army declares otherwise.

If Raymond Genie chooses to appeal the decision of the tribunal, he must appeal to another military tribunal. This three person board is again appointed by the head of the Sandinista Popular Army, General Humberto Ortega.

If Raymond Genie decides to appeal the decision of the second tribunal, he must appeal to the Supreme Court. The Supreme Court is made up of nine Justices, five of whom are Sandinista holdovers from the previous regime. However, as head of the Sandinista Popular Army, it is the prerogative of General Ortega to deny an appeal to the Supreme Court from any military tribunal.

Finally, if General Ortega takes a leave of absence from his duties, (as has been suggested), a December 27, 1989 military law requires that his successor be elevated from the military hierarchy—which is made up entirely of Sandinistas. At every stage of the proceedings, General Ortega will have undue influence on those deciding the outcome of the trial.

### C. CONCLUSION

Human rights activist Lino Hernández contends that the Chamorro Government is afraid of General Ortega and the Sandinista Popular Army. In the July 14, 1992 issue of *The Miami Herald*, he said that "the government prefers to sacrifice justice rather than create problems with the Sandinistas." On our first day in Managua in July 1992, SFRC Republican staff was told by Cardinal Obando y Bravo that no justice can be expected from a military tribunal.

Even to the casual observer, evidence against the bodyguards of General Humberto Ortega is overwhelming. The attitude of the Nicaraguan Government ensures that this case will not be investigated thoroughly. The history of the Jean Paul Genie case clearly shows that General Ortega has undue influence over the civilian judicial system and absolute control over the military judicial system. As long as President Chamorro retains General Ortega as Chief of the Sandinista security forces, it will be impossible to have **genuine** military reform in Nicaragua.

## X. Human Rights

In its 1991 report on the human rights situation in Nicaragua, the Organization of American States' Inter-American Commission on Human Rights (IACHR) singled out the Nicaraguan security forces for criticism. IACHR accused the security forces of acting like a "state within a state, acting in concert with one particular political party [the Sandinista Party] and to the detriment of the civilian authority of the democratically elected, constitutional Government."

The Senate Foreign Relations Committee (SFRC) Republican staff has interviewed several human rights leaders and determined that the Sandinista security forces have grossly abused human rights under the Chamorro Government. In this chapter we highlight several of the most notable cases.

### A. THE ASSASSINATION OF ENRIQUE BERMÚDEZ

On February 16, 1991, former Nicaraguan Resistance leader Enrique Bermúdez was assassinated in the parking lot of the Intercontinental Hotel in Managua, just yards away from the official Sandinista Popular Army Headquarters. Mr. Bermúdez had recently returned to Managua from Miami to try to recover his confiscated properties, and according to his widow Elsa, to demand from the Government of Mrs. Chamorro better treatment of the Resistance members who laid down their arms when Mrs. Chamorro came to power.

On November 21, 1990, just three months before his murder, Mr. Bermúdez wrote a letter to Cardinal Miguel Obando y Bravo, which has since been published. In the letter Bermúdez explained that the Government believed he was behind much of the anti-Sandinista unrest throughout the countryside. He learned this from Aristides Sánchez, his former colleague in the Resistance, who while being interrogated by the Sandinista National Police, was repeatedly told of Bermúdez's alleged involvement in causing the unrest. Sánchez confirmed to the SFRC Republican staff that he had been told by his torturers, who were high ranking officials of the Sandinista National Police, that they intended to kill Bermúdez. After Mr. Sánchez was released, he called Mr. Bermúdez's wife Elsa from Miami and suggested that her husband leave Managua or take asylum in an embassy.

In his letter, Enrique Bermúdez told the Cardinal that he "considered it [an] immoral and vengeful position against those who fought bravely and who had the courage to lay down their arms in good faith, believing that they arrived at the beginning of a new era of peace . . ." In his final paragraph, Mr. Bermúdez told the Cardinal that if anything happened to him, the Sandinistas were to blame. Bermúdez was assassinated two and a half months later.

By March of 1991, it was clear that the Sandinista National Police investigation of Bermúdez's murder was not a serious one. According to the May 13, 1991 edition of *The Miami Herald*, the National Police found neither bullets nor spent bullet casings at the scene of the crime on the night of February 16. The day after the crime, however, the National Police said they discovered a bullet in plain sight, just four yards from where Bermúdez fell. It is important to note that one of the principal National Police investigators was former Chief of Sandinista State Security, Lenín Cerna. The investigation was a mockery filled with a host of other problems, including the following:

- Police failure to cordon off the crime scene;
- Police failure to list all witnesses present;
- Police failure to trace license plate numbers (carefully recorded by Bermúdez in his personal notebook) of cars Bermúdez suspected were following him in the days leading up to his assassination;
- Discrepancies between the forensic report made by the Sandinista National Police and the independent forensic report (requested by Bermúdez's widow) made in Miami concerning the trajectory of the bullet;
- Discrepancies between the forensic report made by the Sandinista National Police and the independent forensic report made in Miami concerning the number of bullets fired at Bermúdez;
- Refusal of Nicaraguan authorities to release the official autopsy report to the Bermúdez family to assist them in their efforts to find justice.

On March 11, 1991, Mrs. Chamorro signed Presidential Agreement No. 90-91 which established a Special Investigatory Commission to assist and oversee the police investigation of the Bermúdez murder. She appointed Dr. Felipe Sánchez (Personal Representative of Cardinal Miguel Obándo y Bravo), Dr. Eduardo Rivas, Dr. Julio Ruíz, Dr. Orlando Buitrago and Don Luís Fley (former Nicaraguan Resistance Commander "Johnson") to the Commission.

The Commission initially had the support of Mrs. Bermúdez, but the International Commission for Human Rights confirms that the Commission suffered from severe limitations from the beginning. The Commission had no subpoena power, it had no independent power to prosecute, and it was subordinated to the Sandinista National Police. The Presidential Agreement stated that the Commission was not to disturb the official Sandinista investigation.

The State Department Human Rights Report of 1991 credits the Chamorro Government for asking the United States Federal Bureau of Investigation for assistance. However, each request from the Government of Nicaragua concerned only suspects living in the United States.

In its final report, the Special Investigatory Commission specifically requested technical assistance, stating that "in Nicaragua there are neither the resources nor the manpower to complete such a complex investigation. Therefore, it is our conviction that concerning the present case [that of Enrique Bermúdez] it is necessary to have highly specialized technical assistance for all of the investigation that has not been completed."

In the May 13, 1991, *The Miami Herald*, a Chamorro Government official said that the request for technical assistance had been discarded because "that would be to doubt the capacity of the Nicaraguan Police." Dr. Eduardo Rivas of the Commission confirmed to the SFRC Republican staff that no technical assistance for the investigation in Managua was ever requested by the Chamorro Government.

Dr. Rivas also told the SFRC Republican staff that the Commission dissolved "in disgust" because of the lack of cooperation with the Sandinista National Police and because it was clear that the Chamorro Government was not serious about solving the Bermúdez murder.

Cardinal Miguel Obándo y Bravo expressed to the SFRC Republican staff in July his doubts about the Chamorro Government's commitment to solve the crime. The Cardinal said that there has been no investigation of the Bermúdez assassination for the past year and that nobody in the Nicaraguan Government "even talks about this case anymore."

#### B. THE ILLEGAL ARREST AND TORTURE OF ARISTIDES SÁNCHEZ

The 1990 edition of the State Department's Human Rights Report allocates one paragraph to the illegal arrest and torture of Nicaraguan Resistance leader and prominent businessman Aristides Sánchez by the Sandinista National Police. While the Human Rights Report relied heavily on Sánchez's version of events, the SFRC Republican staff investigation has found independent evidence from a variety of sources to corroborate Sánchez's charges.

The Human Rights Report asserts that Mr. Sánchez "accused the police of torture while he was held at 'El Chipote' detention facility for allegedly stockpiling weapons." Sánchez told SFRC Republican staff that during the night of November 15, 1990, the police burst into his bedroom, placed three hand-grenades on a table, and told him he was under arrest for possession of the hand-grenades.

According to a knowledgeable source, René Vivas, Chief of the Sandinista National Police, was given direct orders by his superiors to hold Sánchez in the local jail for questioning. But Vivas ignored this order, and Sánchez was taken to "El Chipote" (the most notorious prison in Nicaragua) rather than the local jail.

During Sánchez's first day of confinement, Dr. José Montiel examined him and recommended that, due to an already poor heart condition, he be transferred to a hospital. (Two weeks after his release he had emergency heart surgery in Miami.) However, the recommendation was ignored, and Sánchez was sent to "Las Chiquitas"—cells which are about the size of a casket.

After his release, Mr. Sánchez wrote Senator Jesse Helms a letter to describe his imprisonment and torture. He stated that he was confined to one of these cells for three days without food and without being allowed to sleep. His feet swelled so much that the pain became unbearable.

In his letter, Sánchez writes that he was finally transferred, "for health reasons," to a slightly larger cell. The only improvement however, was that he could lie down. The only source of water in the cell was from the toilet, which had accumulated urine and

feces. His only source of nutrition was a small cup of rice and a glass of water twice a day.

According to a written statement provided to the SFRC, Sánchez states that he was psychologically tormented, subjected to lengthy interrogations, and harassed with threats and insults. His captors repeatedly accused him of destabilizing the government by leading a movement of former Resistance members in peaceful protests. They also tried to get him to implicate Enrique Bermúdez in the plot. (See Appendix)

Mr. Sánchez verified that those present at the torture and interrogations were Javier López, Sandinista Chief of the Penal System, Commander René Vivas, Chief of the feared Sandinista National Police and Commander Lenín Cerna, Sandinista Chief of the new State Security system. A high level Nicaraguan Government source confirmed that these people were present. A part of his torture included being drugged and forced to sign documents which were meant to compromise him, as well as important Nicaraguan politicians. Three authoritative independent sources with direct knowledge of the situation have confirmed to the SFRC Republican staff that Sánchez was forced to sign these papers and that he was tortured.

According to an authoritative Nicaraguan Government official, the order to arrest Sánchez came directly from Antonio Lacayo, Minister of the Presidency and son-in-law of Mrs. Chamorro. An anti-government movement lead by anti-Sandinista mayors was gaining momentum across the country shortly after Mrs. Chamorro's inauguration. The movement was peaceful, and one of its central demands was the resignation of Antonio Lacayo, General Humberto Ortega, the Sandinista Popular Army Chief, and Carlos Hurtado, then Minister of the Government. As a prominent citizen and an important leader of the Nicaraguan Resistance, Sánchez was the most serious threat to the Chamorro Government and its partners, the Sandinistas. A Nicaraguan Government source confirmed to the SFRC Republican staff that this was the only reason for Sánchez's arrest and torture.

The SFRC investigation failed to find any legal reason why Sánchez was arrested. Indeed, another Nicaraguan Government source knowledgeable about the case said that Sánchez was arrested simply because of "suspicion that he would be leading the peaceful [mayors] movement. But, there was no proof." Yet another source with first hand knowledge also confirmed that arms were planted in Sánchez's house because there was no legal basis for his arrest.

Sánchez was finally released on November 21, 1990, only after international pressure mounted. Before he was released, however, Mrs. Sánchez was told by a Nicaraguan Government official that her husband had three options: to immediately leave the country and not return to Nicaragua until Mrs. Chamorro had finished her term; to remain in jail for ten years; or to be released in Managua and be killed on the streets.

Aristides Sánchez credits Cardinal Miguel Obando y Bravo for saving his life by personally asking Mrs. Chamorro to release him. Mrs. Chamorro told the Cardinal that Sánchez was a threat to the Government, nevertheless he was soon released. The United States

Congress also got involved by threatening to suspend economic aid unless Sánchez was released.

Based on the above facts, and on interviews with many independent sources, we believe that there is indisputable evidence that Mr. Sánchez was arrested illegally, was tortured and was deported from Nicaragua. We find it disturbing that while visiting Washington in July, Minister of the Government Mendieta emphatically denied that Sánchez had been tortured.

### C. MASS GRAVES

The "Declaration of Managua," signed by Mrs. Chamorro and the Nicaraguan Resistance leaders on May 4, 1990, reiterated the Government's commitment to "guarantee the physical and moral integrity of each and every one of the combatants of the Nicaraguan Resistance, their family and the civilian population accompanying them." Unfortunately, the former combatants and their families have been repeatedly subjected to harassment, human rights abuses, and assassinations by the Sandinista security forces.

Of particular concern to Nicaraguans is the recent discovery of many mass graves. Most of the graves date to the Sandinista regime, and some contain the remains of women and children. Responsibility for the graves can be traced to either the Sandinista Popular Army, the National Police or the Sandinista State Security.

Of the graves exhumed so far, at least one contains bodies buried in 1990 after Mrs. Chamorro was inaugurated. Those responsible for mass killings before the election of Mrs. Chamorro, in many cases, have remained in positions of authority. These facts have been confirmed to the SFRC Republican staff by several human rights leaders.

The Nicaraguan Pro-Human Rights Association reports that on December 9, 1990, in the region of Loma Chata, San Juan Del Rio Coco, Madriz, members of the Sandinista Popular Army and the State Security arrested five peasants, tortured them, and then murdered them the next day. All five bodies were dumped into a hole on the property of Mrs. Evelia Hernández. The Nicaraguan Pro-Human Rights Association exhumed the bodies on April 19, 1991, and was able to identify four of the victims. As of this writing, no one has been accused or arrested for this crime.

Several independent human rights organizations believe that the Sandinista Popular Army is responsible for thousands of murders unrelated to combat. As of yet, not one soldier or officer has been brought to trial for war crimes.

A typical incident occurred on May 16, 1985, in Bluefields, Autonomous Region of the South Atlantic. According to depositions, young draft evaders, who were also members of the Nicaraguan Resistance Southern Front, attacked the city's military installations. Sixteen of them died and about ten surrendered. Later, all ten were murdered inside the police station, and their bodies were exhibited publicly throughout the city. The dead were then taken to Santa Matilde, a suburb of Bluefields, and dumped into a single grave.

On April 27, 1990, these 10 bodies and 25 others were found in this grave by the Nicaraguan Pro-Human Rights Association. The

Sandinista Popular Army, however, ordered work to stop before all the bodies could be recovered. The case of the Santa Matilde cemetery illustrates some of the obstacles to justice in Nicaragua. The Chamorro Government has made no effort to punish those responsible for the massacre. Domingo Navas was the former Chief of Security and Chief of Police in the region when the massacre occurred. Navas serves in the Chamorro Government as a Chief of the Anti-Narcotics section of the National Police. Moreover, in this case, the Sandinista Popular Army hindered the investigation of the Nicaraguan Pro-Human Rights Association.

The excavation by the Nicaraguan Pro-Human Rights Association of another mass grave known as El Mokorón in 1990 was so controversial that it sparked a debate in the National Assembly. The Sandinista Party claimed that the culprits were protected by the amnesty laws which forgave all "political crimes." No action was taken by the National Assembly.

#### D. AMNESTY FOR COMMON CRIMINALS

The first amnesty law (No. 100) was passed by the National Assembly and signed by Mrs. Chamorro on May 10, 1990. This legislation was one of the first acts of "national reconciliation" by Mrs. Chamorro and the National Assembly. According to leading Nicaraguan lawmakers, Law 100 was applied to actions which had occurred under the previous regime and it was sufficiently generous.

The following year on December 22, 1991, Mrs. Chamorro felt it necessary to extend amnesty to those who had committed common crimes **after** she came to power. So she signed a second amnesty law by decree (Decree No. 47-91). This law provided amnesty for all those responsible for "political and related common crimes" which occurred during the beginning of her term. The precursor to Decree No. 47-91 was the destruction of the statue of the famous Sandinista Carlos Fonseca and the ensuing riots of Sandinista mobs in Managua. Private property was burned, and the Mayor of Managua's office was ransacked and burned.

According to a prominent Nicaraguan Congressman, this amnesty law was signed as a Presidential Decree rather than being introduced as a bill in the National Assembly because the National Assembly would have rejected such a law. The United States Department of State's "Country Reports on Human Rights Practices for 1991" says that some human rights groups claim that this particular decree makes it impossible to bring known human rights abusers to justice.

The Nicaraguan Pro-Human Rights Association, the Permanent Commission on Human Rights and other internationally recognized human rights organizations continue to criticize the Chamorro Government for not investigating these past crimes. The SFRC Republican staff has copies of letters written by human rights groups to Mrs. Chamorro telling her that the amnesty laws have made it impossible to investigate, process and punish those responsible for acts which constitute crimes against humanity.

These same groups have challenged the Government to remove those who committed the atrocities from the police and security forces. Several of the key human rights groups that focus on Nicaragua confirm to SFRC Republican staff that Mrs. Chamorro has

not yet responded to these challenges. In most instances, the military and police leaders, who should be held responsible for such crimes continue to serve in top government positions.

#### E. THE PLIGHT OF THE FORMER NICARAGUAN RESISTANCE

The SFRC Republican staff has amassed a list of more than 217 former Nicaraguan Resistance members who, according to Nicaraguan human rights organizations, have been killed by the Sandinista Popular Army or the Sandinista National Police since Mrs. Chamorro was elected in 1990. As of this date, no one has been prosecuted for these crimes.

Former Nicaraguan Resistance leaders told the SFRC Republican staff in Managua that human rights abuses continue to occur regularly against them, their families and their supporters. Everyone with whom we talked to in Managua said that there is concern that the Chamorro Government, while working side by side with the Sandinistas, has not attempted to reconcile with the 130,000 former Nicaraguan Resistance members and their dependents.

Former Nicaraguan Resistance members credit the Organization of American States' verification team in Nicaragua with professionally investigating human rights abuses against former Nicaraguan Resistance members. However, they also told SFRC Republican staff that the Chamorro Government has taken no action to assure them of their personal security, one of the provisions of the written agreements signed by the Chamorro Government. According to various organizations involved in the verification process, the Chamorro Government has not complied with most of the promises in the accords agreed to by both sides. (See Appendix).

Religious, civic and political leaders confirmed to the SFRC Republican staff the disastrous plight of the former Nicaraguan Resistance and the lack of political will by the Chamorro Government to prosecute those responsible for human rights violations against the former Nicaraguan Resistance. Because of the importance of this issue, a separate chapter is devoted to the Nicaraguan Resistance.

#### F. NO JUSTICE FOR JEAN PAUL GENIE

A growing number of Nicaraguans are putting bumper-stickers on their cars which read "Jean Paul Pide Justicia," or "Jean Paul Asks for Justice." Even though the Sandinista Popular Army and Sandinista National Police control the streets, these courageous people express their outrage at the Government of Nicaragua for allowing the murderers of an unarmed 16 year old boy, Jean Paul Genie, to go unpunished.

The Genie family's tragedy clearly shows that the Sandinistas continue to act with impunity throughout Nicaragua. Mr. and Mrs. Genie remained in Nicaragua during the 1980s and were not known to be enemies of the Sandinista regime. The evidence that General Humberto Ortega, Commander-in-Chief of the Sandinista Popular Army, was directly involved in the crime is overwhelming, yet no one has been arrested, and there is no date for a trial. The international attention, as well as the magnitude of the alleged

cover-up by Nicaraguan Government authorities, requires that this case be handled as a separate chapter.



Jean Paul Genie's body in the passenger seat of the Mitsubishi Lancer after he was murdered, allegedly by General Ortega's bodyguards.

#### G. LACK OF JUDICIAL REFORM

Everyone outside of the Nicaraguan Government (and many inside the Government) agree that violence against innocent civilians in Nicaragua will continue until the high-ranking Sandinistas are removed from all the security forces, and until the Chamorro Government begins to reform the corrupt and biased judicial system.

During his trip to Washington in July 1992 the Nicaraguan Foreign Minister, Ernesto Leal told the SFRC Republican staff that while five out of nine Justices on the Supreme Court are members of the Sandinista National Liberation Front, Mrs. Chamorro did not intend to appoint new justices so that the Sandinistas would not control the Court—even though she has the constitutional right to do so. SFRC Republican staff was also told by the Foreign Minister that even the four new Justices saw no need to appoint new members “because all decisions are reached by consensus.”

Part of the problem in Nicaragua may be that new judges at every level would rather “go along to get along” than confront the difficult and perhaps dangerous task of reforming the system. Furthermore, those interviewed during the SFRC Republican staff investigation believe that there can never be a state of law in Nicaragua until there are both judicial and constitutional reforms. The platform on which Mrs. Chamorro ran promised 17 Constitutional

amendments. To date, Mrs. Chamorro has presented no package of Constitutional amendments to the National Assembly. The Constitution was written and passed by the Sandinistas in 1987.

#### H. CONTROLLED PRESS—NEWSPAPERS

One of the accomplishments of the Chamorro Government has been to allow freedom of speech—in an arbitrary manner. The Government also touts progress on extending freedom for the press. However, even though the United States Department of State's Human Rights Report does not mention the print media, the fact is that President Chamorro's family either owns or directly controls every national newspaper in Nicaragua.

The flagship publication of the Chamorro family is *La Prensa*. During the Somoza years, *La Prensa* was an opposition newspaper. During the first year of the Sandinista regime, when Mrs. Chamorro was a member of the ruling Junta, *La Prensa* was pro-Sandinista. After Mrs. Chamorro left the Junta, *La Prensa* rarely criticized the Sandinista's Marxist-Leninist ideology.

During the Sandinista regime the newspaper was suspended for a period of time. After the newspaper reopened it was censored for its attacks against the authoritarian nature of the Sandinista regime.

Currently, the President of the newspaper is President Violeta Chamorro's daughter, Cristiana. The Secretary of the paper is Mrs. Chamorro's sister-in-law, Ana María Chamorro. Its Vice President is Jaime Chamorro, President Chamorro's brother-in-law. Another Director of *La Prensa* is Margarita Cardenal de Chamorro, President Chamorro's mother-in-law.

*La Prensa* has been very supportive of the Government since Mrs. Chamorro was elected President. Cristiana is married to perhaps the second most powerful man in Nicaragua, (after General Humberto Ortega) Antonio Lacayo, who is the Minister of the Presidency. Mrs. Chamorro's eldest son, Pedro Joaquín, Jr., recently finished an assignment as Nicaragua's Ambassador to Taiwan and returned to Nicaragua to work for the newspaper as Vice Director.

The official newspaper of the Sandinista National Liberation Front is a slick and colorful publication called *Barricada*. Mrs. Chamorro's youngest son, Carlos Fernando was the Editor of *Barricada* throughout the Sandinista regime and continues to hold that position today.

Finally, Nicaragua's mass tabloid is *El Nuevo Diario*. This high circulation daily is owned and operated by President Chamorro's brother-in-law, Xavier Chamorro. The Editor of the paper is Danilo Aguirre, a Sandinista Congressman. This paper is also controlled by the Sandinistas.

It may be that there is no longer an official Government office to censor the media. But given the close family relationship between the people who own and control all three national newspapers and the people running the Government of Nicaragua, it is misleading to say that Nicaragua now has either an "independent" or free press.

## I. CONTROLLED PRESS—RADIO STATIONS

The most important medium for the distribution of news in Nicaragua is the radio. It is estimated that there may be as many as 70 radio stations in Nicaragua, 60 being staffed or owned by Sandinistas. Of the 10 or so independent stations, very few produce material critical of the government. Most of the independent stations play only music, and do not have news programs. SFRC Republican staff was told that the most popular stations were the non-Sandinista stations Radio Corporación, Radio Católica and Radio Mundial.

Sandinista harassment of independent radio stations has continued throughout the Chamorro Presidency. Employees of Radio Corporación told SFRC Republican staff that on July 11, 1990, their station was attacked by Sandinista mobs. Citizens who lived near the station surrounded the building and fought back. One person was killed and up to 150 were wounded. Supporters of Radio Corporación were successful in keeping the armed Sandinista mobs from actually entering the building.

To calm the tense situation, negotiations took place between members of the Ministry of Government, representatives of former President Daniel Ortega, and the Sandinista Commander of the Police. Finally, calm was restored at the radio station. At the same time, however, at another location, Radio Corporación's transmitter was blown up.

Later that month, Radio Corporación was vandalized by two members of the Sandinista Popular Army and by two Ministry of the Government officials. The four responsible for the crime were captured, but a few days later they were released by the police. The person who ordered their release was the Vice Minister of the Government, Jose Pallais, who now serves as Vice Minister of the Foreign Ministry.

One year later, in June of 1991 Radio Corporación was again occupied by Sandinistas, including two radio broadcasters from the Sandinista station, Radio Ya. Several days later the station was returned to the owners, but the equipment had been looted and much had been destroyed.

On November 9, 1991, after the destruction of the statue of the Father of the Sandinista Revolution, Carlos Fonseca, Daniel Ortega addressed Sandinista mobs in Managua saying "let it not be said that we destroyed Corporación!" That afternoon, following Ortega's speech, Radio Corporación was badly damaged by Sandinista mobs. At 7 p.m. that same evening, a second mob came by and finished the job, totally destroying the station. Mrs. Chamorro's amnesty decree 47-91 was used to protect, among others, the Sandinista mobs who destroyed Radio Corporación on this date.

Radio Corporación has been rebuilt and is currently broadcasting. On the afternoon that SFRC Republican staff interviewed the employees of Radio Corporación, they informed us that the station had received another threat regarding actions that might be taken on the following Sunday, July 19, which was the anniversary of the Sandinista revolution.

### J. CONTROLLED PRESS—TELEVISION STATIONS

There are currently three television stations operating in Nicaragua. A fourth station, Channel 4, is scheduled to begin broadcasting soon. A well informed source told the SFRC Republican staff that Channel 4 will be exclusively owned and operated by the former Sandinista President Daniel Ortega; Sandinista Vice President, Sergio Ramírez; former Sandinista Minister of Agitation and Propaganda, Nicho Marengo; and Sandinista legislator, Herty Lewites.

Furthermore, a US\$400,000 state bank loan enabled Channel 4 to purchase a 10-kilowatt transmitter which will provide for full coverage of the entire country. All Nicaraguan state banks are largely underwritten by United States economic assistance.

Channel 6 is 100 percent owned and operated by the Government, and Channel 2 is controlled by the Government. The United States Department of State's Human Rights Report asserts that this station is merely leased from the Government. Information from our investigation, however, leads SFRC Republican staff to understand that the family which operates the station owns only a minority share of the company—the vast majority of stock is owned by the Nicaraguan Government. Ernesto Robleto is President of Channel 6, and is Chairman of the Board of Directors of Channel 2. In addition to running both of these stations, Robleto is the Director of Press Information for the Presidency, which is controlled by Antonio Lacayo, Minister of the Presidency.

Channel 8 is the only private and independent T.V. station in Nicaragua. It is a small station with a one-kilowatt transmitter, which can be seen only in Managua. Channel 8 is owned and operated by Carlos Briceño, a graduate of the School of Journalism at the University of Missouri at Columbia. Briceño left Univisión, the largest Spanish language network in the hemisphere, to be the Media Director for the Chamorro Presidential campaign. After Mrs. Chamorro's victory, Briceño was given the job of managing the Government owned Channel 6.

During the one year anniversary celebration of Mrs. Chamorro's victory, Briceño scheduled an interview with the Vice President of Nicaragua, Virgilio Godoy, to assess the political situation. According to Briceño, several times during Mrs. Chamorro's first year he was told by Antonio Lacayo, Minister of the Presidency and son-in-law of Mrs. Chamorro, that he should not attempt an interview with Virgilio Godoy. The weekend after the interview aired, Carlos Briceño was fired by Danilo Lacayo, then the Director of Press Information for the Presidency. This information was verified by independent sources.

### K. CONCLUSION

The human rights organizations interviewed by the SFRC Republican staff believe that grave human rights abuses are continuing under the Chamorro Government. Those interviewed are concerned about the lack of any independent judicial system to prosecute the violators. To date, it is not apparent that anyone responsible for human rights abuses has been charged, convicted, prosecuted and sentenced. Our Nicaraguan sources agree that prac-

tically all human rights abuses are committed by the Sandinista security forces. With a controlled press none of these facts can reach the outside world.

## XI. Government Corruption

In recent months numerous press reports have hinted at the possibility of theft and corruption within the office of the Minister of the Presidency in Nicaragua. Antonio Lacayo, President Chamorro's son-in-law, is the Minister of the Presidency. In Nicaragua the Minister of the Presidency is equivalent to Chief of Staff to the President of the United States.

These press allegations of corruption were substantiated in a report released by the Comptroller General of Nicaragua on July 17, 1992. The Comptroller General's report concludes that up to US\$1 million of foreign aid received from European countries was diverted by officials in Mr. Lacayo's office for their personal use and was used to bribe legislators of the National Assembly.

### A. SOURCE SAYS LACAYO MASTERMINDED BRIBERY SCHEME

While the report of the Comptroller General finds a "presumption of criminal liability" against Minister Lacayo, Senate Foreign Relations Committee (SFRC) Republican staff has received important information about Lacayo's alleged role in the diversion, a subject that was not covered in the Comptroller General's report.

Some time ago the SFRC Republican staff was contacted by an employee in the office of Minister Lacayo. The employee was directly involved in the scandal of the stolen funds and cannot be identified due to security concerns. The source was worried that low level officials involved in the scandal would become the "scapegoats in order to save the Chamorro Government—specifically Antonio Lacayo."

The source claims to have first-hand knowledge that it was Antonio Lacayo who personally paid the bribes to the Nicaraguan Congressmen. SFRC Republican staff have checked the reliability of the source with a number of highly credible individuals—all have testified to the source's credibility. The SFRC Republican staff has a signed statement from this witness. If there is ever a non-Sandinista dominated court system established and security is assured in Nicaragua, this witness has agreed to testify under oath. The following story was recounted to the SFRC Republican staff by the witness.

Prior to August 1991, Minister Lacayo approached a Vice Minister of the Presidency, Antonio Ibarra, to seek his help in a scheme to buy greater support for President Chamorro in the National Assembly. According to the source, Ibarra had no apparent rapport with Lacayo. In fact, he even had difficulty arranging meetings with Lacayo. Once this scheme was underway, however, Ibarra had access to Lacayo any time he needed it.

The source believes that Lacayo approached Ibarra because Ibarra was known to be a political operative and had connections with members of the National Assembly. Ibarra was also respon-

sible for administering a fund of foreign aid donated by a number of European countries to assist the poorest sectors in Nicaraguan society. According to the source, Lacayo saw that fund as a potential source of cash with which to buy votes.

According to the source, Lacayo developed a strategy to form a coalition between the Sandinista and certain UNO members of the Assembly. Since the Sandinistas did not have a majority, it was necessary to bring others on board. He specifically sought this coalition in order to blunt efforts by the anti-Sandinista coalition (UNO) to pass legislation that would return confiscated properties and reduce the Sandinista military budget.

Ibarra and Lacayo then reportedly met and targeted nine Congressmen and two alternate Congressmen. The source has detailed and specific information confirming that in August 1991, Ibarra took cash from the foreign aid fund described earlier and delivered it to the office of Minister Lacayo. The source confirmed to SFRC Republican staff that Lacayo then met with Congressman Iván Salvador Madriz who reportedly acted as a liaison between Lacayo and the ten other Congressmen. Madriz reportedly received enough cash to pay himself and each Congressman US\$60,000 for their cooperation in supporting President Chamorro's vetoes of legislation passed by the National Assembly.

The source reports that Minister Lacayo met with a number of the targeted Congressmen between July and December 1991 to discuss this legislative "strategy." The source says that Lacayo had at least 15 meetings with the Congressmen in five different locations: Lacayo's private office on the fourth floor of the Presidency, the Cabinet room on the third floor of the Presidency, Los Ranchos restaurant, Sancuaje restaurant (owned by Sandinista National Liberation Front members) and the youth headquarters of the Nicaraguan Social Party.

According to the source, a second payment was made in December 1991. While the source could not confirm the amount of the second payment, it was estimated to be less than US\$60,000 per Congressman. Additionally, each Congressman reportedly received a Toyota Landcruiser, a Mitsubishi Montero or another car of his or her choice. All nine of the targeted Congressmen supported President Chamorro's vetoes of the legislative initiatives in question.

The source also reported that Minister Lacayo maintains close relations with Mr. Lenín Cerna, the Sandinista intelligence chief. After the scandal was exposed publicly, Mr. Cerna (who unclassified United States Department of State documents accuse of having personally tortured opponents) reportedly called Mr. Ibarra and told him, "Don't worry. I have talked with Lacayo, and we have everything under control."

#### B. THE COMPTROLLER GENERAL INVESTIGATES THE BRIBERY SCHEME

The former Vice Minister of Economy, Mr. Noël Vidaurre, reported to Republican staff representatives that on October 23, 1991, he met with the Minister of the Presidency, Mr. Antonio Lacayo, to reveal information concerning a scandal within the office of the Minister of the Presidency. Mr. Vidaurre had information that the Vice Minister of the Presidency Antonio Ibarra was using

public funds to rent homes for his personal use and was engaged in the import of items without paying duties.

Lacayo had asked to meet with Vidaurre because Lacayo had reportedly heard rumors that Vidaurre was "investigating" Vice Minister Antonio Ibarra. Nonetheless, when Lacayo met with Vidaurre, Lacayo asked that Ibarra be present. During this meeting, Lacayo promised Vidaurre to set up a Commission on Ethics to investigate the allegations against Ibarra. Vidaurre told the SFRC Republican staff there has been no evidence that this commission was ever established. The Ministry of the Presidency alleges that a commission had indeed been established, consisting of Dr. Tomas Delaney, legal advisor to Lacayo, and Mr. Jorge Gómez, Lacayo's personal assistant. Nevertheless, there is no concrete proof that this commission ever investigated the case.

On approximately October 29, 1991, Vidaurre was present at a meeting between President Chamorro and Minister Lacayo, in which the President personally asked Lacayo to look into these allegations. However, when it seemed apparent to Vidaurre that Lacayo was not committed to investigating the corruption charges, he decided to go public with his information.

On November 1, 1991, Vidaurre made his allegations available to the press. Ibarra was in El Salvador when the allegations became public. Citing heart problems, Ibarra did not return to Nicaragua immediately, but left for Miami and remained there until December 7, 1991. At that time, even though he was under investigation by the Comptroller General, Vice Minister Ibarra returned to Managua and to his office in the Presidency. Once back in Managua, he allegedly continued to manipulate the accounts within his control. He is now reported to be in Puerto Rico.

Under the Nicaraguan Constitution, the Comptroller General is responsible for investigating allegations of the misuse of public funds. On December 2, 1991, in accordance with his duties specified in Nicaraguan law, Comptroller General Guillermo Potoy went to the office of the Minister of the Presidency (Antonio Lacayo) to officially open an investigation. He was denied access to the office and his auditors were turned away and not allowed to present their credentials.

On December 9, 1991, the office of the Ministry of the Presidency received the credentials of the auditors who were sent by the Comptroller General. However, the auditors were unable to perform their duties because they were informed that Minister Lacayo wished to speak with the Comptroller General before permitting them to work.

On December 12, 1991, Minister Lacayo wrote the Comptroller General saying that before he would permit the investigation to go forward, he needed information about what the Comptroller General sought to investigate. The Comptroller General replied in a letter of December 18, 1991, in which he stated that he was unable to give the reasons for seeking access to the files in the offices of the Minister of the Presidency. Such access is guaranteed to the Comptroller General by the laws of Nicaragua. While the Comptroller General agreed to meet with Lacayo, he told Lacayo that he could provide no specific information regarding the investigation.

Finally, on January 10, 1992—almost three months after Lacayo was first warned of the allegations—Lacayo and the Comptroller General met. The Comptroller General told the SFRC Republican staff that Lacayo pledged to cooperate with the investigation and indicated that the investigators could begin their work the following day. Despite that agreement, the Comptroller General's investigators were not permitted in the Ministry of the Presidency until January 24, 1992—53 days after the Comptroller General first sought access to the files of the Ministry of the Presidency.

According to the Comptroller General's investigation, at some point during that 53 day period, while the Comptroller General was denied access to the Ministry, Lacayo invited his own team of auditors from the Ministry of Finance to conduct an "investigation." One highly informed source stated that the auditors from the Ministry of Finance disguised their identities by telling staff members within the Ministry of the Presidency that they worked for the Comptroller General's office.

It is important to note that Ibarra was not removed from his post until the first week of January 1992. Thus, during the entire period that Lacayo was denying the Comptroller General's staff access to the Ministry, Ibarra remained in his position with full access to all the documents pertaining to the corruption scandal. Some senior Nicaraguan Government officials told Republican Committee staff that they believe that during the 53 day period, key documents bearing Lacayo's signature may have been destroyed.

Once the Comptroller General's team was finally granted access to the Ministry, it became apparent that the scandal was much more extensive than the initial allegations had indicated. The team discovered that the extent of the fraud exceeded US\$1 million. Allegedly, the Vice Minister's office had falsified receipts of humanitarian supplies that were supposed to have been delivered, and pocketed the money for personal use.

The Comptroller General contends that his investigators proved that 95 percent of the merchandise supported by "receipts" was never delivered. In some cases, merchandise was "purchased" from companies that are no longer in business. Checks were also made out to people who did not exist—or in some cases the names of the chauffeurs were used.

A second key element of the investigation of the Comptroller General revealed information that eight Congressmen of the Nicaraguan National Assembly may have received payoffs in exchange for supporting President Chamorro's veto of legislation. *The Miami Herald* first revealed this scandal on June 23, 1992. The newspaper stated that "approximately \$400,000 from the Fund for Aid to Oppressed Sectors (FASO) were turned over to eight legislators by Antonio Ibarra, former Deputy Chief of Staff under Antonio Lacayo." The same article reported that money was given in exchange for the Congressmen's support of a Chamorro veto on a bill that would have returned confiscated properties to their rightful owners and another bill which would have reduced substantially the Sandinista military budget.

Although it is unclear how much each Congressman received, the Comptroller General estimates that each one received approximately US\$30,000–\$40,000. (Other sources place the figure as high

as US\$150,000). The Comptroller General told the SFRC Republican staff that at the time the payoffs were reportedly made, one of the suspected Congressmen purchased a property that cost approximately US\$30,000–\$40,000.

On Friday July 17, 1992, the Comptroller General revealed his findings in a published report that was made available to the public. The report was based on interviews with 168 witnesses. The Comptroller General's key finding was a "presumption of criminal liability" against Minister Lacayo, Vice Minister Ibarra, eight Congressmen of the National Assembly and several staff members in the office of the Ministry of the Presidency.

### C. LACAYO ATTACKS COMPTROLLER GENERAL INVESTIGATION

Within the course of one week, Lacayo's reaction to the investigation ranged from praising the Comptroller General to accusing him of engaging in a political plot. At a live press conference at the Comptroller General's office on July 13, 1992, Lacayo stated: "I have come to show that the Government of Violeta Chamorro is deeply interested in the correct functioning of government institutions like the Comptroller General's Office and in investigating possible cases of corruption." He also confirmed that "according to the Constitution, the government institution that must investigate alleged charges against government officials is the Comptroller General's office."

However, when Lacayo learned that he was implicated by the Comptroller General's report, he immediately denounced the report as a "political plot." *The Miami Herald*, on July 18, 1992, quoted Lacayo as saying "this all seems very strange, and I consider it a political act, because the Comptroller [General] is a member of the Social Democratic Party, which is the Party of Alfredo César, the President of the National Assembly . . . It is well known that the President of the Assembly is no friend of this Government."

Likewise, rather than confront the facts in the Comptroller General's report, President Chamorro has criticized the process leading to the report. The Associated Press reported on July 20, 1992, that President Chamorro expressed "deep concern" over what she perceived as a conflict of interest between the Comptroller General's office and the Social Democratic Party. This is a strange reaction by Mrs. Chamorro and Mr. Lacayo considering that it was Mrs. Chamorro who submitted Mr. Potoy's name, along with two others, to the National Assembly so that the Congressmen could then confirm one of the three candidates as Comptroller General.

Such comments by President Chamorro seem to be a desperate attempt to spare her son-in-law, Mr. Lacayo from criminal prosecution. President Chamorro was fully aware of the fact that the Comptroller General was investigating the case—yet she never complained about Potoy's objectivity or his party affiliation until her son-in-law was implicated in the scandal. In fact, in a press conference given while SFRC Republican staff was in Managua in July, 1992, Antonio Lacayo stated that he hoped we would meet with the Comptroller General. (This was before the Comptroller General had revealed his findings.)

President Chamorro has also criticized the Comptroller General for releasing his findings to the press before notifying the govern-

ment. However, the SFRC Republican staff has reliable information that Mrs. Chamorro did receive a copy of the Comptroller General's report shortly before he released it in a press conference.

On July 31, 1992, the Attorney General officially charged former Vice Minister of the Presidency Ibarra and ten other people, including one Congresswoman. They were charged with falsification of public and commercial documents, misuse of public funds and conspiracy to defraud.

In a public statement in Managua the Attorney General said that Mr. Lacayo might be charged in the future. In spite of this statement, President Chamorro has repeatedly expressed her full confidence in her son-in-law in recent weeks. On July 22, during a trip to Spain she stated that "If he (Lacayo) goes, Violeta goes."

#### D. CONCLUSION

In summary, the Comptroller General of Nicaragua performed a preliminary investigation of the allegations of corruption in the office of Antonio Lacayo, son-in-law of President Chamorro. He found that that office had misappropriated more than US\$1 million in foreign aid funds. In the end, the Comptroller General declared a "presumption of criminal liability" against Mr. Lacayo, President Chamorro's top aide.

SFRC Republican staff believes that Lacayo's failure to cooperate with the Comptroller General made it impossible for the Comptroller General to determine fully the level of Lacayo's own involvement. Due to Lacayo's failure to cooperate, the specific information mentioned at the beginning of this chapter (regarding Lacayo's direct role in the bribery scheme) is not covered in the Comptroller General's report. Given the number of people implicated in the scandal, and the fact that several other sources have first-hand knowledge, SFRC Republican staff believes that more information will surface proving the fraud to be far more extensive than what has been revealed to date.

The blatant misuse of foreign aid funds by high level Nicaraguan Government officials should be of great concern to the United States Government. Before any future United States foreign aid goes to the Nicaraguan Government there should be a complete investigation of this scandal and of the \$728 million of United States bilateral assistance already given to the Chamorro Government.

## **XII. United States Economic Assistance to Nicaragua**

The Senate Foreign Relations Committee (SFRC) Republican staff has received numerous allegations from Nicaraguan and United States Government officials concerning the misuse of United States foreign assistance. Because of our limited resources and financial analytical capability, we were able to conduct only a very general overview of the United States aid program in Nicaragua to ascertain where slightly more than US\$1 billion has gone during the last two years.

Our preliminary investigation indicates that there are serious problems with the United States aid program. United States and Nicaraguan Government officials came to us with specific information which in turn raised the following questions:

- Did the Sandinista Popular Army or Sandinista front organizations receive United States foreign assistance?
- Why did the Nicaraguan state banks lend more than US\$167 million in loans that will never be repaid?
- To whom were these loans given?
- Does the United States Agency for International Development thoroughly monitor and track where United States foreign assistance goes?
- Has all United States economic assistance been used for its intended purposes?

### **A. \$1 BILLION IN U.S. FOREIGN AID TO NICARAGUA**

The United States has given Nicaragua approximately US\$1 billion in economic assistance in the last two years. Per capita, Nicaragua ranked as the second highest recipient of United States economic assistance in 1991, (approximately US\$57 per person). Only Israel received more aid per capita.

For Fiscal Year 1992, the United States continued its "Economic Stabilization and Recovery Program" for Nicaragua. On May 12, 1992 the Agency for International Development (AID) notified the U.S. Congress that it intended to obligate the fourth installment of this program. The amount to be obligated was US\$100 million.

According to A.I.D's Congressional Notification, the purpose of the money was to provide balance of payments support. This US\$100 million is in addition to the US\$723.8 million in cash and US\$284.8 million in forgiven debt already given to the Government of Nicaragua by the United States since Mrs. Chamorro came to power in April of 1990.

The notification explained that "Nicaragua has completed the first, highly successful year of its stabilization program. The sources of hyper-inflation, the fiscal deficit and the quasi-fiscal losses of the state financial system, have been decisively controlled." The notification further asserted that "in most respects,

the Government of Nicaragua's reform efforts undertaken in 1991, were spectacularly successful."

On May 27, 1992 there was Congressional objection to the obligation of the US\$100 million to the Government of Nicaragua. The objection cited several concerns, including the failure of the Nicaraguan Government to return confiscated property to the rightful owners and the continued Sandinista control of the government.

#### B. \$167 MILLION IN BANK LOANS THAT WILL NEVER BE REPAYED

Approximately one month after the suspension of assistance, the July 9, 1992 edition of *The Miami Herald* reported that at least US\$100 million "disappeared from Nicaraguan state banks last year." A United States Department of State source informed the SFRC Republican staff that the real figure was not US\$100 million, but approximately US\$167 million in bad loans in 1991. According to the July 12, 1992 edition of the *New York Times*, the amount in Nicaraguan Central Bank loans that were written off, (based on the US\$100 million figure), was approximately 60% of what Nicaragua imported in 1991.

"Nicaragua cannot continue offering loans to entities or individuals who don't pay their debts. It is simply unsustainable" said Ron Godard, the highest ranking United States diplomat in Nicaragua in the July 9, 1992 edition of *The Miami Herald*. A loss of US\$100 million is equal to at least 10 percent of Nicaraguan gross national product. Director of the AID Mission, Janet Ballantyne, responded in the same article saying, "I know of no nation, rich or poor, that can afford the luxury of losing 10 percent of its production."

According to the July 9, 1992 *The Miami Herald* article, CONAZUCAR, then a state-owned sugar company, received the largest amount of money—US\$65 million in 69 short-term loans during 1991. State bank officials admitted that the outstanding loans "went primarily to finance payrolls at state enterprises [such as CONAZUCAR]."

Officials at the United States Agency for International Development in Managua assured SFRC Republican staff that they can account for United States funds given to the Central Bank of Nicaragua. However, based on the material provided to Republican Committee staff by the AID Mission in Managua, this seems to apply only for dollars deposited in Nicaraguan Central Bank accounts for use as hard currency to purchase imports.

The vast majority of United States economic assistance to Nicaragua has been cash transfers to Nicaraguan Central Bank accounts. These funds are used for balance of payments support through the United States import financing program. In short, the Government of Nicaragua does not go deeper in debt borrowing the U.S. dollars needed to purchase imports, because the U.S. Government provides the dollars. The Nicaraguan Central Bank receives an equivalent amount of local currency (cordobas) from Nicaraguan businesses in exchange for the dollars provided by the United States.

Documents provided by AID to the SFRC Republican staff indicate that the cordobas that Nicaraguan companies exchange for dollars through the import financing program are not tracked by United States auditors. According to the July 9, 1992 article in *The*

*Miami Herald*, "once they [the importers] repay the Central Bank in local currency [cordobas], the money dissolves into the state financial system." Presumably, those funds can be used for a variety of purposes, including to make loans like the ones which the Central Bank admits will never be collected.

The cordobas are available to the Nicaraguan state banks to lend, because they were generated by the United States import financing program. In short, United States grant money has been indirectly used to make tens of millions of dollars in loans that will never be repaid.

There are three Nicaraguan state-owned banks: Banco Nicaragüense (BANIC); Banco Nacional de Desarrollo (National Bank of Development or BND); and the Nicaraguan Investment Fund or (FNI). FNI lends only to institutions. According to Nicaraguan business and banking authorities, the Chamorro Government installed new people at the top positions in the state-owned banks. The loan officers however, are the same Sandinistas who have been giving out loans for the past decade. According to these sources, state bank loan officers give loans based on political criteria. When questioned about the banking practices of the state banks, AID officials admitted that the state banks did not operate under the most basic banking practices such as requiring collateral from borrowers.

Nicaraguan business authorities were able to give many examples of state bank loans which will never be repaid. Many of these loans go to alleged agricultural projects. A company called ECODEPA is reportedly US\$4.6 million in arrears. ECODEPA allegedly is an agricultural products broker. Many Nicaraguans we talked with had heard of ECODEPA, however no one quite knew what ECODEPA did. ECODEPA is run by Daniel Núñez who is a member of the Sandinista Assembly and is also head of UNAG—a Sandinista agricultural workers union.

Another alleged agribusiness in arrears to a Nicaraguan state bank is FERIA CAMOAPA. FERIA CAMOAPA is reportedly a joint venture between the Nicaraguan Government and the Sandinista National Liberation Front and is run by the Minister of Agriculture Roberto Rondón and Sandinista activist Rafael Martínez. FERIA COMOAPA is US\$1.1 million in arrears.

Republican Committee staff was often told that even Nicaraguan Government agencies were in arrears to the state-owned banks. The Nicaraguan Institute for Electrification reportedly owes US\$13 million to the National Bank of Development. Since there is little evidence of improved electrical service in Nicaragua, many wonder where the US\$13 million went.

### C. MORE UNITED STATES ASSISTANCE TO SANDINISTAS

An outstanding loan made to AGROPECUARIO ABANGASCA S.A., a company owned by four Sandinista National Police Commanders, is another example of the type of loan made possible by cordobas generated by the United States financed import program. The SFRC Republican staff has in its possession a notarized document from the state-owned Nicaraguan Banco Nacional de Desarrollo, (National Bank Of Development), detailing a series of

seven loans totaling 2,481,793 cordobas (US\$496,358) made to AGROPECUARIO ABANGASCA S.A.

This company is owned jointly by four National Police Commanders: Commander David Blanco, Commander Juan José Ubeda, Commander Manuel Calderón and Commander Christian Pichardo. According to a high-ranking Nicaraguan Government source, all four Commanders possess confiscated properties. AGROPECUARIO ABANGASCA S.A. is allegedly an agricultural company and the loans were supposed to finance the production of cotton, sugar cane and rice. A Nicaraguan bank President has confirmed to us that all agricultural loans from the National Bank of Development are made with cordobas generated by United States foreign assistance funds. The seven loans were all made since Mrs. Chamorro was elected.

According to the Nicaraguan source who gave us the document and who has first hand knowledge of the transaction, the four Sandinista Commanders were recently approached by their superior in the National Police, Minister of the Government, Alfredo Mendieta. Mendieta allegedly told them that, because of pressure from the United States Congress, they had to return at least one of the properties they had stolen. The Commanders agreed to return only one of the properties with the condition that their US\$496,358 loan be forgiven. According to two sources, Mendieta agreed to make the arrangements to erase the debt of these four Sandinista Commanders.

The SFRC Republican staff has received numerous confirmations that a loan was made by a Nicaraguan state bank directly to the highest authorities in the Sandinista National Liberation Front. These sources told the SFRC Republican staff that Nicaraguan T.V. Channel 4 received a US\$400,000 state bank loan which enabled it to purchase a 10-kilowatt transmitter. Channel 4 is scheduled to begin broadcasting by the end of August 1992.

The same source told SFRC Republican staff that Channel 4 will be exclusively owned and operated by the former Sandinista President Daniel Ortega; Sandinista Vice President, Sergio Ramírez; former Sandinista Minister of Agitation and Propaganda, Nicho Marengo; and Sandinista Congressman, Herty Lewites.

The Agency for International Development denies that the funds used to make these type of loans come from the United States. However, it is a fact that a good portion of the Nicaraguan state-owned banking system is underwritten by cordobas generated by United States funds. So, no matter how this situation is analyzed, a significant percentage of any one of these loans can be attributed to the United States economic assistance program.

There are widespread allegations that United States aid goes to corrupt Government Ministries, companies and organizations, often controlled by the Sandinistas. AID assures SFRC Republican staff that this is not the case because the assistance is closely monitored. However, information uncovered by this investigation indicates that goods purchased by the United States may change hands several times after AID makes its initial delivery. Initial indications are that the entire money trail is neither monitored nor tracked.

Among the first assistance to arrive in Nicaragua from the United States was emergency medical supplies. AID gave the Nicaraguan Government approximately US\$2.5 million of the supplies immediately after Mrs. Chamorro assumed the Presidency in 1990. According to AID, the supplies were given to the United States Public Health Service in Nicaragua to distribute. Other medical supplies were given to the Pan American Health Organization through the Organization of American States. AID officials admitted that some of these supplies eventually went to the Nicaraguan Ministry of Health, which is notoriously corrupt.

The Minister of Health is Ernesto Salmerón, who is reportedly the pediatrician of Antonio Lacayo's and Humberto and Daniel Ortega's children. A United States Government source independently confirmed to the SFRC Republican staff that the medical supplies were delivered to a certain location whereupon it was picked up by Sandinista Popular Army soldiers driving olive green army trucks.

A large portion of United States economic assistance to Nicaragua goes to finance the importation of petroleum products. It was reported to the SFRC Republican staff in the Spring of 1991 that the Sandinista Popular Army was purchasing fuel with United States economic assistance. When informed of the illegal use of aid after a hearing in the Senate Foreign Relations Committee, Assistant Secretary for Inter-American Affairs, Bernard Aronson, assured Republican Committee staff that this was not happening. The State Department told Republican Committee staff that there was an agreement with the Chamorro Government that no United States money could go to Sandinistas.

A few months later, Aronson confirmed to Republican Committee staff that the Sandinista Popular Army had indeed used fuel purchased with United States money. He said that the fuel amounted to only a few thousand dollars. Aronson also said that the Government of Nicaragua would reimburse the United States.

The State Department told the SFRC Republican staff in August 1992 that, as of May 31, 1992, the Sandinista Popular Army and National Police had actually used US\$6.4 million of a total of US\$13.8 million in petroleum imports determined to be ineligible. SFRC Republican staff was further told that after more than 1½ years, the Nicaraguan Government had finally reimbursed the United States for US\$13.8 million plus interest.

Memoranda of Understanding between the Government of Nicaragua and the United States detail the steps the Government of Nicaragua must take before receiving aid. Furthermore, these Memoranda of Understanding also condition the use of assistance. However, the SFRC Republican staff investigation indicates that the conditions contained in the Memoranda of Understanding are not always strictly followed. The Republican Committee staff's experience with the Government of Nicaragua has shown that its promises are often broken.

#### D. CONFLICT OF INTEREST/PREFERENTIAL TREATMENT

According to Nicaraguan Central Bank documents provided to us by AID, a large number of Nicaraguan companies utilizing dollars provided by the United States funded import financing program,

are owned or controlled by high ranking Nicaraguan Government officials or their relatives.

The AID documents show that GRACSA, a cooking oil company, had access to more than US\$65 million in import financing for the first three months of 1992. GRACSA is the largest cooking oil company in Nicaragua. The Minister of the Presidency, Antonio Lacayo was the general manager before he resigned to run his mother-in-law's (Mrs. Chamorro) Presidential campaign. According to friends of Mr. Lacayo, he still retains a significant financial interest in the company.

AID's Inspector General's Audit Report on United States aid to Nicaragua, (No. 1-524-92-007), published on July 16, 1992, criticized a "Food for Progress" program involving cooking oil. The United States donated 44,000 metric tons of vegetable oil to the Government of Nicaragua. The fair market value of this cooking oil was approximately US\$528 per metric ton. However, the Government of Nicaragua was selling the cooking oil to Nicaraguan companies for US\$330 per metric ton. The Nicaraguan companies were then able to make large profits on the resale of the cooking oil to the public at much higher prices. The June 24, 1991 edition of *Time* said that GRACSA, the company in which Mr. Antonio Lacayo has a significant interest, sold the vegetable oil for twice the cost.

While not published in the Inspector General's report, AID later informed SFRC Republican staff that the largest recipient of the cut-rate vegetable oil was GRACSA. Mrs. Chamorro's Government sold Gracsa US\$1,362,314.50 of cooking oil out of a grand total of US\$3,567,206.00 of cooking oil available.

The company receiving the third largest share of the discounted vegetable oil was E. CHAMORRO. E. CHAMORRO was founded by Ernesto Chamorro and is now owned by his son Alberto Chamorro. Ernesto Chamorro's grandson, Alberto Chamorro Chamorro operates the business. Alberto Chamorro Chamorro happens to be a close friend and business partner of Antonio Lacayo, Minister of the Presidency and son-in-law of President Chamorro. According to relatives of both men, they also jointly own a shrimp business.

#### E. NICARAGUA RECEIVED MORE THAN ACTUAL APPROPRIATION

According to the General Accounting Office Draft Report on aid to Nicaragua, the Agency for International Development deposits dollars in Nicaragua's account in the New York Federal Reserve Bank as certain economic conditions are met. These funds earn interest until they are spent to finance imports.

The GAO August 14, 1992 report on aid to Nicaragua, (GAO/NSIAD-92-203) says that "AID's policy of depositing funds in Nicaragua's Federal Reserve Bank account as conditions are met meant that funds were financed by U.S. borrowing . . . As of March 31, 1992, the funds had earned about US\$6.7 million in interest for Nicaragua." The earlier GAO Draft Report on aid to Nicaragua stated that:

"Had the timing of the deposits more coincided with Nicaragua's need for those funds to purchase imports, the U.S. Treasury could have saved the interest expense associated with the borrowing of money to deposit in Nicaragua's

account. The net effect of AID's premature deposits was to provide Nicaragua with more funds than appropriated by Congress and to increase the cost of the public debt."

#### F. CHAMORRO SAYS SHE WILL NOT ACCEPT CONDITIONS

Mrs. Chamorro has openly and repeatedly belittled conditions that the United States imposes (or should impose) on economic assistance to Nicaragua. In a news conference aired on Managua Radio Network on August 4, 1992, Mrs. Chamorro discussed the suspended United States economic assistance. In response to a question about President Bush imposing conditions on the suspended aid, Mrs. Chamorro said, "You know I am not a woman to be given conditions . . . I do not like the imposition of conditions." The July 11, 1992 edition of *The Miami Herald* reported Mrs. Chamorro saying "No one is going to pressure me. I do what I please. I don't have a U.S. passport."

Evidence of the Chamorro Government's lack of commitment to fulfill United States imposed conditions is its funding of the Comptroller General's office. Under the Nicaragua Constitution the Comptroller General is responsible for investigating allegations of the misuse of public funds—an issue of major concern to the United States.

Comptroller General Guillermo Potoy told SFRC Republican staff in Managua that his budget had been cut in half by the Ministry of the Presidency, which is run by Antonio Lacayo, son-in-law of the President. The Comptroller General's office previously employed about 300 people. Due to the budget cuts, he now has only 140 people working for him. This is interesting, especially in light of the fact that Lacayo's office, which is roughly equivalent to the White House Chief of Staff and which has been accused of the theft of foreign economic assistance, has 600 employees, including security detail, according to a source in his office. Lacayo has 21 bodyguards according to this same source.

#### G. LACK OF ASSISTANCE TO NICARAGUA'S POOR

Even if all conditions are being adhered to strictly, there is a broad perception in Nicaragua that United States economic assistance has yet to affect the average Nicaraguan. A CID/Gallup poll conducted in mid-May of 1992 reported that 97 percent of all Nicaraguans responded that they did not benefit from foreign aid. Cardinal Miguel Obando y Bravo told SFRC Republican staff that he saw no evidence that the poor people benefit from the assistance.

While in Managua, SFRC Republican staff was repeatedly told that foreign aid was not reaching the people who needed it the most. Indeed, after seeing the dire poverty in and around Managua, it was difficult for SFRC Republican staff to understand how so much money could be given to such a small country with little or no visible effect. Many people told us that they had seen little evidence of such basic human needs projects as new roads, potable water or sewer construction.

## H. NICARAGUAN SUPPORT FOR THE AID SUSPENSION

Nicaraguans who should benefit from economic assistance have expressed their support for the aid suspension. In July 1992, Nicaragua's largest private enterprise group, the Superior Council for Private Enterprise, (COSEP), told the SFRC Republican staff in Managua that it supported the suspension of assistance. There was almost unanimous agreement among the more than twenty leaders present that the Government of Nicaragua should address United States Congressional concerns before aid is released. In July 1992, after the suspension of assistance, the United States Spanish language T.V. Network, Univision, reported on a poll conducted in Nicaragua in which 75 percent of the private sector supported the suspension of United States economic assistance.

These poll results should come as no surprise. The favoritism shown to family and friends of the Chamorro Government who have taken advantage of the United States financed import program has a demoralizing effect on the private sector at large. Beneficiaries of the American program reimburse the Nicaraguan Central Bank using the official exchange rate of five cordobas to one U.S. dollar. With scarce dollars available to purchase imports necessary to run their businesses, many Nicaraguan businessmen have to pay a higher exchange rate for the purchase of U.S. dollars. United States Government officials told the SFRC Republican staff that the exchange rate could amount to eight to ten cordobas to one U.S. dollar.

While in Managua, SFRC Republican staff was told by leaders of several organizations slated to receive United States assistance that they are willing to forego their share of the aid in order to achieve long term democratic reforms. "Nicaragua will never see true democracy if one penny of the aid is released before Congressional concerns are met," SFRC Republican staff was told on many occasions by these leaders.

## I. CONCLUSION

The Senate Foreign Relations Committee Republican staff is not sufficiently equipped or staffed to undertake the type of thorough financial audit which is required of the AID program in Nicaragua. The AID Inspector General has conducted several investigations of the United States economic assistance program since Mrs. Chamorro became President. The United States General Accounting Office has conducted one investigation of the American economic assistance program which was released to the public in August 1992.

The conclusions of these Inspector General and General Accounting Office investigations raise serious questions about the program. A more thorough investigation, however, should be conducted using experienced bank examiners and financial auditors specifically to ascertain:

- 1.) Why Nicaraguan state banks gave at least US\$167 million in loans that will never be repaid; and to whom these loans were given. (This scandal alone should be reason enough to withhold further assistance until the loans are repaid;)

2.) Whether the Sandinista Popular Army or Sandinista front organizations receive United States foreign assistance, **directly or indirectly;**

3.) The extent to which companies controlled by CORNAP receive loans from state-owned banks and whether it is sound policy to fund confiscated companies; and whether the United States' goal of getting Nicaragua promptly to return confiscated companies to their rightful owners is furthered by such loans. (CORNAP is the state run "holding company" which oversees all state-owned enterprises and allegedly is responsible for the return of stolen companies to their rightful owners);

4.) Whether AID thoroughly monitors and tracks where United States foreign assistance is spent—including local currency generated by the United States financed import program. Who the end user is of United States foreign assistance; and

5.) Whether all United States assistance has been used for its intended purposes.

There is strong evidence that United States foreign aid is not reaching the people who need it the most in Nicaragua. There is much evidence that Nicaraguan Government officials, their family, friends or business partners are the major beneficiaries of the United States financed program. Congress should consider whether it is in the best interest of United States policy to resume assistance before there is a full accounting of the entire aid program in Nicaragua. Virtually everyone with whom we talked during this investigation believes that the suspension of aid to Nicaragua will be beneficial to the people of that country in the long run.

We believe that it is necessary for the AID Inspector General to undertake a complete investigation of where the more than one billion dollars in United States tax-payers' money has gone in Nicaragua.

## APPENDIX

### A. Agreements Between the Chamorro Government and the Nicaraguan Resistance \*

#### TONCONTIN AGREEMENT

The Negotiating Committee of the Nicaraguan Resistance (RN) recognizes that the February 25 elections of authorities held in Nicaragua, in occurring in freedom, honesty and efficiency, permitted the triumph of the will of the Nicaraguan people to establish a democratization process, in the victorious combination of Chamorro-Godoy Reyes, the UNO candidates.

Such an important event in our history allows us to state emphatically that we have decided to initiate the process of general demobilization of our forces, beginning with the disarming of those who still remain in the Republic of Honduras, no later than next April 20. For that we ask, from now on, for the cooperation and assistance of international agencies such as the United Nations Observers for Central America (ONUCA), the International Support and Verification Commission (CIAV) and the person of his Most Reverend Eminence Cardinal Miguel Obando y Bravo.

Simultaneously the internal military confrontations in Nicaragua must cease immediately, for which purpose action must be taken:

1. An effective cease-fire of both parties, verifiable by international agencies (ONUCA, CIAV) and his Most Reverend Eminence Cardinal Miguel Obando y Bravo.

2. Concentration of our armed forces currently in Nicaragua in security zones previously delimited in Nicaraguan territory and monitored by the international agencies mentioned, in addition to his Most Reverend Eminence Cardinal Miguel Obando y Bravo, so that the demobilization process will be carried out in an atmosphere of security and order that will guarantee the life and normal conduct of the peaceful work of our brothers.

In turn, the delegation which represents President-Elect Doña Violeta Barrios de Chamorro states:

1. That with great pleasure it has taken note of the decision of the Nicaraguan Resistance to begin the demobilization process as of this date.

2. That, as an expression of the just recognition of the patriotic efforts of the Nicaraguan Resistance, it is necessary to assist the maimed, orphans and widows, innocent victims of the armed struggle, that for that it promises to work, after Doña Violeta Barrios de Chamorro assumes power, to ensure the rehabilitation and social readaptation of those affected. In addition, they will be entitled to the corresponding monthly pensions.

3. That for the execution of everything agreed upon, a special transition commission is designated, composed of members of the entering government and the Nicaraguan Resistance, whose names will be announced in the next few days.

4. The new Government that Doña Violeta Barrios de Chamorro will lead promises to approach the corresponding governments for humanitarian aid for the members of the Nicaraguan Resistance, as well as for the medical infrastructure for the proper care of the victims of the conflict during the duration of the demobilization.

In turn, his Most Reverend Eminence Cardinal Miguel Obando y Bravo expresses his satisfaction at the patriotic decisions taken and joins those signing to give thanks to the Lord for his assistance in enlightening the parties involved.

Tegucigalpa, Honduras, March 23, 1990

(signatures follow)

\* Translation provided by CRS—Language Services, June 1992. Translation—Spanish.

POINTS OF DEMAND ON THE BASIS OF THE AGREEMENTS SIGNED BETWEEN THE  
GOVERNMENT AND THE PRESIDENCY

1. Integration of the representatives of the Nicaraguan Resistance into the different ministries that have to do with the demobilized.
2. Demobilization and disarming of civilians in all of the national territory.
3. Return of properties confiscated, requisitioned or taken de facto by the Sandinista Government.
4. Rehabilitation and social readaptation of those affected by the war and pensions to widows, maimed and wounded.
5. Delivery of land with a deed, financing, housing, health and education.
6. Participation of the Nicaraguan Resistance in the municipal governments in the development areas.
7. Legal recognition of the political entity that the Resistance forms.
8. Necessary support of all of the state structures in order to help the demobilized in their integration into civilian life.
9. Removal of mines in all of the National Territory.
10. Indemnization of the members of the Resistance, victim of the failure to comply with the agreements.
11. Creation of the development areas.

The *Special Transition Commission*, created through point three of the Toncontin Agreement, has met in the city of Tegucigalpa, April 7-9 of this year, in order to comply with the mandate to carry out all of the agreements included therein.

I) The Delegation of the Nicaraguan Resistance has stated:

1) The RN reaffirms its will to maintain the cease-fire unilaterally decreed by it and not to undertake offensive military actions.

2) So that an effective cease-fire will exist, the Nicaraguan Resistance is willing to agree with the Government of Nicaragua on a bilateral cease-fire, whose conditions and stages would be specified with the technical assistance of the group of military observers of the United Nations for Central America (ONUCA), which should be formalized no later than 18 April.

3) That said cease-fire will be effective to the extent that ONUCA and His Eminence Cardinal Obando y Bravo express immediate willingness to verify it.

4) The Nicaraguan Resistance reaffirms it is ready to order immediately the concentration of its armed forces located inside of Nicaragua, for which, once the security zones required are delimited, both ONUCA and His Eminence Cardinal Obando y Bravo will express their willingness to carry out the task of monitoring that was entrusted to them, which will allow the program to be conducted in an atmosphere of security and order.

5) The Nicaraguan Resistance expresses its agreement, in principle, with the delimitation of the security zones that has been being done and it will proceed immediately to conclude it with the technical assistance of ONUCA.

6) The RN considers essential the participation of the CIAV in the demobilization process, in order to comply with the task entrusted to it through the Tela and Toncontin Agreements.

7) The Nicaraguan Resistance expresses the need for a delegation of its organization to be able to go to Managua, before April 18, in order to expedite the task of implementing the Toncontin Agreement.

8) The Nicaraguan Resistance, in compliance with the Toncontin Agreement, will carry out the delivery of arms of its forces that still remain in Honduras, on April 18 at 12 noon in Yamales, to a delegation of the new government in the presence of Cardinal Miguel Obando y Bravo or his delegate, and the international organizations involved.

II) For its part the delegation that represents President-Elect Doña Violeta Barrios de Chamorro expresses its satisfaction with the joint meeting held in this city and agrees to convey, to all parties involved, the position of the RN and especially to work for authorization for the trip to Nicaragua by the RN delegation, which would facilitate the implementation of the rest of the agreements established in Toncontin.

Tegucigalpa, April 9, 1990

Signing for the Nicaraguan Resistance: Commander Johnny, Commander Wilme, Dr. Aristides Sanchez, Boanerge Matus Lazo

Delegation of the Government-Elect: Dr. Leopoldo Navarro, Dr. Roberto Ferrey

**ANNEX.—TIMETABLE OF ACTIVITIES TO UNDERTAKE DURING THE PROCESS  
OF DEMOBILIZATION OF THE RESISTANCE FORCES**

| No. Activities to Carry Out                                                                                                                            | Deadline for completion |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|
| 1. Signing of the effective and definitive "cease-fire" agreement between the Government of Nicaragua and the Nicaraguan Resistance.                   | 4/18/90                 |
| 2. Entry into force of the cease-fire.                                                                                                                 | 4/19/90                 |
| 3. Withdrawal of the military forces of the Sandinista Popular Army, security and paramilitary forces, from the "security zones" and bordering places. | 4/19/90 to 4/21/90      |
| 4. Beginning of movement of Resistance forces towards "security zones."                                                                                | 4/19/90 after 12 noon   |
| 5. Beginning of CIAV delivery of the humanitarian aid to the RN troops in the "security zones."                                                        | 4/19/90 12 noon         |
| 6. Verification of the withdrawal of troops of the Government of Nicaragua by ONUCA and Cardinal Miguel Obando y Bravo.                                | 4/22/90                 |
| 7. Arrival in country of first U.N. Peace-keeping forces (ONUCA).                                                                                      | 4/22/90                 |
| 8. Transfer of ONUCA to the "security zones."                                                                                                          | 4/22/90                 |
| 9. Concentration of all the forces of the Nicaraguan Resistance in the "security zones."                                                               | 4/25/90                 |

**THE DEMILITARIZED ZONE**

1. **Demilitarized zone:** is that area included within 20 kilometers of the security zone.

2. In the demilitarized zone there will be no artillery or offensive troops of any type, nor militia, nor paramilitary or security forces.

3. *Zone of exclusion:* it is understood for the effects of verification, to be the brigade installations and commands that, being within the 20 kilometers of the demilitarized zone, remain frozen under the control of ONUCA, one or two members of the Nicaraguan Resistance, and the Sandinista Popular Army (EPS) and his Eminence Cardinal Miguel Obando y Bravo.

In zone No. 1 San Rafael and Cuchillas. In zone No. 2 Walala. In zone No. 3 Rio Blanco. In zone No. 4 Santo Domingo. In zone No. 5 Nueva Guinea.

4. The policemen of the towns within the demilitarized zone will be disarmed.

5. The following air corridors are established:

- a. Managua-Ocotal-Wiwili.
- b. Managua-San Pedro del Norte-Puerto Cabezas
- c. Managua-Juigalpa-Bluefields
- d. Managua-San Carlos-San Juan del Norte

6. Coordination groups are established in order to resolve the security problems, which will coordinate the air and land traffic through ONUCA.

**EFFECTIVE AND DEFINITIVE CEASE-FIRE AGREEMENT BETWEEN THE GOVERNMENT OF  
THE REPUBLIC OF NICARAGUA AND THE NICARAGUAN RESISTANCE UNDER THE AUSPICES  
OF HIS MOST REVERENT EMINENCE CARDINAL MIGUEL OBANDO Y BRAVO**

1. The Government of the Republic of Nicaragua, duly represented by the Minister of Defense, Army General Humberto Ortega Saavedra, and the Nicaraguan Resistance, duly represented by Oscar Sovalvarro, "Commander Ruben," Chief Negotiator, and Aquilino Ruiz Robleto, "Commander Minita," Chief Negotiator of the Wenceslao Aviles Central Front, agree to formally establish through this document an effective and definitive cease-fire as of 11 noon on April 19, 1990, which will be followed strictly by both parties.

2. As of the date of the effective and definitive cease-fire, the National Resistance and the Government of the Republic of Nicaragua agree to cease all types of military hostilities, as well as any other type of operations that might lead to a resumption of the hostilities.

3. In order to guarantee strict compliance with the effective and definitive cease-fire, ONUCA personnel and His Most Reverent Eminence Cardinal Miguel Obando y Bravo will verify the effective compliance with the cease-fire, in accordance with the attached timetable.

4. In order to make possible the verification of the effective and definitive cease-fire on the part of ONUCA and His Eminence Cardinal Miguel Obando y Bravo, "security zones" are established in the areas previously agreed upon, according to the attached Annex.

5. Both ONUCA and His Most Reverend Eminence Cardinal Miguel Obando y Bravo will adopt the mechanism necessary for the verification of the effective and definitive cease-fire.

6. In the period included between April 19 and 21, the Government of the Republic of Nicaragua agrees to withdraw its military, paramilitary and security forces from the "security zones" and from any neighboring place within 20 kilometers of the borders of those zones. Except in those towns that will be agreed upon in each zone where a minimum police force will remain in order to maintain order, under verification of ONUCA and Cardinal Miguel Obando y Bravo, and in the zones of exclusion specified in the attached document. Once the withdrawal of these forces has taken place, the Government of the Republic of Nicaragua agrees not to mobilize any troops of its military, paramilitary or security forces around the 20 kilometers bordering the "security zones," nor to overfly said zones with military helicopters and planes, except in the corridors established in the attached document.

7. The withdrawal of these forces from the "security zones" and the adjacent areas will be verified by ONUCA and Cardinal Miguel Obando y Bravo, who will also monitor the relocation of those forces in other localities.

8. As of the date of this agreement, all RN combatants present in Nicaragua, will without delay head for the "security zones" in order to proceed to the different stages of the demobilization process.

9. The military, paramilitary and security forces of the Government of Nicaragua will not obstruct the free transit of the RN combatants that head for the "security zones."

10. The RN commands are authorized communication and movement between one zone and another, under ONUCA coordination.

11. The Government of Nicaragua agrees to respect the freedom, security, and physical and moral integrity of the members of the RN and their families.

12. CIAV will transport and deliver humanitarian aid to the RN troops and their family members in the "security zones." 13. The general services that are ordinarily provided in the "security zones" and their surroundings will continue to be provided.

14. The Government of Nicaragua and the National Resistance will cooperate with the CIAV, ONUCA and His Eminence Cardinal Miguel Obando y Bravo in carrying out their duties.

His Most Reverend Eminence Cardinal Miguel Obando y Bravo, who sponsors this agreement, has agreed to solemnly announce this bilateral cease-fire, as well as to cooperate and assist in all the stages involved in the demobilization process; the verification of the effective and definitive cease-fire of the parties, the monitoring of the delimited "security zones" in which the armed forces of the Resistance will be concentrated and any other task of a humanitarian and social nature that shall derive from the activities mentioned, to the extent of his possibilities.

Finally, his Most Reverend Eminence Cardinal Miguel Obando y Bravo expresses his satisfaction at the patriotic decisions taken and joins the signatories in giving thanks to the Lord for his assistance in enlightening the involved parties.

Given in the city of Managua, April 18, 1990

Signed:

For the Government of the Republic of Nicaragua, General Humberto Ortega Saavedra

For the Nicaraguan Resistance, Oscar Sovalvarro, "Commander Ruben" Aquilino Ruiz Robleto, "Commander Minita"

His Eminence Cardinal Miguel Obando y Bravo.

In turn, the undersigned, in the name and representation of President-Elect doña Violeta Barrios de Chamorro, support the present agreement in all of its parts, for the effective and definitive cease-fire, and they express the commitment to give it strict enforcement, as of this April 25.

Signed by Antonio Lacayo, Carlos Hurtado, Luis Sanchez, Leopoldo Navarro, Roberto Ferrey

#### DECLARATION OF MANAGUA

The Nicaraguan Resistance states:

1. That the Nicaraguan Resistance is complying with the cease-fire agreed upon and which includes the effective separation of forces and concentration of troops of the RN in the delimited security zones, a concentration which is in the process of being completed.

2. That the RN, in implementation of the addendum to the Toncontin Agreement, will continue the voluntary demobilization and will begin the disarming of its troops at 11 a.m. On the 8th of this month, in the security zone to be agreed upon in the presence of the military mission of the United Nations for

Central America (ONUCA) and His Eminence Cardinal Miguel Obando y Bravo, a process that will culminate no later than June 10 of this year in all of the zones agreed upon.

For her part, Mrs. Violeta Barrios de Chamorro, as President of the Republic and Minister of Defense, states:

1. That she has ordered the immediate withdrawal of all the troops of the Army and the security and paramilitary forces from the zones agreed upon in the cease-fire signed last April 18. In addition, she has ordered the collection of all weapons in the hands of civilians in said zones and their immediate destruction.

2. That on June 10 the program for the reduction of the armed forces, ordered in the inaugural speech of April 25 and whose implementation should be begun immediately, will be released.

3. That the President of the Republic reiterates her commitment to guarantee the physical and moral integrity of each and every one of the combatants of the Nicaraguan Resistance, their family and the civilian population accompanying them.

4. That once the Nicaraguan Resistance is disarmed, the Government will grant legal status to the political organization that they form in accordance with the laws on the subject.

5. In addition, development areas for the demobilized will be established in order to meet their material needs, areas that will be defined by May 31.

6. The President of the Republic is grateful for the presence of His Eminence Cardinal Miguel Obando y Bravo and of the international organizations ONUCA and CIAV.

*Managua, May 4, 1990*

#### ADDENDUM TO THE TONCONTIN AGREEMENT

The Negotiating Commission of the Nicaraguan Resistance (RN) and the delegation representing the President-elect of Nicaragua, Violeta Chamorro, in light of the signing of the agreement for the effective and definitive cease-fire that was signed today between the Nicaraguan Government and the RN, state the following to the people of Nicaragua and the international community:

1. We are deeply satisfied that in fully complying with the Toncontin Agreement, the voluntary disarming of the RN forces that were still in the Republic of Honduras has taken place today and that an agreement for the effective and definitive cease-fire under the auspices of His Most Reverend Eminence Cardinal Miguel Obando y Bravo has also been signed.

2. In order for the demobilization process to be carried out in an atmosphere of security and order that will guarantee the lives and the normal performance of the peaceful tasks of the members of the Resistance, we have agreed that the disarming of the RN forces will begin in the afternoon of April 25 and that their full demobilization must be completed by 10 June, 1990 at the latest.

3. The voluntary delivery of weapons, as was done today in the Republic of Honduras, will be done in the presence of international organizations (ONUCA and CIAV) and His Reverend Eminence Cardinal Miguel Obando y Bravo.

Cardinal Miguel Obando y Bravo voices his satisfaction over the patriotic decisions that have been taken and joins the signatories in giving thanks to our Lord for having enlightened the involved parties.

*Managua, April 18, 1990*

Signed by Oscar Sovalvarro, "Commander Ruben"; Antonio Lacayo and Cardinal Miguel Obando y Bravo.

#### MANAGUA PROTOCOL ON DISARMAMENT

Within the spirit of the Declaration of Managua, signed on May 4 of this year, the Resistance, the Government of Nicaragua and His Most Reverend Eminence Cardinal Miguel Obando y Bravo, through this document, agree:

1. To expedite compliance with what is included on the "commitment to guarantee the physical and moral integrity of each and every one of the combatants of the Nicaraguan Resistance, their family members and the civilian population accompanying them," as follows:

a) Immediate transfer of the seriously ill so that they will receive the indispensable medical care in the hospitals of the country.

b) Immediate transfer of the disabled and maimed in war to be treated in a specialized manner in Managua.

c) To create a commission made up of the National Government, the Nicaraguan Resistance, the U.N. International Support and Verification Commission of the United Nations (CIAV) and His Most Reverend Eminence Cardinal Miguel Obando y Bravo, so that it will travel to Honduras and Costa Rica, for the purpose of making an exhaustive investigation of the living conditions of the family members of the Resistance, and will apply emergency measures that will solve the problems detected.

d) The Resistance is urged to submit, immediately, the list of widows and orphans, so the Nicaraguan Institute of Social Security and Welfare (INSSBI) may include them in its budget and they will enjoy the monthly pensions to which they are entitled.

2. In common agreement between the parties, the development area described in the attached document on the development areas, known as "El Almendro" is established, on the basis of the proposal submitted by the government. As of this date a series of actions is being initiated, necessary for its implementation and the installation of the demobilized in the development areas.

3. The Government of Nicaragua agrees to provide a small amount of economic assistance to each of the demobilized.

4. To create immediately the police for domestic law and order with the participation of the ex-combatants of the Resistance, with the fundamental objective of guaranteeing the life and physical integrity of the citizens living in the areas. In addition, the goal is established that these policemen will become part of the structures of the Ministry of Government. In addition, the U.N. Or a friendly country will be asked for technical assistance for the professional training of the police.

5. To create the security conditions in the demilitarized zones, for this effect, the following being considered necessary:

a) To work for the expansion of the mandate of the ONUCA security forces.

b) For the government to complement the assistance to the demobilized person who leaves the security zone.

c) To demilitarize the conflict zone.

d) To continue gathering the weapons in the hands of civilians in the zones of conflicts.

6. To guarantee the security of the ex-combatants who are demobilized and leave the security zones and who settle in the [development] areas. In addition, the option is maintained for those who desire to return to their place of origin. It is understood that the one who does so assumes the risks like any other citizen.

7. The Government agrees to appoint a representative of the demobilized that the Resistance recommends in the ministries that have to do with the ex-combatants and their families, in other words: health, agrarian reform, labor and others, as well as also two members on the Management Council of the Nicaraguan Repatriation Institute.

8. The Government of Nicaragua agrees to give participation in the local government, i.e. Within the area, to the ex-combatants of the Resistance who have settled in the development areas.

In addition, the ex-combatants who return to their place of origin will receive from the State structures the support necessary for their integration into civilian life.

9. The Declaration of Managua is ratified, in each and every one of its points, with particular emphasis on what refers to the fact that the Resistance may become a political party, a fact that will allow it full integration into the political life of this country,

10. In compliance with the Toncontin Agreement and its Addendum, the Resistance ratifies its commitment to its demobilization and disarming no later than June 10, 1990.

For said effect the Resistance agrees to demobilize a minimum of 100 combatants per day and per zone as of this date. In addition, in honor of Mothers' Day a considerable number of combatants of the Nicaraguan Resistance will be demobilized.

Given in the city of Managua, May 30, 1990.

Signed by: Violeta Barrios de Chamorro, Istral Galfano (Commander Franklin); and Miguel Obando y Bravo, Cardinal of Nicaragua.

## ANNEX

AGREEMENT FOR THE ESTABLISHMENT OF DEVELOPMENT AREAS BETWEEN THE  
GOVERNMENT AND THE NICARAGUAN RESISTANCE

We understand by *development area* a unit of production defined for the benefit of the members of the community and the country which will serve as a center of services and development of the adjoining region, through individual and/or collective projects, which should have the following basis structures: municipal area: schools, warehouses, potable water and electricity services, hospitals, roads and streets; housing area for the settlers of the area of development center; parcel of private land for subsistence crops and livestock; a communal area and a project area for the benefit of all members of the community.

The RN members who demobilize and their family members will be entitled to be beneficiaries of the programs that are implemented in the development areas defined for that purpose.

In accordance with the government program and the laws in effect, priority will be given to the demobilized members of the Resistance and their family members, in the return or indemnization of their property, real estate and personal property which have been confiscated, requisitioned or encroached upon *de facto*.

For said purpose, and in order to initiate the process of placing the demobilized, one or more development areas will be created in the geographic area included between the following points: 1) San Ubaldo; 2) Acoyapa; 3) Santo Tomas; 4) Villa Sandino; 5) Muhan; 6) La Gateada; 7) Muelle de los Bueyes; 8) Ciudad Rama; 9) Rio Rama; 10) Rio Kukra; 11) Miramar; 12) Monkey Point; 13) Punta Gorda; 14) Barra de San Juan; 15) Rio San Juan; 16) Mojon No. 2; 17) Mojon, No. 12; 18) Mojon No. 13; 19) Mojon No. 14; 20) San Carlos; 21) San Miguelito; 22) Morrito; 23-1; San Ubaldo, with the exception of the forest reserve of the southeast and of the SI-A-PAZ project. In addition, it will be possible to establish development areas in the geographic area included between the Rio Blanco, San Pedro del Norte, Siuna and Waslala, in the northern region of the country.

A Tripartite Commission is created between the National Institute for Agrarian Reform (INRA), the Institute of National Resources (IRENA) and the RN, coordinated by the Repatriation Institute, in order to specify the location of the development areas with greater precision; in addition there will be implementation of development plans that will make possible the incorporation of those demobilized into civilian life.

Once established and organized legally in the different development areas, the members of the community will be entitled to urban and rural property deeds to their lots and access to use of forests, waters and other resources which exist, in accordance with the laws and regulations in effect in Nicaragua.

The members of the RN and their family members will also be able to settle in other geographic points of the country defined by the government, with other development plans, enjoying, as far as possible, similar benefits.

We sign this agreement in the city of Managua on May 30, 1990.

For the Nicaraguan Government, Dr. Roberto Ferrey, Nicaraguan Repatriation Institute, and Dr. Gustavo Tablada, National Institute for Agrarian Reform

For the Nicaraguan Resistance

Commander Oscar Sovalbarro (Ruben); Commander Miguel Angel Soza (Emiliano); Commander Aquilino Ruiz (Minita); Commander Adolfo Somoza Reyes (Mano de Piedra)

### B. U.S. Citizens With Property Claims in Nicaragua

- 1) Aguilar, Antonio.
- 2) Aguilar, Roger A.
- 3) Alvarez, Rasaura
- 4) Albert Elia Bldg. Co. (Laurence Elia Knize)
- 5) Alberti, Lawrence R. Jr.
- 6) Amort, Vilma. A.
- 7) Arana, Federico
- 8) Arana, Octavio
- 9) Arana, Rosa María
- 10) Argüello, Ana Patricia
- 11) Argüello, Julie

- 12) Argüello Luis
- 13) Argüello, René
- 14) Argüello Arana, Deyanira
- 15) Argüello de Argüello, María de
- 16) Argüello Téfel, Arnoldo
- 17) Argüello Téfel, Humberto
- 18) Argüello Téfel, Roberto
- 19) Baird, David
- 20) Baltodano, Elba Gonzáles de
- 21) Barillas, Cora
- 22) Barker, Jaime
- 23) Barrios, Raúl
- 24) Barrios Sacasa, Doris
- 25) Barton, Gloria
- 26) Barton, Sharon
- 27) Barton, Tom
- 28) Becklin, Teodolinda
- 29) Becklin McCrae, Hildegarde
- 30) Bermudez, José María Peralta
- 31) Bermúdez, Joe Albert
- 32) Blanco, Mr. and Mrs. Constantino
- 34) Blandón, Norman
- 35) Blandón, Róger
- 36) Boehm, Cristine
- 37) Bojorge, Rodolfo
- 38) Bosche, Alfred Fritz Frederick
- 39) Brautigham, Harry
- 40) Bravo, José
- 41) Brockman Astorga, Richard
- 42) Brogden, Christina Isabelle
- 43) Brown, Soledad R.
- 44) Buitrago, Roberto
- 45) Butter, Deborah
- 46) Caldera, Petronio
- 47) Calero, Miriam S.
- 48) Calonge, Leonor de
- 49) Camus, Luna
- 50) Cárcamo, Clotilde
- 51) Cárcamo, Rita
- 52) Cárdenas, Jilma M.
- 53) Cárdenas, Jorge Alberto
- 54) Cárdenas, René
- 55) Carlos, Luis
- 56) Caso, Richard
- 57) Castillo, María E.
- 58) Castillo, María
- 59) Castillo, Rebecca de
- 60) Castillo, Richard David
- 61) Cerna, Alejandro
- 62) Cerna, Deborah G.
- 63) Cerna, Juan F.
- 64) Cerna, Julián
- 65) Cerna, María C.
- 66) Cerna, Olga A. de

- 67) Cerna, Oscar M.
- 68) Cerna Argüello, Luis Raúl
- 69) Cerna Baca, Luis R.
- 70) Cerna Salerni, Alicia
- 71) Cerna Salerni, Luis R.
- 72) César, Mercedes
- 73) Checa, María
- 74) Chilinger, Yelba Salmerón de
- 75) Cifuentes, María
- 76) Clayton, Alicia (La Libertad)
- 77) Coe, Charles Clifford
- 78) Coe, Lester V.
- 79) Coe de Rostrán, Elsa
- 80) Cohen, Edith
- 81) Collado de Luna, Alma
- 82) Commercial Association Castellón Barbosa Hermanos (Alan and José Castellón)
- 84) Coolen, Consuelo Pinell Midence de
- 85) Crivello, Carl
- 86) Cuadra, Marina
- 87) Cuéllar, Elizabeth de
- 88) Cuthbertson, Bruce
- 89) Davis, Hugh J.
- 90) Davis, William
- 91) De Bayle, Luis Henry
- 92) De Bayle, Scarlett Solórzano
- 93) De Bayle, Luis Yearsley
- 94) Deats, Earl C.
- 95) Del Carmen, Alejandro
- 96) Delaney, Guillermo
- 97) Delgado, Carmen
- 98) Delgado, Enrique
- 99) Díaz, Marta
- 100) Díaz, Mireya E.
- 101) Díaz, Orlando
- 102) Dolan, Doris
- 103) Downs, Norman Morgan
- 104) Empresa Arrocena y Ganadera La Luz, S.A.
- 105) Escalante, Isabel
- 106) Escalante, Joseph
- 107) Escobar, Francia Argüello
- 108) Espinosa, Carlos Orlando
- 109) Espinosa, Isoliana
- 110) Espinosa, Leonor
- 111) Espinosa, Rosemary
- 112) Espinoza, Mélida A.
- 113) Espinoza, Rosa María de
- 114) Espinoza Altamirano, Carlos
- 115) Espinoza Fiote, Claudia
- 116) Espinoza Forsythe, Rosa María
- 117) Estrada, Macario
- 118) Estrada, Nelson
- 119) Fajardo, Lily R. de
- 120) Fletes, Elena

- 121) Flores, Rosa Laura
- 122) Flores, Rita
- 123) Flotte, Claudio Espinosa
- 124) Frauz, Victoria
- 125) Freeman, Frederick
- 126) Friberg, Mary
- 127) Fuentes, Beatriz Cardenal
- 128) Fuentes, Melba G.
- 129) Gadea de López, Norma
- 130) Gadea Sandoval, Francisco
- 131) García, Carlos Hebert
- 132) García, Marina
- 133) García, Mélida Emperatriz
- 134) García, Orlando
- 135) Gardina, Ileana P.
- 136) Gifford, Henry C.
- 137) Gifford, Nicky
- 138) Gifford, Salomé A.
- 139) Goland, Doris H. Víctor de
- 140) Gómez, Rosa L.
- 141) Gonzales, Juan Carlos
- 142) Gonzales, Roberto
- 143) Gonzales de Baltodano, Elba
- 144) González, Isolde M.
- 145) Ganzalez Montiel, Mrs. Ariel
- 146) Gorayeb, Edward A.
- 147) Gorayeb, Henry
- 148) Gorayeb, Joseph
- 149) Gorayeb, Lawrence
- 150) Gordillo, Donald J.
- 151) Griffith, Albert
- 152) Griffith, Marie E.
- 153) Guerrero, Aníbal
- 154) Guillén, Felix Roberto
- 155) Guillén, Raquel
- 156) Gulke, Meiling
- 157) Gulke, Paul H.
- 158) Halder, Carlos
- 159) Halle, Carmen
- 160) Hariss, Ann Marie
- 161) Hariss, Ed
- 162) Hariss, Nubia
- 163) Hawkins, Herman
- 164) Hawkins, Jackie
- 165) Hawkins, Teresa
- 166) Hentgen, William Curtiss
- 167) Herdocia, Gustavo
- 168) Hilby, Nubia
- 169) Hoar, Walter
- 170) Hooker, José Antonio
- 171) Horton, Leticia Montealegre de
- 172) Hudgens, Glen D.
- 173) Jarquín, Peralta
- 174) Jiménez, Rose Leticia

- 175) Jirón, Armando
- 176) Jirón, Bayardo
- 177) Johnson, Carmen S.
- 178) Jones, Arthur Floyd
- 179) Keif, Rosario
- 180) Kelly, Federico
- 181) Kelly, Virginia
- 182) Kerr, Nelly
- 183) Kettel, Charles W.
- 184) Kettel, Fern
- 185) Kettel, Gertrude
- 186) Kettel, Rita
- 187) Knize, Lawrence Elia
- 188) Knoepffler, Carlos J.
- 189) Knoepffler, Thelma
- 190) Labró, María Louise
- 191) Lacayo, Roberto
- 192) Lagos Armas, Raúl
- 193) Lara, Enrique
- 194) LaRue, Garold
- 195) Law, Maria
- 196) LeClair, María Antonieta de Blanco
- 197) Leiva, Octavio Flores
- 198) Leonardi, Jacques
- 199) Lindemann, Guadalupe
- 200) Llanes, Gaye Whitesell de
- 201) López, Ana A.
- 202) López, Isidoro R.
- 203) López, Isidoro R. Jr.
- 204) López, Vilma R.
- 205) Lothrop, Shirley de Castellón
- 206) Luedeking, Heinz
- 207) Lugo, Emma Downing de
- 208) Luz Guerrero, José de la
- 209) Mairena, Elga
- 210) Maison, Amelia
- 211) Malespín, Mariángela A.
- 212) Manrique, Luis Fernando
- 213) Manrique, Javier E.
- 214) Marín Arcia, Haydee
- 215) Marín-Abaunza, Leandro
- 216) Marín, Christianne Bunge Rigüero de
- 217) Marroquín, Yolanda Rodríguez Blen
- 218) Martínez, Alberto
- 219) Martínez, Barb
- 220) Martínez, Juan Domingo Chávez
- 221) Martínez, Melba Escobar
- 222) Martínez, Rafael Andrés
- 223) Martínez, Rafael Sr.
- 224) Maymi, Alicia M.
- 225) Mayorga, Douglas
- 226) McEwen, María Ligia
- 227) McGuffin, Miriam
- 228) McNaughton, Olga J.

- 229) McNaughton, Robert
- 230) Mejía Gonzales, Luis
- 231) Mendieta, María Leticia Herdocia de
- 232) Meza, Federico
- 233) Meza, Ofelia Inés
- 234) Midence, Angela Balladares de
- 235) Midence, Silvio
- 236) Miranda, Grethel
- 237) Mohrke, Ana Heidi
- 238) Mohrke, Heidi
- 239) Molina, Mathelda Múniz de
- 240) Molina, Sally A.
- 241) Moncada, José María
- 242) Montalván, Carlos Orlando Espinosa
- 243) Montalván, Claudia Espinosa
- 244) Montalván, Rosa María Altamirano
- 245) Montealegre, Mariano
- 246) Montealegre, Yolanda
- 247) Montiel, Ada
- 248) Montiel, Margarita
- 249) Montiel, William
- 250) Montoya, Agnes Egner de
- 251) Montoya, Segundo J.
- 252) Mora, Ana Carolina
- 253) Mora, Carla Patricia
- 254) Mora, J. Antonio
- 255) Mora, Patricia Nearing
- 256) Morales, Argentina
- 257) Morales, Danilo
- 258) Morales, Ilsa Peñalba de
- 259) Morales, Salvador
- 260) Mordecai, George Washington
- 261) Mordecai, Julien
- 262) Mordecai, Nancy Wood de
- 263) Morejón, Ana María
- 264) Morejón, Francisco
- 265) Moyer, Charlotte
- 266) Moyer, Ralph
- 267) Najman, Nereida
- 268) Navarro, María José Reddick
- 269) Navarro Richardson, Ernesto
- 270) Neptune Mining Company
- 271) Nixon, Carmen
- 272) Noguera, Auxiliadora Velásquez de
- 273) Noguera, Edgard
- 274) Novoa, Manuel Callejas
- 275) Nunez, Horacio J.
- 276) O'Dae, Teresa
- 277) Obando, Karla E.
- 278) Olivares, Gloria
- 279) Ordonez, Nemesio A.
- 280) Ortiz, Noel A.
- 281) Osorio, Alfredo Jr.
- 282) Osorio, Iván

- 283) Osorio, Iván G.
- 284) Otalora, Fernando
- 285) Padilla, Isolina
- 286) Padilla, José
- 287) Padilla, José Luis
- 288) Padilla, Melba Santamaría de
- 289) Padilla, Ramón Cervantes Paíz
- 290) Paguagua, Guisela
- 291) Paguagua, Josefina
- 292) Paguagua, Yelba
- 293) Paíz, Eduardo
- 294) Paíz, Melba
- 295) Paíz, María Eugénia
- 296) Paíz, Ramón
- 297) Pasos, Plutarco
- 298) Pellas, Rosita
- 299) Peña, Enrique
- 300) Peña, Julie Rodríguez de
- 301) Peralta, Donald A.
- 302) Peralta, Rosa M.
- 303) Peralta, Vilma L.
- 304) Peralta Schoenfeld, Ofelia
- 305) Pereira, Carlos A.
- 306) Pereira, Indiana Lacayo de
- 307) Peters, Alfredo Osorio
- 308) Pineda, Norma
- 309) Porro, Manuel
- 310) Porro, María
- 311) Poveda, José Filiberto
- 312) Poveda, Leonel
- 313) Quiros, Roberto
- 314) Ramírez, Miguel
- 315) Ramírez, Zoila A. de
- 316) Ramírez Pacheco, Rosa del Carmen
- 317) Ramos, Layla María
- 318) Reddick, Eva Navarro de
- 319) Reddick, Joseph W.
- 320) Reddick Wright, María José
- 321) Reed, Clarisa
- 322) Renazco, Olga
- 323) Retelny, Rosita Staviska
- 324) Reyes, Carlos
- 325) Reyes, Luis
- 326) Rico, David Vilchez
- 327) Rico, Emanuel Vilchez
- 328) Rico, Scarlett Vilchez
- 329) Rio, Auxilio
- 330) Rivas, Alberto (Mirafloza International, Inc.)
- 331) Rivas, Coco Zelaya de
- 332) Rivas, Ernesto
- 333) Rivera, Roberto
- 334) Roa, Marisa
- 335) Robin, Linda
- 336) Robin, Vincent J. III

- 337) Robles, Alfonso
- 338) Robles, María
- 339) Rodríguez, Nelly
- 340) Róger, Melba Caldera de
- 341) Rosales, Mendoza Gilberto
- 342) Rosales, Norman M.
- 343) Rosario Mining Co.
- 344) Ross, Luz Marina Arauz de
- 345) Ross, Norma
- 346) Rossman, Abraham
- 347) Rostran, Edmundo
- 348) Rostran Coe, Alejandro
- 349) Rostran Coe, Edmundo
- 350) Rourk, Mr. and Mrs. Felipe
- 352) Roth, J. Craig
- 353) Rugama, Cristóbal
- 354) Ryland, Francisca Zamora
- 355) Saavedra, Francisco
- 356) Saborio, Danilo J.
- 357) Saborio Bravo, José
- 358) Sacasa, Dennis J.
- 359) Sáenz, Fátima Lacayo de
- 360) Salazar, Sylvia de
- 361) Salerni Cerna, Alicia
- 362) Salmerón de Chilingar, Yelba
- 363) Sánchez, Ernestina de Arana
- 364) Sánchez, Gloria
- 365) Sánchez, Heberto
- 366) Sánchez, Josefina
- 367) Sánchez, Juan P.
- 368) Sánchez, Martha Lucia Cooper
- 369) Sánchez, Nunila
- 370) Sánchez Berrios, Levy
- 371) Sánchez-Doyle, Teresa
- 372) Sánchez-Phelly, Elena
- 373) Sánchez-Sipman, Maruca
- 374) Sánchez-Tangen, Socorro
- 375) Sándino, Raul
- 376) Santamaría, David
- 377) Santamaría de Páiz, Melba
- 378) Schiene, Doraldina
- 379) Schneegans Aguero, René
- 380) Schnoogans, René
- 381) Senfeld, Norman
- 382) Sengelmann, Ileana
- 383) Sengelmann, Juergen
- 384) Sengelmann, Klaus
- 385) Sengelmann, Mangui
- 386) Sengelmann, Peter R.
- 387) Sengelmann, Tom
- 388) Sequeira, Alvaro
- 389) Sequeira, Marlon
- 390) Silva, Jorge I.
- 391) Silva, Mary R.

- 392) Simmons, María Mérida
- 393) Somoza, Pablo
- 394) Smith Pastora, Jorge
- 395) Smith, Jorge
- 396) Solórzano, Silvia de
- 397) Solórzano Thompson, Ernesto
- 398) Solís, Elaine
- 399) Somarriba, Francisco José
- 400) Sovalbarro, Ebner
- 401) Spencer, Anita F.
- 402) Spencer, Donald N.
- 403) Spencer, Elsa R.
- 404) Spencer, John T.
- 405) Spencer, Patricia
- 406) Spencer Enright, Donita
- 407) Stine, David
- 408) Sullivan, Julia M.
- 409) Swanson, Eric
- 410) Swanson, J.C.
- 411) Swanson, Maria C.
- 412) Swanson, Ronald
- 413) Targa, Gertrude
- 414) Téfel, Esperanza de
- 415) Téfel, María
- 416) Tellería, Carlos E.
- 417) Terán, Carmen
- 418) Terán, Claudia
- 419) Terán, Jorge
- 420) Terán, José F.
- 421) Terán, María C.
- 422) Terán, María L.
- 423) Terán, Nestor
- 424) Thompson, Ernesto Solórzano
- 425) Tillotson, Neil
- 426) Torres, Doraldina R.
- 427) Torres, Frederick Lynn & Family
- 428) Torres, Gabriel Argüello
- 429) Torres, Gonzalo
- 430) Turner, Isabel
- 431) Urcuyo, Lygia M.
- 432) Vaca, Manuel Antonio
- 433) Vaca Hahn, Elga
- 434) Vaca Schnell, Patricia
- 435) Vallejos, Alba
- 436) Vallejos, David
- 437) Vallejos, Francisco
- 438) Vallejos, Julio
- 439) Vargas, Liliana
- 440) Vasalli, Roberto
- 441) Veater, Captain Alan
- 442) Vieira, Antoine
- 443) Vieira, María
- 444) Vincent, Corina E. Duarte
- 445) Vivas, Patricia

- 446) Vivas Benard, Julio
- 447) Wassmann, Elida Louise
- 448) Watson, Patricia Becklin
- 449) Wehmeyer, Delia M.
- 450) Wheelock, Myrna Arana
- 451) Whitney, Kathy
- 452) Widdrington, Cándida R.
- 453) Widdrington, Thomas A.
- 454) Willey, Robert A.
- 455) Williams, William A.
- 456) Wolfe, Susan M.
- 457) Wong Chang, Jorge Arturo
- 458) Woywod-Caldera, Liana
- 459) Zamora, Esperanza
- 460) Zamora, Francisca
- 461) Zelaya, Gertrudis Pineda de
- 462) Zeledón, Marco A.
- 463) Zepeda, Roberto
- 464) Zuñiga, María Isabel

These names were provided to the Senate Foreign Relations Committee by the U.S. Citizens themselves, the U.S. Embassy in Managua, and the Committee to Recover Confiscated American Properties in Nicaragua.

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### C. Glossary of Sandinista Leaders

#### BALTODANO, Col. Alvaro:

Current Position: Chief of the General Secretariat, Sandinista Popular Army.

Former Positions: Combat Readiness Chief. Chief of Irregular Warfare Training.

Regional Commander of several military regions.

Member of the FSLN Assembly.

Key figure in the 1980 assassination of Jorge Salazar, a prominent member of the private sector.

Traveled with General Ortega on 1981 trip to Cambodia.

Joined Sandinista National Liberation Front (FSLN) in 1973.

#### CALDERÓN, Col. Roberto

Current Position: Chief of the Logistics Directorate, Sandinista Popular Army.

Former Positions: Commander of Military Region V.

Born: 1950.

Member of the Sandinista National Liberation Front (FSLN) Assembly.

Member of the FSLN Regional Directorate for Region V.

#### CARRIÓN, Col. Javier Alfonso:

Current Position: Vice Chief of Staff, Sandinista Popular Army, 1987-1991. Chief, Operations Directorate, 1991-

Former Positions: (same as above)

Commander, Military Regions III and IV.

FSLN Assembly Member.

Former Chief of the Artillery.

Born: 1954.

Son of a U.S. citizen.  
 Military and ideological training in Cuba in 1975.  
 Trained by Cubans in Managua.  
 Assisted in the establishment of solidarity committees and arms pipelines in Europe, Mexico, and Honduras.  
 Traveled extensively through the Soviet Union, Eastern Europe and North Korea.  
 Joined the Sandinista National Liberation Front in 1973.

**CERNA, Col. Lenín:**

Current Position: Chief of Defense Information Directorate, Sandinista Popular Army (formerly Sandinista State Security)  
 Former Position: Chief, Sandinista State Security.  
 Born: 1946.  
 Son of a Moscow-line Communist.  
 Recruited the Ortegas into the FSLN, 1963.  
 Received military training in Cuba.  
 Member of the FSLN Assembly.  
 Member of the FSLN Defense and Security Commission.  
 Instrumental in coordination of Cuban, East German, and Soviet training for members of State Security.  
 Allegedly tortured civilian opposition activists.  
 Allegedly participated in guerrilla warfare, sabotage and bank robbery.  
 While in Honduras, he directed assassinations of Sandinista opponents in exile.  
 Joined Sandinista National Liberation Front (FSLN), 1963.

**CHAMORRO, Carlos Fernando:**

Current Position: Director of *Barricada*, the Sandinista National Liberation Front (FSLN) party newspaper.  
 Chief of the FSLN's Agitation and Propaganda Department (publicity and information for the FSLN.)  
 Head of publicity for Daniel Ortega's presidential campaign.  
 Son of President Violeta Chamorro.  
 Brother of Cristiana Chamorro de Lacayo, Chairman of the Board of Directors of *La Prensa*.

**CHAMORRO, Javier Cardenal:**

Current Position: Director of *El Nuevo Diario*, Sandinista National Liberation Front-aligned paper.  
 Born: 1945.  
 Supported Sandinistas with paper until production plant was destroyed by the National Guard in 1979.  
 Brother-in-law of Violeta Chamorro, brother of Jaime Chamorro.  
 Associated with FSLN militant Danilo Aguirre Solís.

**CUADRA, Major General Joaquín Lacayo:**

One of the original nine Sandinista National Liberation Front Commanders.  
 Current Position: Chief of Staff, Sandinista Popular Army  
 Former Position: Vice Minister of Defense (1980-1990).  
 Born: 1952.

A Leader in FSLN's 1974 Christmas Party Kidnapping at the house of José María Castillo, whom the Sandinistas assassinated later that night.

Allegedly involved in 1980 assassination of Jorge Salazar. Director of FSLN assistance programs to Marxist guerrilla groups in Latin America.

Involved in directing Sandinista assistance to Salvadoran and other Marxist guerrilla groups in Latin America.

Cousin and brother-in-law of Oswaldo Lacayo.

Son of Joaquín Cuadra Chamorro.

**GUZMÁN, Alvaro:**

Current Position: Deputy Chief of National Police.

Former Positions: Chief, Penitentiary System, Ministry of Interior.

Previously Vice Minister of Foreign Commerce.

Vice Minister of the Ministry of Mines and Hydrocarbons.

Chief of the Interior Ministry's General Staff.

Traveled extensively in the Soviet bloc.

Nephew of Joaquín Cuadra Chamorro.

**LACAYO, Col. Oswaldo:**

Current Position: Vice Chief of Staff, Sandinista Popular Army

Former Position: (same as above).

Architect of Sandinista counter-insurgency plan against the Nicaraguan Resistance.

Guerrilla Commander.

Brother-in-law of Joaquín Cuadra Lacayo.

His brother, Roberto Lacayo, was the Sandinista Vice Minister of Housing and Human Services.

Joined the FSLN in 1973.

**ORTEGA, General Humberto:**

One of the original nine Sandinista National Liberation Front Commanders.

Current Position: Commander-in-Chief, Sandinista Popular Army.

Former Positions: Minister of Defense, 1979-90. Chief, Sandinista Military Council.

Member, FSLN Executive Commission.

Member, FSLN Defense and Security Commission.

Born: 1942.

Member of Sandinista National Liberation Front (FSLN) Directorate.

Brother of former President Daniel Ortega.

Received military training in Cuba, Soviet Union, North Korea and PLO camps in the Middle East, 1960s-1970s.

Director of the 1977-79 terrorist activity from Costa Rica.

Organizer of coalition to overthrow Somoza Government.

Leader of the FSLN National Directorate, 1979.

Advocated hard-line security policies and closer ties with the Soviet Union.

Joined the FSLN in 1965.

**ORTEGA, Daniel:**

One of the original nine Sandinista National Liberation Front Commanders.

Current Positions: Sandinista Congressman, National Assembly and Sandinista National Liberation Front Secretary-General.

Former Positions: President of Nicaragua, 1985-90, Junta Coordinator, 1979-1984.

Born: 1945.

Arrested in 1961 for fire-bombing vehicles in front of the U.S. Embassy.

Convicted bank robber.

Director of FSLN National Directorate from Cuba, 1974-76.

Chief international representative of the Sandinista ruling Junta.

Joined the FSLN in 1963 at the behest of Lenín Cerna.

**ROSALES, Col. Antenor:**

Current Position: Director of Military Intelligence, Sandinista Popular Army. Member, FSLN Assembly.

Former Positions: Army Lt. Colonel, Commander of Military Region I, 1985-1990. Commander of Region VII, 1984-1985.

Chief of Operations, Sandinista Popular Army, 1981-1984.

Born: 1956.

Received intensive Cuban military training in Cuba.

Guerrilla Commander.

Served as a member of the FSLN Regional Directorate.

**SALVATIERRA, Col. Manuel:**

Current Position: Commander of the Air Force, Sandinista Popular Army.

Former Positions: Commander, Military Region VI. Member, FSLN Assembly. Commander of Military Region II. Chief of Staff, Military Zone I.

Born: 1956.

Contributed to the build-up of the military underground in Masaya prior to 1979.

**TORRES, Col. Hugo:**

Current Position: Chief of Personnel, Sandinista Popular Army.

Former Positions: Chief of the Political Directorate of Sandinista Army. Sandinista Popular Army Delegate, Council of State.

Born: 1948.

Son of a National Guard Lieutenant.

Squad leader in the 1974 Christmas Party hostage-taking.

Second in command of 1978 attack on the National Palace.

Previously Vice Minister of Interior.

Chief of Sandinista State Security.

Joined the Sandinista National Liberation Front in 1971.

**VIVAS, René:**

Current Position: Chief of National Police.

Former Position: Vice Minister, Ministry of the Interior.

Born: 1949.

Military training in East Germany.  
 Military training with the PLO in Lebanon and Jordan.  
 Previously National Director of the Sandinista National Police.  
 Served on the Sandinista government's official human rights  
 commission.  
 Joined the Sandinista National Liberation Front in Europe in  
 1970.

**WHEELLOCK, Lt. Col. Ricardo:**

Current Position: Chief of Military Public Relations and Foreign Affairs, Sandinista Popular Army.  
 Former Position: Chief, Military Intelligence Directorate.  
 Born: 1950.  
 Tracked the activities of Nicaraguan Resistance.  
 Contact for the training of foreign revolutionaries.  
 Nicaragua's first Ambassador to the Soviet Union in 1980.  
 Ambassador to Bulgaria and Romania.  
 Brother of FSLN National Directorate member Jaime Wheelock.

Information for these biographies was compiled from United States Government documents.

**D. Accomplishments of the Organization of American States in Nicaragua**

**ORGANIZATION OF AMERICAN STATES—INTERNATIONAL COMMISSION OF SUPPORT AND VERIFICATION (CIAV-OAS)**

CIAV-OAS PROGRAM ACTIVITIES MAY 1990 TO JULY 1992

*Introduction*

The joint accords signed in Tela, Honduras in August 1989 by the five Central American presidents defined the mandate of the CIAV-OAS in the demobilization process and humanitarian assistance and social reintegration programs for the ex-members of the Nicaraguan Resistance (NR) and their family members.

The first year's work in meeting this mandate, from May 1990 to May 1991, encompassed the demobilization of 22,500 combatants; the repatriation of 18,000 ex-combatants and relatives; and the distribution of humanitarian assistance to a population of over 100,000 beneficiaries, consisting of ex-NR and their families.

CIAV-OAS has phased out the humanitarian assistance program in the second year, incorporating beneficiaries in a variety of development and housing projects aimed at self-sufficiency. Other CIAV-OAS programs focused on the disabled population, the national medicine deficit, human rights monitoring, and negotiation between rearmed elements and the Nicaraguan government.

*Human Rights Monitoring and Mediation Efforts*

To assure the reintegration of the demobilized and repatriated into civil life, CIAV-OAS monitored their human rights status. The CIAV-OAS human rights tracking and verification program was responsible for guaranteeing fundamental rights of the ex-NR and their families.

CIAV-OAS received reports of alleged human rights violations, then investigated and brought the cases to the attention of the national government for resolution.

At the request of the Nicaraguan government, CIAV-OAS further acted as mediator between state official and rearmed elements. This work included locating the irregular units in the countryside and convincing them to suspend operations. CIAV-OAS also maintained dialogue with government authorities, and coordinated the establishment of troop disarmament and demobilization enclaves to be operated by government-sponsored special disarmament brigades.

Parallel to these activities, CIAV-OAS monitored the meeting of accords reached between the government and the rearmed. CIAV-OAS has worked to achieve the demobilization and destruction of weapons of over 15,000 rearmed persons.

Members of pro-Sandinista and of ex-NR groups have participated in this peace process, which has served to contain the spiraling violence in Nicaragua and to open the possibilities for this country's social and economic development.

### *Food and Materials Programs*

Initiated in the demobilization process of 1990, the national direct assistance program gave immediate and subsequent monthly food rations to supplement the diet of approximately 28,000 demobilized and repatriated ex-NR and their 91,000 family members. The program also gave tools, basic building materials, kitchenware, clothes and personal hygiene items to the ex-NR. This program ended in July 1991.

### *Self-Sufficiency Programs*

Agricultural goods were distributed with the objective of enabling beneficiaries to be employed and become self-sufficient.

CIAV-OAS gave seeds and fertilizer to over 17,000 families to grow beans, rice, corn, sorghum, and in the Atlantic region, also starter plants of banana, plantain, yucca, sugar cane, coconut and malanga.

Five sawmills were set up and equipped. Chainsaws, plowing livestock and equipment, cattle, chickens, pigs, outboard motors for fishing boats, and basic trade tools were given to beneficiaries according to regional needs.

### *Housing and Schools Program*

This national program was designed to contribute to the effective reintegration of the demobilized, repatriated and their families by providing housing and educational solutions, and to employ them in the self-construction of homes and schools and in the formation of small construction enterprises.

The program has offered technical and organizational assistance and materials to ex-NR beneficiaries in the self-construction of 1,176 homes, along with 25 schools, in 37 geographic sites.

The beneficiaries brought to their respective sites the roofing materials received after demobilization. The rest of the building materials came from CIAV-OAS sponsored workshops, where ex-NR were trained and worked to provide materials for the housing projects. The houses, designed by the Faculty of Architecture at the National University of Engineering, were built by teams of people who were to live in the houses. Approximately 10% of the units were designated for disabled veterans.

CIAV-OAS loaned basic construction tools to the sites, to be passed on to upcoming project sites in the future. Chainsaws were distributed to sawmills, and other tools to production centers.

### *Disabled Veterans Program*

The disabled veterans program assisted beneficiaries in a medical program executed by the Panamerican Health Foundation (and later directly by CIAV-OAS) and a social reintegration program carried out by Creative Associates International.

Disabled veterans were first registered and incorporated into the Condega Center. The Condega Center served as one of the bases of production of building materials for the CIAV-OAS self-construction housing initiative, and a reception place and training site for disabled veterans.

The Condega Center medical personnel saw approximately 300 patients per month. They provided consultations, treatment, and also referrals to hospitals in La Trinidad or Managua as necessary. Once a veteran entered the program, all medical problems presented were treated, and the program committed to completing and following up on necessary treatment.

Creative Associates trained and counseled ex-NR who were treated medically through the Condega Center. Workshops have been conducted in areas of agriculture, literacy, carpentry, veterinary care, driver education, and chainsaw repair and maintenance. Creative also established nine reintegration zones for the disabled nationwide, where it organized housing projects and centers of production or farms for the beneficiaries.

### *Managua Clinic*

A team of two doctors and three paramedics ran a 12-bed clinic and pharmacy. They saw over 500 patients a month, ex-NR and their family members. Medicine was distributed free of charge to patients; hospital referrals were made as necessary.

### *Medicine Distribution Program*

A medicine distribution program was carried out by CIAV-OAS and the Pan American Health Organization (PAHO). This 5-month program was launched in November 1991 to help make up for the Ministry of Health's medicine deficit, to aid by priority the greatest concentrations of ex-NR, the maternal-child sector, and those in need of treatment for cholera.

To administer the modules of medicine, CIAV-OAS/PAHO trained local paramedics to staff 22 health posts in the Atlantic and Pacific regions. The program will

go through March 1992 and ultimately benefited close to 50,000 demobilized, repatriated, and their family members.

*U.S. Government Cold Rations*

CIAV-OAS has distributed over 20,000 cases of U.S. Government surplus cold rations, nationwide.

*Atlantic Coast Rice Production Project*

People in the Atlantic region are small rice farmers by tradition. In consultation with the Atlantic communities, the U.S. Agency for International Development (USAID) executed a joint project with CIAV-OAS to reactivate traditional rice cultivation. The plan encompassed purchase and free distribution of seeds, tools and other supplies to 18,000 farmers from May to November 1991.

*Atlantic Coast Rice Commercialization Project*

The Atlantic Coast commercialization of grain project, presently underway, encompasses the gathering and selling of the 1991-1992 rice harvest as well as the establishment of infrastructure for its commercialization.

This project, funded by the European Economic Community, responds to Nicaragua's need for massive commercialization of the rice harvest. Its goals are to generate a higher buying price for the grain and to stimulate the farmer's commitment to agricultural work.

Ongoing project activities are as follows: gathering and processing of harvest; sale of harvest to third parties; selection and storage of seeds; distribution of agricultural equipment and construction materials; and technical assistance for construction of three warehouses with drying silos.

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**E. Nicaraguan Resistance-AID Correspondence**

*Managua, June 15, 1992.*

Dr. Janet Ballantyne,  
*Director, AID*

Dear Dr. Ballantyne:

CENPAP, thanks to the financial support of the International Support and Verification Commission, Organization of American States (CIAV/OAS), has managed to keep operating administratively and to consolidate organizationally, improving its internal procedures and better defining its organizational structure, which has allowed:

- a) Serving as liaison and channel of communication between the demobilized and their family members and the government structures and other agencies and institutions.
- b) Continuing the efforts for the continued compliance with the government commitments to the Resistance (RN), above all regarding holding of land, agricultural financing, etc.

Pursuant to this perspective, CENPAP has prioritized its work into four categories: agricultural and agro-industrial projects, the fostering of agricultural cooperatives and micro-businesses, self-help construction of housing and social infrastructure, and the defense of the environment and natural resources.

The main results of the technical and administrative work of the center are summarized in:

- a) Close coordination with CIAV/OAS in the implementation of the projects aimed at the demobilized RN.
- b) Important and on-going work with the government institutions and international organizations in the search for economic, material and social support, as well as coordination in handing over lands to the target population.
- c) Formulation of an important portfolio of outlines of small projects and participation in the formulation of development projects of national importance such as Bocay/Ayapal, Naranjo/Iyas, Rio Blanco. In addition, the Inter-American Development Bank (IDB) recently approved, through FISE, the agri-forestry project of Quimichapa, which will be carried out by CENPAP.
- d) Participation in national and international forums in order to take and defend the interests of the demobilized and their family members.
- e) Recognition of the work of CENPAP as a civilian agency and of the technical support of other organizations such as universities, government institutions, NGOs, the media, etc.

f) Realization of a comprehensive evaluation of the programs and administration of CENPAP (commissioned by AID) from which very positive results were obtained as well as suggested actions.

Nevertheless, the work and objectives of CENPAP have been obstructed by the existence of several problems, such as:

a) The difficulties in attending to all of the population, given its dispersion in all of the country, obstructing communication and control of it. That due to the lack of organization at the local level.

b) The lack of sufficient resources to tend to the growing demands and the variety of problematic situations.

c) The absence, to date, of an institutional strategy to orient the mission and the diverse projects of the organization.

Following the suggestions of the US-AID consultant group (Development Associates, Inc.) in their report of April 3, 1992, and the results of the CENPAP evaluation seminar of June 3-4, 1992, in which officials of US-AID and Development Associates also participated, we have defined and we are working on the following directions:

1) To organize nongovernmental organizations (NGOs) or private voluntary organizations (PVOs) as an autonomous entity of the Nicaraguan Resistance Civic Association, self-sufficient from the administrative point of view, with a very defined but neutral identity, and with a broader coverage of beneficiaries.

2) To request from USAID technical assistance from Development Associates, Inc., for a clearer definition of the new NGO.

3) To keep approaching the IDB for support for institutional strengthening and elaboration of a preliminary project outline. The same will be done with the European Economic Community (EEC) regarding the Rio Blanco development project.

4) To consolidate contacts with NGOs in the United States such as Catholic Relief Services (CRS) and World Relief Services (WRS) for participation in joint projects.

5) To submit a proposal to the Inter-American Foundation (IAF) for implementing a project in peasant zones.

Finally, we would like to inform you that we plan to make a trip around the U.S., as soon as possible, in order to present to our friends of the U.S. Congress, as well as to other persons and business groups of Nicaraguans in Miami, among others, the immediate needs for the demobilized population, to set forth the main projects and request technical-administrative maintenance funds for CENPAP.

We hope to be able to continue having the important support of AID for the realization of our projects, so necessary for the target population.

Specifically we need the "bridge" financing through CIAV/OAS to be extended as much as possible, in order to have a space for realizing our transition work. In addition, we wish to ask for your good offices regarding other donors.

We are entirely at your disposition for any clarification in the matter.

With nothing more, sincerely,

RODOLFO AMPIE QUIROZ,  
*Executive Director.*

Mr. Rodolfo Ampié,  
*Executive Director, CENPAP*  
*Managua, Nicaragua*

Dear Rodolfo:

We herewith reply to your letter of June 15 of this year, in which you provided us a summary of the activities of CENPAP, its technical efforts and its hopes for continuing to operate in the future.

Regarding your request for technical assistance from Development Associates, it is a pleasure for us to inform you that with great pleasure we approve this type of support for a new national organization such as CENPAP. With a copy of that letter we are notifying Development Associates so that it will give you its support in that sense.

We understand that the financial support and your close coordination with CIAV/OAS in the implementation of the projects is about to conclude once this Commission completes its commitment in Nicaragua.

Through this means AID informs you that the bridge financing through CIAV/OAS will be the last that we can offer and we hope that your efforts with the IDB and other institutions will be fruitful. According to our possibilities, we will be ready to support your institutional labors vis-a-vis other donors whenever feasible.

I take this opportunity to reiterate my best wishes.

Sincerely,

JANET C. BALLANTYNE.

### F. Aristides Sánchez Letter to Senator Helms

Honorable SENATOR JESSE HELMS,  
*United States Senate, Washington, DC*

Dear SENATOR HELMS: I would like to thank you for all that you have done in helping Nicaraguans, who like myself, are fighting for a real democracy in Nicaragua.

At the present time, Nicaragua is lawless and in a state of anarchy, due to the fact that Violeta Chamorro's government is without power and is totally ineffective in protecting the rights of the citizens of Nicaragua.

The most serious problems in Nicaragua are as follows:

1. There are two parallel governments—The official government, headed by Mrs. Violeta Chamorro, is weak, while the unofficial government, headed by Humberto Ortega, is strong and operative.

2. The misuse of international aid—Officers of the Nicaraguan Government have misused the aid that had been given by democratic countries in order to help the poor in Nicaragua.

3. Impunity to war crimes committed by the previous regime and impunity of crimes committed during Violeta Chamorro's Government.

4. One of the most serious problems in Nicaragua at the present moment, and at the same time one of the main sources of the continuing instability, is that of property rights.

As it is known, after the electoral defeat of Daniel Ortega, the Sandinistas enacted laws by which they conveyed to everyone who was in possession of state property title to that property. Also, the Sandinistas tried to "assure their future" by the illegal appropriation of private property.

5. The lack of political liberty—The members of the Sandinista Party dynamited and threw "Molotov cocktails" at the homes of legislators and directors of political parties. The Government of Nicaragua, headed by Mrs. Chamorro, succumbed to terrorists' orders and decreed an Amnesty Law, whereby full amnesty was given to the criminals.

6. In Nicaragua, the Sandinista Army and the National Police had violated and still violates the human rights of the former members of the Resistencia Nicaraguense.

The Freedom Fighters capitulated to President Chamorro in order to reach peace in Nicaragua.

The Freedom Fighters are trying to incorporate themselves into the productive life of Nicaragua, but they constantly fall under the boot of repression. They have found jail and death at the indifference of the Chamorro Government.

In my opinion, Violeta Chamorro's Government is responsible for the criminal actions committed by its officials.

7. The suppression of free speech—The terrorist action on November 9, 1991, in which armed individuals connected to the Sandinistas proceeded to destroy the radio station, Radio Corporacion, just because radio-reporters denounced human rights atrocities committed by the Sandinistas. Also a full amnesty was given to the criminals; among them, the intellectual author of the crime, former President Daniel Ortega.

On November 15, 1990, I was illegally arrested by orders of General Humberto Ortega and brutally interrogated by members of the security police headed by Commander Rene Vivas.

But this scenario is not rare. Cases like mine are common in Nicaragua, where human rights violations are an every day activity by the Sandinista Army and the National Police.

I hope this letter clarifies for you the actual situation of Nicaragua and especially a countryman's views. I appreciate all your efforts and work for Nicaragua.

Very truly yours,

ARISTIDES SANCHEZ

### G. Aristides Sánchez Statement of Torture by Sandistas

I, Aristides Sanchez, of legal age, married, and former Director of the Resistencia Nicaraguense and actually residing in Miami, Florida, wish to make the following statements:

1) On November 15, 1990, I was illegally arrested by orders of General Humberto Ortega and brutally interrogated by members of the Security Police headed by Rene Vivas.

2) During the interrogations I was threatened, intimidated and accused of being involved in a destabilizing plan with the ex-member of the Resistencia Nicaraguense.

3) I was taken to "El Chipote." This jail is very well-known in Nicaragua because of its reputation of cruelty with prisoners and also disappearance of prisoners.

4) After torturing me and injecting me on multiple occasions with liquids that kept me in an abnormal state of consciousness that could have ended my life, they forced me to sign statements that compromised myself and important Nicaraguan politicians.

5) I was kept in jail despite a Medical Doctor's request asking for my release due to my medical condition. I did not receive any kind of medical attention.

6) The only reason why the Sandinistas put me in jail was because my former links with the Resistencia Nicaraguense and the United States Government.

7) Due to the tortures, I was very sick, and with the help of Cardinal Miguel Obando Bravo and the office of Senator Helms, I was released.

The Nicaraguan civilian population has no protection against Sandinista oppressors as the Sandinista leaders of the past regime are still in powerful positions with the military and police under the current government.

ARISTIDES SANCHEZ

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#### H. Nicaraguan Resistance Letter to Senator Helms

*July 18, 1992.*

SENATOR HELMS,  
Washington, DC.

DEAR SENATOR: First of all, for the well-being of your great country, we would like to wish you a speedy recovery.

As you know, after the victory of Doña Violeta Barrios de Chamorro, and after many years of struggling for democracy in our country, the Nicaraguan Resistance voluntarily surrendered its weapons in the hope that a new era was beginning in Nicaragua.

Our only desire was to be reintegrated into civilian life with promises of peace and security for our men. Unfortunately, we saw few changes in the country, and the members of the Resistance are the most vulnerable and defenseless in the face of the Sandinista machinery that is still in force and dominates militarily, politically and economically.

Proof of this are the crimes committed against many of our leaders, of which the ones against Commander Enrique Bermúdez, Commanders Chapulin, Aureliano, Renato, etc. stand out. The most recent crimes have been committed against Commanders Fernando and Cadejo, as well as those committed during several demobilizations. These crimes have thus far gone unpunished.

Senator Helms, our life here is difficult. We live in constant fear for our security and without economic resources.

The lands promised to us [by the Government] to facilitate our reinstatement into civilian life do not have legal support, which prevents us from receiving bank credits necessary to make them produce. The great majority of our demobilized members to whom land has been given not only lack the resources to work the land, but also find themselves surrounded by Sandinista settlements which have the support and complicity of the Sandinista dominated army and police, and make civilian life difficult and uncertain.

We believe that the main problem in our country is that weapons are predominantly in the hands of a political party instead of in the hands of the civilians.

We believe that a true demilitarization would help the national reconciliation in which the Nicaraguan Resistance trusted. We also believe that in order to achieve a true rule of law it is necessary to carry out justice with regards to private property. This is one of the areas in which members of the Nicaraguan Resistance have suffered.

When we signed the Toncontin agreement on March 23, 1990, the current government of Nicaragua promised to give us guarantees for the development of our peaceful activities. We complied, we demobilized, we disarmed, and we have tried to reintegrate ourselves into civilian life. The reality, however, has been different, because the government has not fulfilled its obligations to us. What we have done, we have done alone and with enormous effort. We believe that if this country receives aid, it will be necessary to establish a mechanism which will allow part of the aid to reach the demobilized.

Currently, we depend on the Civic Association of the Nicaraguan Resistance in the spirit of giving some solutions to our demobilized, because those of us who were leaders in the fight feel the responsibility to help our friends in the process of reinstating ourselves into civilian life.

We trust that people like you will understand our situation, and we ask that you make this letter public in the Senate of your country, if that is possible.

Attached are some documents that reflect what has been said in this letter.

Wishing you a speedy recovery, I send you my greetings and those of thousands of the demobilized.

Sincerely,

OSCAR SOBALVARRO GARCIA,  
*President of the C.A.N.R.*

### **I. Excerpts From Statement on Nicaragua by Senator Jesse Helms on the Floor of the United States Senate—February 22, 1990**

"The point is that no matter who wins, the Nicaraguan people lose, and the American people lose. Neither candidate has the will or the power to restore freedom in Nicaragua."

"Voting is only a part of democracy, and democracy is only a part of freedom. The American concept of freedom goes beyond the democratic process. Freedom requires a whole social infrastructure, which includes the democratic process, but which also demands religious freedom, economic freedom, press freedom, and the freedom to nourish and preserve one's traditional culture."

"The current election in Nicaragua meets none of those tests. The people of Nicaragua do not have a free choice. Mrs. Chamorro is not the choice of a free opposition. She is an alternative supported by the U.S. Government . . ."

"The Congress of the United States, in its wisdom, has chosen to betray the true freedom fighters of Nicaragua, the Nicaraguan Resistance. For the United States, it is a moral tragedy of immense dimensions."

"But how can there be a free election, when there is no free choice? The so-called opposition, United Nicaraguan Opposition, is not a free political institution. It was created by the State Department and the CIA to control the electoral process and prevent an effective nationalist opposition. The State Department insisted that the opposition had to include everyone, including the Communist Party of Nicaragua."

"One senior administration official told my office that the inclusion of the Communist Party was essential to the success of the coalition. Another official told us that the U.S. can control the Communists and Socialists in the coalition."

"The so-called selection of Mrs. Chamorro as UNO candidate is a case in point. She was, after all, an original member of the Sandinista government, part of the popular front organized by Fidel Castro. She is today a critic of the Government, but not its Marxist doctrine. Despite the fact that U.S. Government officials stage-managed the UNO convention—demanding that Mrs. Chamorro be selected as UNO's candidate—she failed to gain a majority even after six or seven ballots. In fact, she never did gain a majority . . ., despite the fact that two of her children are still members of the Sandinista Party. Her son, Carlos Fernando Chamorro, has been Director of Party Propaganda and is currently editor of the Party newspaper, Barricada. And her daughter, Claudia, is Ortega's former Ambassador to Costa Rica. Moreover, Mrs. Chamorro has never demonstrated any power of political organization or any capability to govern. A weaker candidate is harder to imagine. A government led by Mrs. Chamorro would still be a Sandinista-style government, with the same doctrine, and probably much the same personnel."

"It is not surprising that Mrs. Chamorro . . . Failed to make fundamental criticisms of the Sandinistas' revolutionary Marxist doctrine. [She] failed to criticize the enormous corruption and special privileges that are associated with Daniel Ortega and the Communist gang that holds the country in thrall. [She] failed to attack the lack of fundamental religious freedoms and the persecution of all those who reject the Marxist conclusions of so-called liberation theology."

"For this reason, I strongly opposed any United States funding of the electoral fraud in Nicaragua. To me it is unconscionable that any U.S. Taxpayers' funds would be used to support the candidacy of the Communists and pseudo-Sandinistas . . . Moreover, it was clear that, under Sandinista decrees, half of the U.S. Funding would go to the Sandinistas themselves. Nevertheless, State Department representatives solemnly promised that none of the funding would go to the Sandinistas themselves, and that the United States would find ways to circumvent Nicaraguan laws and regulations."

"It is for this reason that I believe the U.S. Government should never be allowed to intervene in any election, in any country, at any time. You cannot jump-start democracy by using undemocratic methods. Every time we have attempted to do that, the result has been a disaster for the country involved. Perhaps the reason is that the State Department, in choosing the candidates it wants to support has consistently selected philosophical leftists congenial to its own way of thinking, despite what the people of the country involved want, and despite what the American people would want."

"The people of Nicaragua therefore face an agonizing choice. On the one hand, they can vote for the Sandinista candidates and the continuance of a revolutionary Marxist and totalitarian government, backed by the Soviet Union, that has control over every aspect of their lives—their jobs, their government, the press, the army, the secret police, the neighborhood monitors, the school system." "On the other hand, they can vote for the candidates, backed by the United States, who are former members of the Sandinista government, and who offer only a weak, 'me-too' revolutionary philosophy which they have no means of implementing if they should win."

"I hope, indeed, that thousands of Nicaraguans do cast a protest vote against Daniel Ortega, despite the unworthiness of his opponent. Unfortunately, in the circumstances, it is a grand, but empty gesture." "The brutal, undemocratic nature of the Sandinista regime was perfectly evident in 1979, and I stood on this floor and said so—and said so again in 1980, 1981, 1982, 1983, and so down to this very day."

"Mr. President, the only sign of hope in Nicaragua today is that the Nicaraguan Resistance—the Freedom Fighters—who have been cut off from United States aid, have pledged to continue the fight for freedom. They have a new breed of leaders, no longer in the pay of the CIA, who are free to liberate their country without the shackles of U.S. Support. They are brave men undertaking an impossible task, but they have the purity of true nationalism and deep patriotism. Perhaps they will succeed. Perhaps they will topple the Sandinista government whether the Sandinista government is led by Daniel Ortega or led by anyone else. I wish them well. I always have. I always will. They are patriots who deserve better than the treatment they have received at the hands of the U.S. Congress."

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**J. February 28, 1990, Senator Helms Speech: The Nicaragua Elections:  
Beware of Trojan Horses \***

(Statement by Senator Jesse Helms)

MR. HELMS. Mr. President, the election results in the Nicaraguan elections constitute a stunning reversal for Daniel Ortega and the Communist Sandinistas—a verdict by the people, of the people and for the people of Nicaragua. What we see all over the world is that if you give the people a chance in a free and fair election, the people will overwhelmingly reject Communism.

We saw the people reject Communism in Poland. We saw it in Czechoslovakia. We saw it just last Sunday in Lithuania. We saw that East Germany, Bulgaria, Hungary, Estonia, and Latvia are just itching for elections in the next few weeks so they can vote against Communism. The only people that like communism are the tyrants themselves.

But whether, in the long-run, Ortega and his cohorts will accept the will of the people is by no means clear. The statements of Ortega yesterday indicate that he is willing to give up the Presidency, but not the real base of his political power, the so-called Popular Sandinista Army (EPS) and the Sandinista Party members installed in key government positions of power. If Nicaragua is to be free from Communism, Nicaragua may have fundamental reform; but it is now apparent that Ortega and the Sandinistas can be expected to block every attempt at reform.

So the battle for freedom in Nicaragua is just beginning. Let's face it: There would have been no election had the Freedom Fighters not waged their lonely and hard-fought battle against the Sandinista tyranny. It must not be overlooked, in this time of exultation, that the only things the Sandinista regime ever worried about was the determination of the Freedom Fighters to make it possible for free government. Ortega's whole policy was to destroy the Freedom Fighters at any cost; and that remains his policy today.

This election is a tribute to the farsighted policy of Ronald Reagan. Had it not been for his support for the Freedom Fighters, there would have been no victory in the elections Sunday. The vote by the people of Nicaragua flatly rejecting Com-

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\*From the Congressional Record.

munism is a repudiation of all those who were willing to deny the Nicaraguan people a non-Communist alternative.

But caution now is imperative. The two-month transition period to the installation of the new government is fraught with danger. The Nicaraguan Freedom Fighters have said that they will not disband until a transfer of power has in fact taken place. They are wise to be cautious. Their years of military opposition have, at last, forced the Sandinistas to the ballot box, but Daniel Ortega clearly intends to keep his illegitimate hold on power.

Prudence dictates that it must be assumed that the Sandinistas will dig in their heels and attempt to keep power intact under the new government of Mrs. Chamorro. There are still Soviet, Cuban, East German, Czechoslovakian, and other Communist advisers on hand to help the Sandinistas overthrow the will of the people. We must not forget that the Sandinistas have played host to various terrorist groups operating around the world. That is why Mrs. Chamorro needs, and must have, the help and support of not just the former political representatives of the Freedom Fighters, but the leaders of the actual fighting groups themselves.

Moreover, it is not merely the new government that is at risk. The Sandinistas have been the main exporters of Marxism-Leninism to El Salvador. They have been the conduit for tons of Soviet and East bloc arms flowing to the Salvadoran guerrillas, the FMLN. And they have also provided training, logistics, communications, and even rest and recreation for the guerrillas in El Salvador. The bloody November offensive of the FMLN in El Salvador was "Made in Nicaragua." There is not reason to doubt that the Sandinistas will accelerate deliveries of weapons in the two months of power before the shift in the Presidency. Having been rejected by the people in Nicaragua, the Sandinistas must not be allowed to negate the election by deviously imposing more suffering on the people of El Salvador.

So, Mr. President, the United States should think twice about lifting sanctions or providing other actions of support, unless and until certain benchmarks are met. For example:

First, all current officials of the Sandinista Party must be removed from positions of power in the new government.

Second, no cabinet posts should be conceded to the Sandinista Party (FSLN), especially the Ministries of Defense and Interior, or to any members of either the Communist Party or the Socialist Party of Nicaragua.

Third, the party-controlled armed forces, the so-called Popular Sandinista Army (EPS) should be disbanded, and a new armed forces, about one-third the size, should be organized under control of the new government, as in Panama. The new government should seize the Soviet arms now held by the EPS, and sell them to the United States to raise immediate cash flow. These weapons could be sent by the United States to Freedom Fighters elsewhere, such as UNITA in Angola, the Mujahidin in Afghanistan, and the Salvadoran Army.

Fourth, the secret police (MINT) of the Ministry of Interior should be disbanded. Fifth, prominent and competent members of the exile community from the major parties and from the private sector, as well as members of the Nicaraguan Resistance fighting forces should be invited to participate in key posts in the Cabinet.

Sixth, international observers must monitor all weapons depots and movements of weapons during the next two months. No weapons should be sent to El Salvador, Guatemala, Honduras, Colombia, or Peru, with special caution that hand-held, heat-seeking missiles, such as the SA-7, not fall into the hands of Communist terrorists in those countries.

Seventh, all other support facilities now in Nicaragua that have been strengthening the hands of guerrillas in El Salvador and terrorist movements elsewhere should be dismantled immediately, including training bases and communications headquarters.

Eighth, all foreign military and civilian advisers must leave Nicaragua during the transition period, including Soviet, East German, Czechoslovakian and Cuban personnel.

In the United States, we are accustomed to assuming that elections anywhere are in fact a transfer of power. But in Communist countries, such as Nicaragua, the real power is never in the organs of the State, but the in organs of the Communist Party. Whereas Americans think of political parties as free, voluntary organizations within the State, Communist doctrine holds that the people's will is expressed in the Communist Party first of all, while the government is one of the party's secondary instruments.

In Nicaragua, it was the Sandinista Party—The Sandinista National Liberation Front (FSLN)—that brought about the revolution, and imposed its will on the country. Today the Sandinista Party is still controlled by the nine-man military junta which has not been, and never will be, elected by the people. As Communist Parties

all over the world adapt to the pressure of the people everywhere for a multi-party State, they continue to use the organs of the party organization to control the government, even when the party changes its name. In Nicaragua, there can never be found peace, and there can never be fundamental reform of the social and economic system unless all Sandinista, Marxist, and Communist ideologies are removed from decision-making posts.

In Nicaragua today, there are 65,000 active troops in the Communist Sandinista Armed Forces. This is by far the largest in Central America. The armed forces are not a part of the Nicaraguan Government—they are an instrument of the Communist Sandinista Party. That is the case today, and will continue to be, unless the new government acts promptly to change the situation. This army has received over \$5 billion in assistance in military aid from the Soviet Union—as compared to the \$227 million that the Nicaraguan Freedom Fighters received from the United States. This is an armed force that has received the most modern Soviet weapons, such as:

Tanks and self-propelled guns, such as the T-54 tank and the 122mm artillery guns;

Light armor, such as the PT-76 amphibious tank and BMP armored personnel carriers;

Missile attack boats;

Attack helicopters, such as the MI-8 and the MI-17 HIP assault helicopters, and the MI-25/35 HIND attack helicopter gunships;

Surface-to-air missiles, such as the shoulder-launched SAM-7, which are used for air defense, and some mobile SAM launchers.

In 1989, in the 8-month period preceding the election, the Bush administration disclosed that the Soviet Union had shipped 12,000 tons of war-fighting material.

But the regular army in Nicaragua is by no means the only problem. The Sandinistas have built a reserve army of 200,000—again one of the largest in all of Latin America—organized in local militias. Again, these local militias have been armed with the most modern Soviet weapons, and these militias exist in every locality.

Finally, there is the third force which is the smallest, but the most important. These are the troops (MINT) of the Ministry of Interior—some 5,000 highly trained and deeply motivated Communist agents, ruthlessly dedicated to the survival of Sandinista Communism. This is the type of forces we have seen in the operation of other Communist countries in transition—in Romania, in Georgia, in Armenia, in Azerbaijan. We must assume that, in Nicaragua, these forces are likewise prepared to perpetrate murder and destruction for the survival of Marxist power. The Nicaraguan secret police operate in every block, in every workplace, in every school, in every organization. They have at their disposal groups of paramilitary gangs trained to harass individuals and break up peaceful gatherings.

President Chamorro would do well to examine what she is inheriting. The last things she needs is a stable full of Trojan Horses poised to undermine and destroy the hope of freedom for which the Nicaraguan people overwhelmingly voted this past Sunday.

As long as the Sandinista Party controls these forces, Ortega has an enormous bargaining tool to demand cabinet posts and government control of the economy. The mere changing of the head of government will have little impact on these forces, which are deep-rooted in the Communist society, unless the Sandinista command-and-control system is broken.

There is no surprise in the postelection statements of the arrogant and devious Mr. Ortega. The depth of this problem was revealed in the statement by feared Tomas Borge, director of the secret police—as Minister of Interior—in a speech on February 7:

This electoral coalition (UNO) cannot govern because there have been deep transformations in Nicaragua that it would try to reverse, causing serious social consequences.

For example, with the existing Revolutionary Armed Forces—EPS (Sandinista Peoples' Army) and the MINT (Interior Ministry)—how can the officers obey hare-brained orders imparted by those who were appointed (by UNO) as ministers of defense and the interior?

Since these structures are revolutionary, UNO will attempt to destroy them, causing chaos in Nicaragua. This would be a country without a government.

What Borge meant is that the revolutionary command structure will refuse to obey the new Government. And he was correct—the Government will have no countervailing force, unless the Freedom fighters of the Nicaraguan Resistance are brought in to the country to defend the people against the Sandinista revolutionary power. Borge was candid in predicting at least passive resistance to the disbanding of Sandinista power, and perhaps military resistance to the Government—he used

the term "chaos." After all, the Communist Sandinistas have armed not only the 65,000 regular troops, but also the 200,000 trusted cadres throughout the country. By using the threat of chaos, Borge is warning that the Sandinistas will bargain to retain substantial control over the Government and the countryside.

If that is allowed to happen, the stunning result of this past Sunday's election—when the people of Nicaragua so emphatically stated their disgust of Communism—that stunning result will have been reversed and negated.

### K. Congressional Objections to AID Disbursements to Nicaragua

May 27, 1992.

The HONORABLE RONALD ROSKENS,  
Administrator, Agency for International Development,  
2201 C Street, N.W., Washington, DC.

DEAR RON: Earlier today I asked my staff director, Admiral Bud Nance, to convey my opposition to Congressional Notification No. 294, project number 524-0325 regarding the obligation of \$100,000,000 for Nicaragua. Admiral Nance informs me that he just spoke with your Deputy, Mark Edelman.

On several previous occasions I have expressed my concerns about the Chamorro Government's failure to reverse the Sandinista policies of the past. It is well known that the Chamorro Government has not privatized corporations and other businesses that were seized and nationalized by the Communist Sandinistas. Also, the illegally confiscated private property of more than five thousand Nicaraguan citizens still remains in the hands of the Government. It has come to my attention that Government forces have begun to destroy some of these properties, and that the Chamorro Government continues to confiscate private property.

Of utmost importance to the American taxpayer is the fact that more than 200 American citizens have had their property confiscated and not returned. This makes a mockery of the notification's assertion that "in most respects, the Government of Nicaragua's reform efforts, undertaken in 1991, were spectacularly successful."

Furthermore, Administration witnesses have testified before the Foreign Relations Committee that the Communist Sandinistas continue to control every security, military, intelligence, and law enforcement agency in the country. These agencies have been used to assassinate dozens of former freedom fighters.

Given the fiscal crisis facing this country, and the absence of any base of support for foreign economic assistance among the American people, you and I must work to scrutinize every cent that is spent on these programs. I do not believe that the American taxpayers would support funding for a government that refuses to respect the sanctity of private property for their own and American citizens.

Until I am convinced that there is significant reform in the Chamorro Government I will be compelled to object to the disbursement of these funds.

Sincerely,

JESSE HELMS.

June 22, 1992.

The HONORABLE RONALD ROSKENS,  
Administrator, Agency for International Development,  
2201 C Street, N.W., Washington, DC.

DEAR RON: I understand that my staff director, Admiral Bud Nance, recently spoke to you to reinforce my objections to the obligation of \$100,000,000 for Nicaragua. Since that time, I have received four additional notifications (No. 392, No. 371, No. 373, No. 374) totalling \$16 million in new obligations for Nicaragua. For the reasons detailed in my letter of May 27, 1992, and based on new information available to me, I am compelled to object to the disbursement of these funds.

Since the letter of May 27, my office has been bombarded with letters and phone calls from American and Nicaraguan citizens whose property claims against the Nicaraguan Government have not been resolved. None of the materials provided by either the Administration or the Government of Nicaragua provide any assurance that these claims will be resolved any time soon. To date, it appears that no non-commercial property has been returned to an American citizen.

In addition to the almost 200 American citizens who have registered property claims, the State Department confirmed in writing this week that "there may be as many as several hundred U.S. citizens property claimants who have not yet approached the Embassy." Also, thousands of corporations and private homes owned by Nicaraguan citizens have not been returned to their original and rightful owners.

Rather than move expeditiously to resolve this problem, President Chamorro's closest aide, Antonio Lacayo, has called publicly for demonstrations in front of the United States Embassy. Moreover, President Chamorro is quoted in the Nicaraguan press as saying that she has no plans to change her Government's policies "one millimeter."

My staff has informed me of an extensive meeting they had with representatives of both the State Department and A.I.D. to discuss this issue. It is my understanding that the Administration is in agreement with all of my concerns about the current situation in Nicaragua. Nicaraguan press also reports that the A.I.D. mission director, Janet Ballentyne, stated publicly her agreement with my concerns.

The honeymoon is over. I plan to object to any further assistance to Nicaragua until there is substantial proof of meaningful and lasting progress in the following areas.

1. The return of private property to American and Nicaraguan citizens.
2. Restoration of nationalized companies to their previous owners.
3. The removal of high ranking Sandinista officials from law enforcement, intelligence, and government agencies.
4. Judicial reform.
5. Justice for the murderers of Enrique Bermudez and the 150 other freedom fighters assassinated since Mrs. Chamorro came to power.
6. Investigation of the torture and imprisonment of Aristides Sanchez and scores of former freedom fighters.
7. Investigation of the murder of Jean-Paul Genie.

The Nicaraguan people will not soon forget that the Chamorro Government would never have come to power without the sacrifice of 25,000 freedom fighters. As long as there is no respect for property rights, human rights, and a free-market economy, no amount of money from the American taxpayers will bring true democracy to Nicaragua. It will merely eliminate any incentive for lasting reform and further dash the hopes of the Nicaraguan people who have sacrificed so much in order to bring peace and democracy to their country.

Sincerely,

JESSE HELMS.

July 1, 1992.

The HONORABLE RONALD ROSKENS,  
*Administrator, Agency for International Development,*  
*2201 C Street, N.W., Washington, DC.*

DEAR DR. ROSKENS: We are writing to voice our support for the suspension of U.S. assistance to Nicaragua. We are increasingly concerned about the lack of genuine free-market reforms and continued control by the Communist Sandinistas of the Armed Forces, police and intelligence. Moreover, the refusal by the Government of Nicaragua to return illegally confiscated private property raises serious questions about the government's commitment to lasting reform.

Our understanding is that there may be as many as 400 American citizens who have had their property confiscated in Nicaragua. We cannot confirm that any of those properties have been returned to their original and rightful owners.

We are also told that there are more than 10,000 Nicaraguan citizens who are unable to regain possession of their property. Very few companies have been privatized in the way that we understand privatization. Of those that have been denationalized, many were returned to relatives of those currently in power, and others were sold off to friends, not returned to the original owners.

We do not believe that the U.S. Government should provide continued assistance to a foreign government that refuses to respect private property rights. Without this very basic freedom there will be no investment in Nicaragua. And without investment, there will be no production. Thus, it is counter-productive to continue sending U.S. taxpayers' money.

There are precedents where aid was suspended to foreign governments due to a lack of progress in the return of confiscated property of American citizens. During the 1980s, aid was withheld to Honduras for five years because of one confiscated property belonging to an American citizen. For two years, the State Department has been withholding ten million dollars to Costa Rica because of seven confiscated properties belonging to American citizens. Our Government's number one responsibility should be to protect its citizens.

There are a number of other issues that should be addressed before further assistance is released to the Government of Nicaragua. We have reliable reports that the Sandinista Army continues to send weapons to the Communist guerrillas in El Sal-

vador and Guatemala. We are told that these shipments are personally authorized by the Ortega brothers.

The Sandinistas continue to maintain control of the Army, the Police, Immigration, Customs, the courts, and the only intelligence agency that exists in Nicaragua. Through these organizations, the Sandinistas have successfully carried out the systematic assassination of more than 150 former Freedom Fighters, including several of their top commanders. To date there has been no investigation of any of these brutal murders.

It appears that the hundreds of millions of dollars given to Nicaragua in the past two years have done little to bring true reform to that country. Before the United States considers releasing more assistance, obstacles to genuine economic and democratic reform should be addressed honestly by the Chamorro Government. Our Government should make clear to the Government of Nicaragua that they must meet certain conditions in order to continue receiving U.S. taxpayer's money. We will not support any further aid to Nicaragua until all American properties are returned and there is lasting and meaningful democratic reform.

Sincerely,

CONNIE MACK, STROM THURMOND, MALCOLM WALLOP, BOB SMITH, HANK BROWN, DAN COATS, LARRY CRAIG, STEVE SYMMS, TRENT LOTT, and ALFONSE D'AMATO.

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