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Page: 1

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RELEASE IN PART

PAGE 01 LIMA 00228 01 OF 07 071820Z  
ACTION INR-01

INFO LOG-00 AMAD-01 ARA-01 CIAE-00 DODE-00 HA-09 INM-01  
INRE-00 ADS-00 NSAE-00 PM-01 P-01 SCT-03 SP-01  
SS-01 /020W

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FM AMEMBASSY LIMA  
TO SECSTATE WASHDC 4663

SECRET SECTION 01 OF 07 LIMA 00228

FOR INR/B AND ARA/AND

E.O. 12356: DECL: OADR  
TAGS: PINR, PGOV, PTER, SNAR, PHUM, PE  
SUBJECT: MONTESINOS: RUMORS AND FACTS ON A  
POWERFUL BEHIND-THE-SCENES PLAYER

REFS: A) 91 STATE 398990 B) 90 LIMA 12153  
C) 91 LIMA 17434

- SECRET/NOFORN - ENTIRE TEXT.
- SUMMARY: VLADIMIRO MONTESINOS REMAINS ONE OF PRESIDENT ALBERTO FUJIMORI'S MOST IMPORTANT  
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SECRET

PAGE 02 LIMA 00228 01 OF 07 071820Z  
-- ALBEIT SHADOWY -- ADVISORS ON MILITARY AND SECURITY MATTERS. MONTESINOS HAS REACHED NEAR-MYTHICAL/SINISTER PROPORTIONS IN LIMA'S RUMOR MILL. NEVERTHELESS, HE WIELDS CONSIDERABLE POWER AND HAS EARNED HIMSELF AT LEAST THE FEAR AND ATTENTION OF MOST OF PERU'S POLITICAL (AND MILITARY) ELITES. OF CONCERN FOR U.S. POLICY IS THE EXISTENCE OF INCONCLUSIVE EVIDENCE AND RECURRING ALLEGATIONS LINKING MONTESINOS TO NARCOTICS CORRUPTION. THERE ARE SIGNIFICANTLY MORE RUMORS THAN FACTS SURROUNDING MONTESINOS AND PRESENTED BELOW IS WHAT WE HAVE ON BOTH SCORES. END SUMMARY.

3. THIS CABLE RESPONDS IN PART TO A BIOGRAPHIC

Current Class: SECRET

DEPT OF STATE APPEALS REVIEW PANEL (ARP)

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( ) Release	( ) Declassify
( <input checked="" type="checkbox"/> ) Excise	( ) Declassify in Part
( ) Deny	( ) Class. Ret/Renew

UNCLASSIFIED

Exemptions B1  
ARP Action Cert. 636 Date 5/20/02

UNCLASSIFIED

Current Class: SECRET  
Current Handling: n/a  
Document Number: 1992LIMA00228

Page: 2

Channel: n/a

COLLECTION REQUEST PER REF A IN ANTICIPATION OF  
CARTAGENA II.

4. THE REAL VLADIMIRO MONTESINOS REMAINS MORE  
SHADOW THAN SUBSTANCE. THE BURST OF PUBLICITY  
IN AUGUST AND SEPTEMBER 1990 CONCERNING HIS  
REPORTED INFLUENCE OVER FUJIMORI ON POLICE AND  
MILITARY FIRINGS AND APPOINTMENTS (REF B)  
SUBSIDED THROUGH APRIL 1991. THEN THE  
INFLUENTIAL WEEKLY "CARETAS" MAGAZINE RAN A  
SERIES OF ARTICLES REPORTING MONTESINOS'  
INFLUENCE WITH THE PRESIDENT AND ALLEGING TIES  
BETWEEN MONTESINOS AND KNOWN DRUG  
PERSONALITIES. PRESIDENT FUJIMORI TOLD  
REPORTERS THAT MONTESINOS WAS HIS FAMILY  
ATTORNEY BUT NOT A PRESIDENTIAL ADVISOR, AND

SECRET

SECRET

PAGE 03 LIMA 00228 01 OF 07 071820Z  
INDEED THE NAME OF THE 48 YEAR OLD MONTESINOS  
DOES NOT APPEAR ON ANY EXECUTIVE BRANCH  
PERSONNEL CHART. MONTESINOS HAD EVEN RESIGNED,  
UNDER FIRE, AS DEPUTY DIRECTOR OF THE NATIONAL  
INTELLIGENCE SERVICE (SIN). BUT HE WAS LATER  
SECRETLY APPOINTED TO HEAD SIN'S ADVISORY  
COMMITTEE (COASIN) AND EVIDENCE PERSISTS THAT  
MONTESINOS STILL WIELDS CONSIDERABLE INFLUENCE  
AND RETAINS HIS POSITION AS A CLOSE PRESIDENTIAL  
CONFIDANT ON MILITARY AND SECURITY MATTERS. IF  
MONTESINOS APPEARED A SHADOW BEFORE, HE IS A  
PENUMBRA NOW.

5. WHEN PRESIDENT FUJIMORI ANNOUNCES A NEW  
EXECUTIVE APPOINTMENT, THE QUESTION OFTEN ASKED  
FIRST IS, "WHAT WAS THE NEW APPOINTEE'S  
RELATIONSHIP TO MONTESINOS?" THE APPEARANCE OF  
ALLEGED MONTESINOS CRONIES IN IMPORTANT  
POSITIONS IN THE MINISTRY OF INTERIOR'S OFFICE  
FOR THE CONTROL OF DRUGS SPARKED THE DEBATE  
ANEW. THE LACKLUSTER MINISTERS OF EDUCATION  
(ANTONIOLI) AND DEFENSE (MALCA) ARE THOUGHT TO  
OWE THEIR RETENTION IN THE THIRD FUJIMORI  
CABINET TO MONTESINOS' INFLUENCE. FUJIMORI  
TAMPHERED WITH THE ARMY PROMOTION LIST TO COLONEL  
REPORTEDLY IN PART, TO TAKE CARE OF MONTESINOS'  
FAVORITES IN THE NATIONAL INTELLIGENCE SERVICE.  
FOR INSTANCE, THE NEW HEAD OF ARMY INTELLIGENCE

Current Class: SECRET

Page: 2

UNCLASSIFIED

Current Class: SECRET  
 Current Handling: n/a  
 Document Number: 1992LIMA00228

Channel: n/a

WAS A FELLOW ARTILLERY OFFICER WITH MONTESINOS.  
 ON THE OTHER HAND, THE FORMER HEAD OF ARMY  
 INTELLIGENCE BRANCH, COL. CORDOVA, ATTRIBUTED  
 SECRET

SECRET

PAGE 04 LIMA 00228 01 OF 07 071820Z  
 HIS FORCED RETIREMENT TO MONTESINOS' GETTING  
 EVEN FOR CORDOVA'S PROMINENT ROLE IN PREVIOUS  
 INVESTIGATIONS OF EARLIER ESPIONAGE CHARGES  
 AGAINST MONTESINOS WHILE A JUNIOR OFFICER.

A METEORIC RISE AND FALL  
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6. AS REPORTED IN REF B, MONTESINOS WAS A  
 RISING STAR IN THE PERUVIAN MILITARY. RANKED  
 EIGHTH AMONG 14 ARTILLERY GRADUATES FROM THE  
 MILITARY ACADEMY IN 1966, HE MADE CAPTAIN  
 SHORTLY BEFORE THE OCTOBER 3, 1968 MILITARY

SECRET

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PAGE 01 LIMA 00228 02 OF 07 071822Z  
 ACTION INR-01

INFO	LOG-00	AMAD-01	ARA-01	CIAE-00	DODE-00	HA-09	INM-01
	INRE-00	ADS-00	NSAE-00	PM-01	P-01	SCT-03	SP-01
	SS-01	/020W					

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S E C R E T SECTION 02 OF 07 LIMA 00228

FOR INR/B AND ARA/AND

E.O. 12356: DECL: OADR  
 TAGS: PINR, PGOV, PTER, SNAR, PHUM, PE  
 SUBJECT: MONTESINOS: RUMORS AND FACTS ON A  
 COUP. ON MAY 1, 1973 HE WAS APPOINTED CHIEF OF  
 STAFF TO ARMY GENERAL EDGARDO MERCADO JARRIN,  
 WHO WAS THEN PRIME MINISTER TO PRESIDENT/GENERAL

Current Class: SECRET

Page: 3

Current Class: SECRET  
 Current Handling: n/a  
 Document Number: 1992LIMA00228

Page: 4

Channel: n/a

JUAN VELASCO.

7. GENERAL MERCADO TOLD POLOFF THAT MONTESINOS WAS A VERY CAPABLE OFFICER, ESPECIALLY ADEPT AT REMEMBERING THE DAY TO DAY DETAILS OF OFFICE BUSINESS; A MAN WHO NEVER FORGOT A NAME OR A  
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PAGE 02 LIMA 00228 02 OF 07 071822Z  
 FACE. BUT THE FORMER PRIME MINISTER'S SOMEWHAT RESTRAINED ASSESSMENT OF MONTESINOS APPEARS INFLUENCED BY SUBSEQUENT EVENTS. OTHERS HAVE TOLD US THAT MONTESINOS WAS BRILLIANT, MANAGING THE PM'S OFFICE WITH AN IRON FIST AND BECOMING INDISPENSABLE TO MERCADO.

8. ACCORDING TO TWO VELASCO ERA INSIDERS, MONTESINOS' FALL FROM GRACE BEGAN IN JULY 1975.



TOLD POLOFF IN SEPARATE CONVERSATIONS THAT MONTESINOS AND A NUMBER OF MID-LEVEL ARMY OFFICERS LEARNED THAT VELASCO WAS ABOUT TO BE OUSTED. THE ONCE VIGOROUS GENERAL HAD BEEN ILL FOR TWO YEARS AND ONE LEG HAD BEEN AMPUTATED. EVERYONE AGREED HE NEEDED TO BE REPLACED. ALTHOUGH VELASCO HAD BEEN MANIPULATED INTO DESIGNATING MORALES BERMUDEZ AS HIS SUCCESSOR, MONTESINOS AGREED WITH A LEFTIST GROUP OF OFFICERS WHO THOUGHT MORALES WAS CENTRIST. THE PLOTTERS CONVINCED GENERAL JORGE FERNANDEZ MALDONADO, VELASCO'S MINISTER OF ENERGY AND MINES WHO HAD ENGINEERED THE IPC AND CERRO DE PASCO MINING COMPANY NATIONALIZATIONS, TO REACH FOR THE PRESIDENCY.

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9. ON JULY 20, 1975 THE PLOT WAS EXPOSED AMIDST CONSIDERABLE PUBLICITY. ACCORDING TO THESE TWO  
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SECRET

PAGE 03 LIMA 00228 02 OF 07 071822Z  
 SOURCES, THE ABORTED COUP ACCELERATED VELASCO'S REMOVAL WHICH OCCURRED A MONTH LATER. THERE

Current Class: SECRET

Page: 4

UNCLASSIFIED

WERE NO ARRESTS AMONG THE PLOTTERS, BUT A NUMBER OF THE ACCOMPLICES, INCLUDING MONTESINOS, WERE MARKED MEN. FOLLOWING VELASCO'S OUSTER IN AUGUST 1975, ARMY COMMANDER GENERAL ARBULU GALLIANI BANISHED MONTESINOS TO AN ARTILLERY POSITION ON THE BORDER WITH ECUADOR.

10. IN AUGUST 1976 THE STILL-BANISHED MONTESINOS TRAVELED TO THE UNITED STATES UNDER THE IVP PROGRAM SPONSORED AND PAID FOR BY THE U.S. EMBASSY IN LIMA. UPON HIS RETURN, HE WAS CHARGED WITH DESERTION AND COURT-MARTIALED. IT IS CLAIMED HE FORGED THE DOCUMENT GRANTING HIM PERMISSION TO LEAVE PERU. HE WAS HELD FOR 16 MONTHS FOLLOWING HIS DISHONORABLE DISCHARGE FROM THE ARMY ON SEPTEMBER 28, 1976. HIS CASE WAS FINALLY HEARD EARLY IN 1977 AND MONTESINOS WAS CONVICTED OF "LYING AND DISOBEDIENCE."

11. PARENTHETICALLY, FRIEND OF MONTESINOS, TOLD US THAT MONTESINOS NEARLY DIED WHILE UNDER MILITARY DETENTION. MONTESINOS CLAIMED HE WAS POISONED. MILITARY HOSPITAL RECORDS SHOW HE HAD HEPATITIS. AN INVESTIGATION INTO THE HISTORY OF MONTESINOS BY MENDEL WINTER, OWNER OF LIMA'S CHANNEL TWO TELEVISION STATION, REVEALED THE SAME ALLEGATION. ACCORDING TO WITNESSES INTERVIEWED BY WINTER'S INVESTIGATOR,

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PAGE 04 LIMA 00228 02 OF 07 071822Z  
MONTESINOS' ATTORNEY SUCCEEDED IN HAVING THE SENTENCE REDUCED FROM FIVE TO TWO YEARS BECAUSE OF MONTESINOS' ILL HEALTH. MONTESINOS SERVED TWO-THIRDS OF HIS SENTENCE AND WAS RELEASED ON SUPERVISED LIBERTY.

12. IN 1983, A SEPARATE CHARGE WAS FILED AGAINST MONTESINOS IN MILITARY COURT FOR TREASON, RELATING TO THE ACCUSATION THAT MONTESINOS HAD SOLD DOCUMENTS TO THE UNITED STATES, AND FURTHER, THAT HE HAD BEEN PASSING MILITARY SECRETS TO THE PERUVIAN NATIONAL INTELLIGENCE SERVICE (SIN). THESE ALLEGATIONS HAD FIRST SURFACED IN 1975 WHILE MONTESINOS WAS

UNCLASSIFIED

Current Class: SECRET  
Current Handling: n/a  
Document Number: 1992LIMA00228

UNCLASSIFIED

Page: 6  
Channel: n/a

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SECRET

PAGE 01 LIMA 00228 03 OF 07 071824Z  
ACTION INR-01

INFO	LOG-00	AMAD-01	ARA-01	CIAE-00	DODE-00	HA-09	INM-01
	INRE-00	ADS-00	NSAE-00	PM-01	P-01	SCT-03	SP-01
	SS-01	/020W					

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S E C R E T SECTION 03 OF 07 LIMA 00228

FOR INR/B AND ARA/AND

E.O. 12356: DECL: OADR  
TAGS: PINR, PGOV, PTER, SNAR, PHUM, PE  
SUBJECT: MONTESINOS: RUMORS AND FACTS ON A  
STILL WITH PRIME MINISTER MERCADO JARRIN.  
ACCORDING TO "CARETAS," GENERAL MERCADO  
PERSONALLY INTERVENED IN SUPPORT OF HIS AIDE  
WHEN THE CHARGE OF SELLING SECRETS TO THE U.S.  
WAS ORIGINALLY RAISED, BUT MERCADO DENIES THE  
STORY.

13. WITH THE NEW CHARGE, MONTESINOS FLED PERU.  
, AND IT IS ALSO MENTIONED IN JOSE  
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PAGE 02 LIMA 00228 03 OF 07 071824Z  
FERNANDEZ SALVATECCHI'S BOOK "YO ACUSO," THAT  
MONTESINOS CROSSED THE BORDER INTO ECUADOR WHERE  
HE WAS ARRESTED AND ALLEGEDLY TORTURED BY  
ECUADORIAN SECURITY FORCES WHO SUSPECTED THAT  
MONTESINOS WAS A SPY. THE 1983 TREASON CHARGES  
WERE DISMISSED IN MILITARY COURT IN 1984 AND  
MONTESINOS RETURNED TO PERU IN 1985. ACCORDING  
TO RESEARCH BY "CARETAS," ARMY GENERAL MONZON  
ARRUNATEGUI SUBSEQUENTLY ISSUED AN ORDER IN 1985  
PROHIBITING MONTESINOS' ENTRANCE ONTO ANY  
MILITARY INSTALLATION IN PERU

Current Class: SECRET

Page: 6

UNCLASSIFIED

UNCLASSIFIED

Current Class: SECRET  
Current Handling: n/a  
Document Number: 1992LIMA00228

Page: 7  
Channel: n/a

THE DRUG ACCUSATION  
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14. THERE IS NO EVIDENCE OR RUMOR THAT MONTESINOS WAS INVOLVED IN DRUG-RELATED CORRUPTION DURING HIS TRUNCATED ARMY CAREER. BUT THE WITEMBURY LAW FIRM, WHICH MONTESINOS JOINED (EITHER UPON HIS RELEASE FROM DETENTION IN 1978 OR HIS RETURN TO PERU IN 1985,) IS ALLEGED TO HAVE BEEN DEEPLY INVOLVED IN CASES INVOLVING NARCOTICS CORRUPTION, INCLUDING THE FAMOUS VILLA COCA CASE.

15. IN THE VILLA COCA CASE, TWO POLICE GENERALS, CHAVEZ GONZALES AND RODOLFO BALLESTEROS CUEVA, WERE ACCUSED OF IMPEDING THE INVESTIGATION INTO THE CHARGES AGAINST LATER CONVICTED DRUG LORD REYNOSO RODRIGUEZ LOPEZ. MONTESINOS DEFENDED THE TWO POLICE OFFICERS.

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SECRET

PAGE 03 LIMA 00228 03 OF 07 071824Z  
DEA FILES INCLUDE INCONCLUSIVE EVIDENCE OF MONTESINOS' RELATIONSHIP WITH THE TRAFFICKERS. ALTHOUGH THERE ARE PHOTOGRAPHS SUGGESTING PERSONAL FRIENDSHIPS, AND FRIENDS OF MONTESINOS WERE CLOSE TO KNOWN TRAFFICKERS -- THE LINKS ARE VAGUE AND ENTIRELY CIRCUMSTANTIAL.

16. BUT ONE ASPECT OF THE VILLA COCA CASE SUGGESTS A DIRECT RELATIONSHIP BETWEEN MONTESINOS AND RODRIGUEZ. POLICE INVESTIGATION NUMBER 032/89 SUBMITTED TO THE FOURTH CRIMINAL COURT, ALLEGED THAT A LETTER WRITTEN FROM PRISON BY RODRIGUEZ ON NOVEMBER 17, 1988 WAS SENT TO MONTESINOS. THE LETTER MENTIONED A LARGE SUM OF MONEY WHICH WAS TO BE USED BY MONTESINOS TO PAY UNNAMED INDIVIDUALS. SUBSEQUENT INVESTIGATIONS CAST DOUBT ON THE VALIDITY OF THE ALLEGED RODRIGUEZ LETTER. HANDWRITING EXPERTS INSISTED THE SIGNATURE WAS HIS, BUT POLICE INVESTIGATORS WERE ABLE TO FIND NO TYPEWRITER IN THE PRISON OR IN POLICE FACILITIES TO WHICH RODRIGUEZ HAD ACCESS THAT MATCHED THE TYPE IN THE LETTER (OFFICIAL COURT DOCUMENTS INDICATE RODRIGUEZ, UNDER OATH, DENIED ANY RELATIONSHIP WITH OR KNOWLEDGE OF MONTESINOS.) NOTWITHSTANDING THE

Current Class: SECRET

Page: 7

UNCLASSIFIED

UNCLASSIFIED

Current Class: SECRET  
Current Handling: n/a  
Document Number: 1992LIMA00228

Page: 8  
Channel: n/a

APPARENT AUTHENTICITY OF THE SIGNATURE, THE  
LETTER WAS DISCOUNTED AS VALID EVIDENCE.

ON THE COMEBACK TRAIL: REGAINING RESPECTABILITY  
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SECRET

SECRET

PAGE 04 LIMA 00228 03 OF 07 071824Z  
17. MONTESINOS USED THE VILLA COCA CONNECTION  
TO REGAIN ACCESS TO THE MILITARY. AS WE  
REPORTED IN AN APRIL 17, 1991 MEMCON, THE  
PROSECUTOR IN THE VILLA COCA CASE WAS HUGO  
DENEGRÍ, WHO IN 1989 WAS PROMOTED TO ATTORNEY  
GENERAL (FISCAL DE LA NACION). IN THE MIDST OF  
THE ON-GOING ALLEGATIONS OF MILITARY COMPLICITY  
IN THE MAY 1988 CAYARA MASSACRE, ATTORNEY  
GENERAL DENEGRÍ CONVINCED GENERAL VALDIVIA  
DUENAS, ACCUSED OF THE KILLINGS, TO ACCEPT SOME  
ADVICE FROM HIS ONE TIME COURTROOM OPPONENT, NOW  
FRIEND AND ADVISOR, VLADIMIRO MONTESINOS.  
VALDIVIA DUENAS AND HIS FELLOW GENERALS FOLLOWED  
MONTESINOS' ADVICE TO STONEWALL, WITNESSES TO

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SECRET

PAGE 01 LIMA 00228 04 OF 07 071825Z  
ACTION INR-01

INFO LOG-00 AMAD-01 ARA-01 CIAE-00 DODE-00 HA-09 INM-01  
INRE-00 ADS-00 NSAE-00 PM-01 P-01 SCT-03 SP-01  
SS-01 /020W

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SECRET SECTION 04 OF 07 LIMA 00228

FOR INR/B AND ARA/AND

E.O. 12356: DECL: OADR  
TAGS: PINR, PGOV, PTER, SNAR, PHUM, PE

Current Class: SECRET

Page: 8



Current Class: SECRET  
Current Handling: n/a  
Document Number: 1992LIMA00228

TOP SECRET

Page: 9

Channel: n/a

SUBJECT: MONTESINOS: RUMORS AND FACTS ON A THE CAYARA MASSACRE "DISAPPEARED," INVESTIGATOR CARLOS ESCOBAR FLED PERU IN FEAR OF HIS LIFE, AND THE CAYARA CASE FADED (TEMPORARILY) AWAY. IT WAS MONTESINOS' ASSISTANCE TO ACCUSED ARMY GENERAL VALDIVIA WHICH REPORTEDLY GAVE MONTESINOS NEW ACCESS TO THE MILITARY, AND SOME RESPECT AMONG OFFICERS WHO KNEW OF HIS 1970'S DIFFICULTIES.

SECRET

SECRET

PAGE 02 LIMA 00228 04 OF 07 071825Z  
18. NOTE: CONTACTS CONFIRM THAT THE 1986 ORDER EXCLUDING MONTESINOS FROM MILITARY FACILITIES WAS STILL IN EFFECT. IT TOOK AGREEMENT FROM ALL THE ASSEMBLED ARMY GENERALS TO PERMIT MONTESINOS TO ENTER THE MINISTRY OF WAR (IN CONTRAVENTION OF THE YET TO BE RESCINDED BAN.) BUT ONCE ALLOWED IN TO ADDRESS THE MEETING, MONTESINOS CARRIED THE DAY. THE ORDER PROHIBITING MONTESINOS' ENTRANCE ONTO MILITARY PROPERTY WAS OFFICIALLY RESCINDED ON JULY 11, 1990 TWO WEEKS PRIOR TO FUJIMORI'S INAUGURATION. END NOTE.

19. ACCORDING TO THIS SOURCE, A GRATEFUL VALDIVIA ADDED HIS VOICE TO THOSE URGING FUJIMORI TO HIRE MONTESINOS AS AN ADVISOR. MONTESINOS RETURNED THE FAVOR BY URGING FUJIMORI TO PRESSURE THE CONGRESS AFTER THE SENATE'S DECEMBER 1990 REJECTION OF VALDIVIA'S PROMOTION. THE SENATE GAVE IN ON THE SECOND VOTE AND CONFIRMED VALDIVIA'S PROMOTION. (ON JANUARY 1, 1992 VALDIVIA WAS SCHEDULED TO BECOME CHIEF OF STAFF OF THE ARMED FORCES' JOINT COMMAND AFTER HAVING BEEN HEAD THE SECOND MILITARY REGION HEADQUARTERED IN LIMA, THE MOST POWERFUL FIELD COMMAND IN THE ARMY. HOWEVER, HE REMAINS PLAGUED BY THE CAYARA MASSACRE WHICH IS FORMALLY ON THE DOCKET OF THE INTERAMERICAN COURT OF JUSTICE.)

ADVISER TO THE FUJIMORIS  
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SECRET

SECRET

Current Class: SECRET

Page: 9

TOP SECRET

Current Class: SECRET  
Current Handling: n/a  
Document Number: 1992LIMA00228

SECRET

Page: 10

Channel: n/a

PAGE 03 LIMA 00228 04 OF 07 071825Z

20. CONSIDERABLY MORE IS KNOWN ABOUT HOW MONTESINOS ENTERED THE INNER CIRCLE OF FUJIMORI'S ADVISORS. THE WIDELY ACCEPTED VIEW IS THAT MONTESINOS WAS RECOMMENDED TO THE FUTURE PRESIDENT BY FRANCISCO LOAYZA, A ONE TIME FRIEND AND CAMPAIGN ADVISOR TO FUJIMORI WHO SUBSEQUENTLY FELL FROM FAVOR. LOAYZA CLAIMED IN AN APRIL 1, 1991 "CARETAS" INTERVIEW THAT HE INTRODUCED MONTESINOS TO FUJIMORI WHEN FUJIMORI ASKED FOR SOME ADVICE ON HIS REAL ESTATE PROBLEMS. LOAYZA KNEW MONTESINOS FROM THE DAYS WHEN BOTH WORKED FOR MERCADO JARRIN. INITIALLY MONTESINOS ONLY DID LEGAL WORK FOR THE FAMILY, INCLUDING MANAGING SOME REAL ESTATE TRANSACTIONS FOR MRS. FUJIMORI. IT WAS BECAUSE OF HIS ADVICE ON THESE REAL ESTATE MATTERS THAT MONTESINOS ROSE TO A POSITION OF IMPORTANCE WITH THE PRESIDENT.

21. NOTE: LOAYZA WAS PURGED, AT LEAST FOR A WHILE, FROM THE FUJIMORI INNER-CIRCLE SHORTLY AFTER THE INAUGURATION. LOAYZA BLAMED MONTESINOS FOR THIS, CLAIMING THAT MONTESINOS FABRICATED AN INTELLIGENCE REPORT ON A FAKE ASSASSINATION ATTEMPT TO GET LOAYZA TO LEAVE THE COUNTRY. DURING HIS ABSENCE, LOAYZA WAS SOMEHOW EXCISED FROM FUJIMORI'S ENTOURAGE. END NOTE.

DISPLAYING POWER: MONTESINOS VS. CARETAS MAGAZINE

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SECRET

PAGE 04 LIMA 00228 04 OF 07 071825Z

22. EVIDENCE OF MONTESINOS' CONSIDERABLE INFLUENCE WAS DISPLAYED IN A 1991 LAWSUIT AGAINST ENRIQUE ZILERI, PUBLISHER OF PERU'S LARGEST SELLING WEEKLY NEWS MAGAZINE, "CARETAS." ON JUNE 10 "CARETAS" RAN A COVER STORY ON MONTESINOS' RELATIONSHIP TO A COLOMBIAN LATER CHARGED WITH NARCOTICS ACTIVITIES. BRIEFLY PUT, IN 1979 COLOMBIAN JAIME TAMAYO RENTED A HOUSE IN THE UPPER-CLASS LIMA NEIGHBORHOOD OF CAMACHO. MONTESINOS APPEARED ON THE CONTRACT AS A GUARANTOR. THE HOUSE WAS

Current Class: SECRET

Page: 10

SECRET

Current Class: SECRET  
Current Handling: n/a  
Document Number: 1992LIMA00228

URGENT

Page: 11  
Channel: n/a

RAIDED AND COCAINE AND DRUG PARAPHERNALIA  
FOUND. TAMAYO WAS CHARGED. MONTESINOS LATER

SECRET

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SECRET

PAGE 01 LIMA 00228 05 OF 07 071827Z  
ACTION INR-01

INFO LOG-00 AMAD-01 ARA-01 CIAE-00 DODE-00 HA-09 INM-01  
INRE-00 ADS-00 NSAE-00 PM-01 P-01 SCT-03 SP-01  
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S E C R E T SECTION 05 OF 07 LIMA 00228

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E.O. 12356: DECL: OADR  
TAGS: PINR, PGOV, PTER, SNAR, PHUM, PE  
SUBJECT: MONTESINOS: RUMORS AND FACTS ON A  
TOLD THE COURT THAT HE DID NOT KNOW TAMAYO  
PERSONALLY AND THAT HE HAD SIGNED THE CONTRACT  
SINCE A FOREIGNER COULD NOT RENT A HOUSE WITHOUT  
A PERUVIAN'S SIGNATURE. TAMAYO WAS NEVER  
ARRESTED AND REMAINS AT LARGE.

23. ZILERI STATED THAT THREE DAYS BEFORE THE  
MONTESINOS ARTICLE APPEARED HE WAS CALLED BY A  
PERSON CLAIMING TO REPRESENT MONTESINOS. THE

SECRET

SECRET

PAGE 02 LIMA 00228 05 OF 07 071827Z  
CALLER SUGGESTED A "DEAL AND A CONVERSATION"  
ABOUT THE SOON TO BE PUBLISHED ARTICLE. ZILERI  
SAID HE WAS SURPRISED THAT THE CALLER KNEW OF  
THE CLOSELY HELD DRAFT ARTICLE. ZILERI TOLD THE  
CALLER THAT THE ARTICLE WOULD BE PUBLISHED BUT  
THAT HE WOULD BE PLEASED TO INTERVIEW MONTESINOS  
AND PRINT HIS SIDE OF THE STORY. THE FOLLOWING  
DAY "CARETAS" RECEIVED A JUDICIAL NOTIFICATION

Current Class: SECRET

Page: 11

Current Class: SECRET  
Current Handling: n/a  
Document Number: 1992LIMA00228

UNCLASSIFIED

Page: 12  
Channel: n/a

CHARGING ZILERI AND "CARETAS" WITH DEFAMATION AGAINST MONTESINOS. SINCE HE HAD ALREADY BEEN CHARGED, ZILERI RAN THE ARTICLE ANYWAY.

24. TWO DAYS AFTER THE ARTICLE WAS PUBLISHED (INCLUDING A "CARETAS" COVER DRAWING OF MONTESINOS), ZILERI APPEARED BEFORE A COURT ON THE DEFAMATION CHARGES. ZILERI WAS REPRESENTED BY ELIAS MENDOZA, A LIMA ATTORNEY OF CONSIDERABLE PRESTIGE, FREDEMO CANDIDATE FOR THE SENATE IN 1990 AND LIKELY PPC CANDIDATE FOR MAYOR OF LIMA IN 1992. EVERYONE WE SPOKE WITH AT THE TIME SAID THE LAW SUIT WOULD BE LAUGHED OUT OF COURT; ELIAS MENDOZA WAS TOO POWERFUL, HIS LAW FIRM ONE OF THE TWO MOST INFLUENTIAL IN THE CITY, AND THE SUIT ITSELF WAS SPECIOUS. ACCORDING TO ATTORNEYS WE SPOKE WITH, THERE WAS NOTHING DEFAMATORY AT ALL ABOUT THE ARTICLE. WE NOTE THAT BY PERUVIAN STANDARDS OF POLITICAL NEWS REPORTING, THE ARTICLE WAS VERY BLAND.

25. IN JULY, JUDGE MERCEDES TELLO PINIERO RULED AGAINST "CARETAS," ORDERING ZILERI TO PAY USD

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SECRET

PAGE 03 LIMA 00228 05 OF 07 071827Z  
40,000 IN RESTITUTION AND PERFORM A NUMBER OF HOURS OF COMMUNITY SERVICE. ZILERI WAS FURTHER ORDERED NOT TO LEAVE THE COUNTRY DURING THE PERIOD OF HIS COMMUNITY SERVICE. JUDGE TELLO FOUND FOR MONTESINOS BASED ON "CARETAS'" USE OF THE WORD "RASPUTIN" TO DESCRIBE MONTESINOS' RELATIONSHIP WITH PRESIDENT FUJIMORI. SHE ALSO NOTED AN AUGUST 20, 1990 "CARETAS" STORY WHICH LINKED MONTESINOS TO AN ARTICLE IN ANOTHER WEEKLY MAGAZINE CALLED "OIGA" ABOUT A DESERTER FROM THE COMANDO RODRIGO FRANCO (CRF) DEATH SQUAD. ZILERI APPEALED, BUT AN AUGUST 18 SUPERIOR COURT RULING UPHELD THE FIRST DECISION. ZILERI HAS SINCE MADE A FINAL APPEAL TO THE SUPREME COURT, WHICH IS STILL PENDING.

26. LOCAL ATTORNEYS AND JOURNALISTS WERE STUNNED BY THE RULING. MENDEL WINTER (OWNER OF LIMA'S "CHANNEL TWO" TELEVISION STATION) AND WELL-KNOWN REPORTER GUSTAVO GORRITI TOLD POLOFF IN SEPARATE CONVERSATIONS THAT LIMA JOURNALISTS

Current Class: SECRET

Page: 12

UNCLASSIFIED

Current Class: SECRET  
Current Handling: n/a  
Document Number: 1992LIMA00228

UNCLASSIFIED

Page: 13  
Channel: n/a

ARE DEEPLY CONCERNED BY THE RULING, AND  
TERRIFIED OF RUNNING ANYTHING ON MONTESINOS.  
GORRITI ADDED THAT ZILERI WAS "FRIGHTENED" BY  
EVIDENCE THAT MONTESINOS WAS ABLE TO INFLUENCE  
THE COURT'S RULING IN THIS CASE.

27. MUCH OF THE MATERIAL IN THE "CARETAS"  
REPORT MAY HAVE BEEN LEAKED TO "CARETAS" BY  
WINTER. POLOFF MET WINTER IN APRIL 1991.  
WINTER GAVE US A SUMMARY OF THE INVESTIGATION HE  
SECRET

SECRET

PAGE 04 LIMA 00228 05 OF 07 071827Z  
HAD PAID FOR FROM HIS OWN FUNDS. WINTER TOLD US  
HE INTENDED TO DROP THE MATTER. HE CLAIMED TO  
HAVE SPOKEN TO ANOTHER VICTIM OF MONTESINOS'  
REVENGE, ARMY GENERAL JAIME SALINAS, WHO WARNED  
WINTER THAT HE WAS NOT RICH ENOUGH TO EVADE  
MONTESINOS' LONG REACH. (SALINAS, A ONE TIME  
SHINING STAR IN THE ARMY, WAS BANISHED TO THE  
INTERAMERICAN DEFENSE BOARD IN WASHINGTON IN  
1990, ALLEGEDLY FOR COUP PLOTTING.) THE  
MATERIAL WINTER SHARED WITH US MATCHES IN MANY  
IMPORTANT DETAILS THE ALLEGATIONS SUBSEQUENTLY  
PRINTED IN "CARETAS."

MONTESINOS' MAN IN THE TERRORISM POLICE

SECRET

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SECRET

PAGE 01 LIMA 00228 06 OF 07 071828Z  
ACTION INR-01

INFO LOG-00 AMAD-01 ARA-01 CIAE-00 DODE-00 HA-09 INM-01  
INRE-00 ADS-00 NSAE-00 PM-01 P-01 SCT-03 SP-01  
SS-01 /020W

-----BEEC45 071834Z /45  
R 071812Z JAN 92  
FM AMEMBASSY LIMA  
TO SECSTATE WASHDC 4668

S E C R E T SECTION 06 OF 07 LIMA 00228

Current Class: SECRET

Page: 13

UNCLASSIFIED

Current Class: SECRET  
Current Handling: n/a  
Document Number: 1992LIMA00228

UNCLASSIFIED

Page: 14  
Channel: n/a

FOR INR/B AND ARA/AND

E.O. 12356: DECL: OADR  
TAGS: PINR, PGOV, PTER, SNAR, PHUM, PE  
SUBJECT: MONTESINOS: RUMORS AND FACTS ON A  
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28. THERE ARE OTHER SIGNS THAT MONTESINOS  
RETAINS CONSIDERABLE INFLUENCE. POLICE GENERAL  
ANTONIO VIDAL WAS FIRED FROM THE PNP CIRCA 1985  
(HE WAS THEN A COLONEL).

B I

MONTESINOS  
WAS HIS ATTORNEY. VIDAL WAS REINSTATED, WITH  
SECRET

SECRET

PAGE 02 LIMA 00228 06 OF 07 071828Z  
FULL BACK PAY FOR HIS TIME OUT OF SERVICE, IN  
OCTOBER 1989. THE PNP RUMOR MILL CREDITS  
MONTESINOS FOR THIS. IN 1990 HE WAS APPOINTED  
POLICE REPRESENTATIVE TO THE SIN AND REASSIGNED  
IN 1991 AS DEPUTY TO THEN DIRCOTE  
(ANTITERRORISM POLICE) HEAD JHON CARO IN 1991.

B I

29. VIDAL REPLACED JHON CARO AS HEAD OF DIRCOTE  
IN NOVEMBER 1991

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Current Class: SECRET

Page: 14

UNCLASSIFIED

Current Class: SECRET  
Current Handling: n/a  
Document Number: 1992LIMA00228

Page: 15  
Channel: n/a  
B1, 1.5(D)

[REDACTED]

SECRET

SECRET

PAGE 03 LIMA 00228 06 OF 07 071828Z

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MONTESINOS' ROLE IN MILITARY RETIREMENTS  
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31. MONTESINOS REPORTEDLY PLAYED A KEY ROLE IN DRAWING UP A LIST OF SOME 20 SENIOR MILITARY OFFICERS THAT WERE TO BE ASKED TO STEP DOWN IN THE 1991 ANNUAL END OF YEAR ROUND OF RETIREMENTS. THE LIST WAS PROVIDED TO PRESIDENT FUJIMORI BY NOW MINISTER OF DEFENSE VICTOR MALCA. ACCORDING TO SOME RUMORS, THEN ARMY CHIEF GENERAL VILLANUEVA BALKED AT THE LIST AND WAS THEN ASKED TO RETIRE A FEW WEEKS EARLY. ANOTHER SCENARIO HAS FUJIMORI ASKING VILLANUEVA TO STEP DOWN EARLY SO THAT FUJIMORI'S NEW ARMY CHIEF, GENERAL HERMOZA, COULD MOVE ON IMPLEMENTING THE RETIREMENT LIST. EITHER WAY, MONTESINOS' HAND WAS WIDELY SEEN IN THE RETIREMENT LIST'S COMPOSITION.

IS MONTESINOS LOSING INFLUENCE?  
-----

32. [REDACTED]

B1, 1.5(D)

[REDACTED] TOLD EMBOFF THAT MONTESINOS' INFLUENCE ON PRESIDENT FUJIMORI IS ON THE DECLINE. [REDACTED] MONTESINOS' PREVIOUS WEEKLY ACCESS IS NOW DOWN TO ONCE A MONTH. OTHERS DISAGREE. [REDACTED]

[REDACTED] TOLD POLOFF THAT [REDACTED]

SECRET

SECRET

PAGE 04 LIMA 00228 06 OF 07 071828Z

[REDACTED]

WAS PLAYING MONTESINOS' AGENDA BY TRYING TO CONVINCING THE U.S. EMBASSY THAT HE WAS NO LONGER A FIGURE WORTH WORRYING ABOUT.

[REDACTED]

Current Class: SECRET

Page: 15

TOP SECRET

Current Class: SECRET  
Current Handling: n/a  
Document Number: 1992LIMA00228

Page: 16  
Channel: n/a

B1

SECRET

NNNN

SECRET

PAGE 01 LIMA 00228 07 OF 07 071829Z  
ACTION INR-01

INFO LOG-00 AMAD-01 ARA-01 CIAE-00 DODE-00 HA-09 INM-01  
INRE-00 ADS-00 NSAE-00 PM-01 P-01 SCT-03 SP-01  
SS-01 /020W

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R 071812Z JAN 92  
FM AMEMBASSY LIMA  
TO SECSTATE WASHDC 4669

S E C R E T SECTION 07 OF 07 LIMA 00228

FOR INR/B AND ARA/AND

E.O. 12356: DECL: OADR  
TAGS: PINR, PGOV, PTER, SNAR, PHUM, PE  
SUBJECT: MONTESINOS: RUMORS AND FACTS ON A

B1

34. AND NATIONAL INTELLIGENCE SERVICE  
JULIO SALAZAR MONROE WERE THE ONLY TWO FLAG RANK  
MILITARY OFFICERS WHOSE PROMOTIONS WERE NOT

SECRET

SECRET

PAGE 02 LIMA 00228 07 OF 07 071829Z  
ACCEPTED BY CONGRESS IN DECEMBER 1991. BOTH  
SENIOR OFFICERS HELD INTELLIGENCE PORTFOLIOS AND  
TO SOME EXTENT SUFFERED FROM BEING IDENTIFIED BY

Current Class: SECRET

Page: 16

TOP SECRET



UNCLASSIFIED

Current Class: SECRET  
Current Handling: n/a  
Document Number: 1992LIMA00228

Page: 17  
Channel: n/a

CONGRESS AS TOO CLOSELY LINKED TO MONTESINOS  
(REF C).

CONCLUDING COMMENTS  
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35. IT MUST BE UNDERScoreD THAT NEITHER IN THE CHARGES OF SPYING WHILE HE WAS AN ARMY OFFICER, NOR IN THE SUBSEQUENT ALLEGATIONS OF NARCOTICS CORRUPTION, IS THERE ANY INCONTROVERTIBLE EVIDENCE THAT VLADIMIRO MONTESINOS COMMITTED ANY ILLEGAL ACTS. THOUGH IT IS CLEAR THAT HE OR HIS FIRM DEFENDED ACCUSED TRAFFICKERS, THAT IN ITSELF IS NOT EVIDENCE OF CRIMINAL BEHAVIOR.

36. BUT IT IS ALSO WORTH NOTING THAT IN PERU WHERE VICE IS A WIDELY ACCEPTED INSTITUTION, MONTESINOS IS ALMOST UNANIMOUSLY VIEWED AS CORRUPT. HIS BIGGEST VICE MAY BE HIS HOWARD HUGHES-LIKE CRAVING FOR PRIVACY WHICH FEEDS THE RUMORS THAT HE IS A SHADOWY FIGURE. ADDITIONALLY, MANY OF THOSE WHO ACCUSE HIM ARE NOT THEMSELVES WITHOUT THE TAIN OF NARCOTICS CORRUPTION.

37. STILL, THE ULTIMATE ARBITER OF MONTESINOS' POWER IS FUJIMORI. FUJIMORI USES ADVISORS IN A MACHIAVELLIAN WAY, RELYING ON THEM IN SPORADIC  
SECRET

SECRET

PAGE 03 LIMA 00228 07 OF 07 071829Z  
ON-AGAIN OFF-AGAIN FASHION. FUJIMORI APPEARS  
LOATHE TO ALLOW ANY ONE ADVISOR TO GAIN A  
PREDOMINANT POSITION OF INFLUENCE FOR LONG.  
QUAINTON##

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Current Class: SECRET

Page: 17

UNCLASSIFIED