

October 18, 1976

DRAFT

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MR WARREN
CIA/DDO/WH

Ray,

Noon deadline

To: The Secretary

From: INR - Harold H. Saunders

Please have this checked for accuracy & filling in missing parts and facts.

Hal Saunders wants to be able to assure the Secretary that the memo has your full concurrence

Castro's Allegations

Francis

In his speech of October 15, Fidel Castro made the following allegations concerning CIA involvement in the bombing and crash of a Cubana Airlines plane on October 6 off Barbados:

--"Well-informed Venezuelan sources" had communicated to the Cubans that Hernan Ricardo Lozano (one of the men arrested in Trinidad in connection with the bombing of the plane) was a CIA agent and had handled reports from the CIA many times.

--Hernan Ricardo is an associate of Felix Martinez Suarez, who is reputed to be a CIA agent in Venezuela.

--"The recruitment of citizens and the utilization of other countries' territories to conduct such acts are methods characteristic of the CIA. At the beginning we were uncertain whether the CIA had directly organized the sabotage or had carefully prepared it through its covert organization formed

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1/28/94

ENCLOSURE

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by Cuban counterrevolutionaries. Now we decidedly believe the first assumption is correct. The CIA directly participated in the destruction of the Cubana aircraft in Barbados."

--The principal leaders of Cuban exile terrorist groups are closely linked through the CORU organization to CIA activities against Cuba.

In his speech, Castro did not make any specific allegations concerning a USG relationship with Orlando Bosch, or Luis Posada (two Cuban exile activists who were arrested by Venezuelan authorities in connection with the Cubana crash). However, the link with Bosch is implied since he is reported to be chief of CORU, the umbrella organization of Cuban exile terrorists.

Individuals Allegedly Involved

Hernan Ricardo Lozano

a. Involvement in the Crash: He was arrested in Trinidad on suspicion of having planted a bomb in the Cubana plane. Caracas radio announced on October 18 that he confessed to sabotaging the airliner. A ^(S) source in Caracas reports that Ricardo may have been trained in the use of explosives and investigative techniques by Luis Posada. ~~_____~~
~~_____~~ (S)

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[REDACTED]

^(S)
¹⁰
Ricardo, a Venezuelan citizen, a photographer employed by Posada in his industrial security firm in Caracas. A

^(S)
source says that Ricardo is also a part time employee of the Venezuelan Intelligence Service (DISIP). He reportedly gathered photographic material on groups and individuals of interest to DISIP and the Venezuelan Government. He was hired by DISIP when Pasada was ^{former} official of that organization. The ^(S) source says that the Venezuelan Government is concerned and would be faced with serious problems if these connections become public knowledge.

b. Relationship with US:

^(S)
The US Legal Attache in Caracas, Joseph Leo, says that he has had some dealings with Ricardo for help in expediting visa applications ^{and for Ricardo's benefit} [REDACTED]

[REDACTED]

^(S)
^{Ricardo}
During one visit, attempts to solicit suggestions from the Legal Attache on activities which might be directed against the Cuban Embassy by an anti-Castro group to which he belonged. Leo says he discouraged Ricardo, pointing out that the US Government was attempting to prevent disruptive and

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terrorist activities by anti-Castro groups in the US, and Ricardo never repeated the suggestion.

Freddy Lugo

a. Involvement in the crash: Lugo was arrested in Trinidad with Ricardo on suspicion of having planted the bomb aboard the Cubana plane. A ^(S) source alleges that Lugo apparently was only peripherally involved in the bombing and is not considered to be one of the leading participants.

Lugo, a Venezuelan citizen, is also a photographer employed by Posada's company. According to ^(S) source, he also worked for DISIP under the same arrangements noted above for Ricardo.

b. Relationship with US: [REDACTED]

^(S) [REDACTED] The name and phone number of US Legal Attache Leo were discovered in Lugo's address book when he was arrested in Trinidad. Leo says that he has had ^{no} _{ca} contact with Lugo and speculates that his name and phone were furnished to Lugo by Posada.

Luis Posada Carriles

a. Involvement in Crash: Posada was arrested on October 14 in Venezuela along with Orlando Bosch and three others accused of conspiring to sabotage the plane. Posada, a Cuban exile who is now a Venezuelan citizen, is vehemently anti-Castro and is suspected of having been the main supporter of Bosch during the latter's stay in Venezuela prior to being

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arrested in November 1974. Posada was formerly chief of the counterintelligence division of the Venezuelan intelligence service, DISIP.

b. Relationship with US.

[REDACTED]

When he lost his position in DISIP in ~~March 1974~~, *CIA* says [REDACTED]

[REDACTED]

[REDACTED] declined to assist Posada on a visa matter. *(S)*

The US army attache has also used a Posada business partner (also a Cuban exile, whose name we do not have) as an informant (though not as an agent).

Our Legal Attache (Joseph Leo) became acquainted with Posada during the latter's employment [REDACTED] and after his resignation, Posada continued to contact Leo on rare occasions, usually in order to obtain personal service in regard to visa requests for relatives and business associates, the last being Ricardo on ~~October 1, 1976~~ *September 30, 1976 and October 1, 1976*. Leo says he has seen Posada on about three occasions since 1973, the last being in June 1976 when Posada inquired if the FBI had interest in a Venezuelan who had hired two of his "operatives" as body guards.

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Chavez tel 10/7

Chavez tel 10/73

CIA Code Chart

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Orlando Bosch

a. Involvement in Crash: As noted above, Bosch was arrested in Venezuela for alleged involvement in the Cubana crash. In late June, a CIA source reported that an exile group headed by Bosch planned to bomb a Cubana flight between Panama and Havana. An FBI source has alleged that one attempt was made but the bomb did not detonate. A second try occurred in Jamaica on July 9, but the bomb exploded before the suitcase in which it was carried was put aboard the plane.

According to ^(S) [REDACTED] Venezuelan President Carlos Andres Perez is said to be sympathetic to Bosch and has permitted him to travel freely in the country and solicit funds with the understanding that Venezuela would not be used as a base of operations or place of refuge. Bosch reportedly promised not to engage in terrorist activity while in Venezuela and received a token \$500 contribution from Perez. [REDACTED] ^(S) reported that after Bosch's arrival in Caracas in September, he stated during a fund raising dinner that "Now that our organization has come out of the Letelier job looking good, we are going to try something else." A few days later, Posada allegedly said, "We are going to hit a Cuban airliner" and "Orlando (Bosch) has the details."

b. Relationship with US. [REDACTED]

^(S) [REDACTED] The US is currently attempting to have Bosch deported from Venezuela

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to the US, where he is subject to immediate imprisonment for parole violation (*spell mt*)

Frank Castro

a. Involvement in Crash: Venezuelan officials reportedly believe that Castro, (head of the FLNC terrorist organization, a component group in CORU) is deeply involved in the crash, though we have no details of his supposed involvement. Frank Castro was in Venezuela in late September 1976 and in mid-October was back in Miami. Frank Castro has admitted to FBI agents that he met with Bosch in Caracas on September 26 or 27, but denies any personal knowledge of the bombing of the Cubana plane.

b. Relationship with US; [REDACTED]

[REDACTED] ^(S) who is an American citizen with permanent residence in Santo Domingo. Orlando Garcia and Ricardo Morales Navarrete.

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CDT*

a. Involvement in Crash: Orlando Garcia is President Perez' security and intelligence advisor, and Morales is Garcia's deputy; both are Cuban exiles who are now Venezuelan citizens. [REDACTED] ^(S) claims that Garcia was directed to protect and assist Bosch during his stay in Venezuela. [REDACTED] ^(S) reported that Garcia and Posada met Bosch upon his arrival and escorted him to his hotel. Both Garcia and Morales reportedly attended the fund-raising dinner during which Bosch allegedly made the remark about the "Letelier job," and after the Cubana

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crash Garcia may have made an effort to get Bosch out of Venezuela. It is possible, therefore that Garcia and/or Morales may have known in advance about the operation which led to the bombing of the plane.

b. Relationship with US:

Felix Martinez Suarez

a. Involvement in Crash: None, except by the alleged association with Ricardo, contained in Fidel Castro's charges.

b. Relationship with US: [REDACTED]

[REDACTED]

18 per [unclear]

Castro's allegation regarding CORU: With regard to Castro's charge on CIA links with CORU, an FBI report of September 17 states that "a confidential source abroad" claims to have been told by Roberto Carballo (leader of the Association of Veterans of the Bay of Pigs, AVBC, one of the component organizations of CORU) that in July of this year Carballo and three other Cuban exiles had been approached by representatives

M. [unclear] 9/17/50

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of the CIA who informed them that CIA was dissatisfied with all the acts of sabotage being carried out at random and ordered them to disassociate themselves from Bosch and CORU. The source alleged that during the week of September 12-18 Carballo and three other Cuban exiles were in Washington to confer with representatives of the CIA on plans to be carried out by the action arm of the AVBC, for which financing was to come from CIA. The FBI report concludes with a request that the CIA advise if it has "active operational interest in AVBC as described above."

CIA says that this report is false and the Agency has no active operational interest in the AVBC. According to CIA, a representative of a group of Cuban exiles did telephone into the Agency in September 1976 requesting contact for an unspecified reason, but the contact did not take place and the callers were discouraged from further attempts to telephone the Agency.

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October 19, 1976

9:30 AM
Ballou
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with change
10-20-76
JG

Additional Questions (answers and comments needed by late morning, October 20)

Cuban Airlines

1. Has CIA had any relationship with Posada's investigative agency or any other business he may have had?

2. [REDACTED] *(S)*

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Per CIA

3. [REDACTED] *(S)*

4. Does the CIA believe that the source of TDFIR DB-315/10256 deliberately, delayed passing on Bosch's and Posada's remarks about hitting a Cuban plane until after the incidents?

5. Does the CIA have any additional relevant information on any of the people named in the draft memorandum, or any other information relating to the sabotage of the plane, which it has not yet disseminated in TDFIR form?

6. Would CIA please provide whatever information it has concerning Orlando Garcia and Ricardo Morales so that para b on page 8 of the draft memorandum can be completed?

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