

DEPARTMENT OF DEFENSE INTELLIGENCE INFORMATION REPORT

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Classification/Control Markings

This report contains unprocessed information. Plans and/or policies should not be evolved or modified solely on basis of this report.

COUNTRY: CHILE (CI)

2. REPORT NUMBER: 6 817 0174 77

1. TITLE: Covert Countersubversive  
Activities in Chile (S)

4. PROJECT NUMBER: **UNCLASSIFIED**

3. DATE OF INFORMATION: 771105

6. DATE OF REPORT: 771115

5. TIME & PLACE OF ACQUISITION: 771109/771114,  
Santiago, Chile

8. REFERENCES  
A. INITIATIVE  
B. HCS 10,964  
C. AMEMB SANTIAGO 9231 of 771102

7. ASSESSMENT: SOURCE A INFO 3

10. ORIGINATOR: USDAD Santiago, Chile

9. BEST EVALUATION YES OPQ \_\_\_\_\_  
(country)

12. PREPARING OFFICER:  
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13. APPROVING AUTHORITY:  
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11. REPORT NUMBER:  
0063

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14. SPECIAL INSTRUCTIONS: WARNING NOTICE, SENSITIVE INTELLIGENCE SOURCES  
METHODS INVOLVED & NOT RELEASABLE TO FOREIGN NATIONALS caveats  
added because of nature of sensitive information discussed.

D YES   
I  
R  
C NO

15. SUMMARY:

~~(ORN)~~ This IR forwards information concerning recent covert operations in  
Santiago by the Centro Nacional de Informaciones (CNI) and by the Intelligence  
Services of the three military services. A reliable source provided information  
on operations, all of which relate to efforts on the part of either CNI or  
military services to deal with the threat, real or imagined, of extremist  
infiltration.

17. SUBJECT AND AREA CODES:  
263310 CI

189

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16. DISTRIBUTION BY ORIGINATOR:  
Wiginet  
150

19. DOWNGRADING AND DECLASSIFICATION DATA:  
Classified by Defense Attaché, Santiago  
Chile. Exempt from GDS of Executive  
Order 11652 Exemption Category 2,  
declassify on 31 December 2007.

20. ENCLOSURES:  
None

Declassified by  
DIA per EO  
12958

SANTIAGO - CHILE  
ALUSNA Control No. 220-77  
Copy No. 1 of 4

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21. This IR contains 5 pages.

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Originator USDAO Santiago

DETAILS: **UNCLASSIFIED**

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~~(NOFORN/WHINTEL)~~ Kidnapping of former Patria y Libertad leader Victor FUENZALIDA Dublé. According to a reliable source, CNI says it has determined an underground faction at the extreme right of the Chilean political spectrum has been responsible for at least some of Santiago's recent leftist-style bomb explosions. CNI believes that this faction is composed of former members of Patria y Libertad, a right wing cadre which carried out subversive activities against the government of Salvador Allende from 1970 to 1973. This group evidently assumes that the Chilean public will blame leftist subversive elements in Santiago for the bombings, and that its efforts by moderates within the Chilean government to bring about a resolution of the present state of siege will be torpedoed. CNI, in order to obtain information about the bombings and any other current rightist subversive projects, planned and executed the "kidnapping" of Victor FUENZALIDA Dublé, a prominent Santiago real estate agent and a former Patria y Libertad leader, on 28 October 1977. Source states that after being abducted from a construction site which he was visiting, FUENZALIDA was held for two days by CNI, and was interrogated extensively concerning the activities of Patria y Libertad. According to source, CNI interrogators were particularly anxious to learn the identity of FUENZALIDA's supposed contacts. Source told RO that FUENZALIDA had a great deal of information concerning his faction's present activities during his interrogation; source did not relate to RO, however, FUENZALIDA's revelations were. CNI released FUENZALIDA on 30 October

302450 CI  
 201500 CI

COMMENT: ~~(S/NOFORN/WHINTEL)~~ The Santiago press reported extensively on FUENZALIDA's "kidnapping", but attributed it to "NIR terrorists." Source's opinion lends some credibility to former CNI Director CONTRERAS' rumored denunciation of his agencies' non-involvement in the bombings. CNI itself apparently suspects that the [redacted] is somehow linked with FUENZALIDA's faction. Source emphasized that FUENZALIDA's CNI interrogators were concerned with whether FUENZALIDA had [redacted] contacts, but rather who his contacts

201320 CI  
 306302 CI  
 207200 CI

~~(NOFORN)~~ Robbery at Bendjerodt Pharmacy. At 2300, 1 November 1977, five masked men entered the Bendjerodt Pharmacy in Santiago, apparently to commit a robbery. Although they held the eight people present in the store at gunpoint, one of the pharmacy's employees managed to telephone the Carabineros, who responded promptly, and surrounded the drugstore. There was a brief period of negotiation between the Carabineros and the robbers, but the robbers finally surrendered. As they were arrested, however, the robbers surprised the Carabineros, according to source, by producing identification cards and stating that they were conducting a covert CNI operation. Source states that CNI had apparently intended in some manner to have the hold up appear to be a leftist operation, but that this intent was

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 201710 CI  
 201200 CI

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circuited by the quick response of the Carabineros to the telephone for assistance. The two men were released to CNI after interrogation by nerros.

~~(S/NOFORN/W/INTEL)~~ There is an interesting connection between this case and that of realtor FUENZALIDA mentioned above. Source stated that during arrest interrogation by the Carabineros, one of the drugstore robbers stated that he had stood duty at CNI headquarters over the weekend of 28 October, and during that time, saw FUENZALIDA in custody in the same building.

COMMENT: ~~(S/NOFORN)~~ Local newspapers reported this incident as simple robbery without any political overtones and made no mention of the CNI detention of the two suspects. RO was unable to evince any explanation or source of how the two CNI men had intended to make the holdup seem to have been engineered by anti-government subversives. Source remained doubtful however that it was a CNI operation, and that its purpose was to play on the threat of terrorism in the public consciousness. Conceivably, a bitter flavor could have been added by verbal statements made to the press during the holdup.

~~(S/NOFORN/W/INTEL)~~ Service Intelligence Countersubversive Operations. Source states that the directors of Army, Navy, and Air Force Intelligence agencies coordinated with each other to conduct operations against two Communist safe houses in Santiago, one in the Conchali area and the other in the San Miguel district. Source did not state whether or not these operations were conducted with the knowledge or cooperation of CNI. A strike force composed of members of each of the services' intelligence organizations raided the Conchali safe house at 2300, 2 November 1977, and confiscated an unspecified quantity of arms and explosives. Possibly due to a leak of information, no one was present at the safe house, and no arrests were made. Source noted that since the raid, the explosives confiscated at the safe house have disappeared, but he could offer no explanation of this development.) In a second countersubversive operation, another composite strike group planted a bomb at the second safe house, in San Miguel, on 5 November 1977. Two persons were killed in the subsequent explosion. After the explosion, Carabineros and CNI recovered a large quantity of explosives and weapons from the wreckage.

~~(S/NOFORN)~~ Source explained that the use of a bomb against the San Miguel safe house was the result of a conscious decision by the service intelligence chiefs that the best way to deal with the safe house problem was blowing them up, if possible, with the terrorists present. Arrests and prosecutions would "take months"; an explosion would produce speedy results. Source told RO that such is the character of the battle against terrorism.

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IT: ~~(S/NOFORN)~~ Local press reported the San Miguel incident on 6 November: accidental explosion of a natural gas cylinder of the type used with stove, but on 7 November, Santiago's newspapers carried articles indicating that what had actually occurred was that two MIR terrorists had been killed when a bomb which they were fabricating prematurely exploded. Source did not specifically identify the two victims as MIR when he talked with RO. Source is of particular interest in his version of events at Conchali and San Miguel, is the assertion that they were planned and executed not by CNI, but by members of the intelligence community of the military services. Source implied that coordination took place among the chiefs of the three intelligence organizations, and that the actual operations were carried out by individuals drawn from the intelligence communities of the three services. Source does not know if the military intelligence men acted with or without the knowledge/cooperation of CNI. RO's own assessment is that source's reliability is highest when he discusses the service intelligence branches. Source's operations, the existence of which were the most surprising of RO's revelations. His information in this area could indicate that CNI does not have a monopoly on covert anti-subversive operations in Chile. It could also indicate that the military service intelligence branches are well ahead with operations of their own because they do not feel that CNI is handling subversion effectively.

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~~(NOFORN/WMINTEL)~~ General Source Comments on CNI. This source reports that under new Director General MENA, CNI will closely adhere to its statutory charter. General MENA was chosen to replace COL CONTRERAS primarily because of his upright character and integrity. Source said he personally feels that the CNI in any form is unnecessary and should be abolished completely. The Air Force, the Carabineros, and particularly the Navy, he says, wish to reduce their level of participation in CNI. Strongest support, both ideologically and from the point of manpower will probably continue to come from the Army.

~~(NOFORN/WMINTEL)~~ RO told source that what was of primary interest to policymakers at this time is the question of whether or not the character, modus operandi and direction of CNI are really any different from those of the notorious DINA. RO said that, based on what source had been telling him, it seemed that CNI was still conducting business as usual. Source was emphatic in his response to this. He said that CNI's recent actions were insignificant compared to what DINA had done in the past. Source stated that CNI was under much tighter rein than had been the old DINA, and that, under General MENA, its actions would become more temperate still.

IT: ~~(S/NOFORN)~~ All of the foregoing information was clearly passed to the publication/dissemination. Source claimed that his information with respect to the FUENZALIDA kidnapping, pharmacy holdup, and safe house raid at Conchali was unimpeachable. He could not be as certain about the explosion at San Miguel. In regard to the future of CNI, it is clear that

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e has great confidence in General MENA's ability to halt the past  
s of DINA. Source seemed to feel that the critical step in the taming  
ile's intelligence 'monster' as he termed it, was not in the change  
DINA to CNI, but rather in the change from CONTRERAS to MENA. This  
ordinated with . POL and POL/R.

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