

Irangate touches Brazil 'untouchables'

by an EIR investigative team

On July 3, the Brazilian Federal Police arrested the Jairo Iwamassa Guinoza in São Paulo on charges of leading a narcotics trafficking gang which sent Bolivian cocaine to Europe via Brazil. Investigations of the Guinoza gang could easily implicate top Brazilian bankers.

Among those who could be implicated are former finance ministers Delfim Netto and Ernane Galvêas; it could also lead right to the doors of the Banco de Crédito Nacional (BCN), owned by the Conde family. The Condes boast of their "intimacy" with the English royal family, which served to bring them their affiliation with Barclays Bank, Ltd., the British bank which was named by a U.S. Senate subcommittee for its active involvement in the laundering of illegal money from narcotics traffic.

So far, the Brazilian Federal Police are sure that the Jairo Guinoza band is involved in cocaine traffic, but doubt that it is involved in illegal arms sales to Iran, even though Guinoza himself admits he participated in CIA-run operations to send arms to the Ayatollah's regime in Iran.

Arms sale to Iran

The accusation of this first appeared in *Istoé* magazine. In its Dec. 3, 1986 edition, it detailed the contacts between Guinoza and Iranian embassy officials in Brasilia to try to set up a \$1 billion Brazilian arms sale centered upon TOW missiles. The first of these contacts, in April 1984, was between Guinoza and the Iranian consul, Rassul Belgheis Abad.

In the second contact, a week later, Guinoza was joined by Jose Sátiro de Souza Neto, a Brazilian-American who lives in Buenos Aires, and who, according to Guinoza himself, was the liaison with the CIA who received the orders for the illegal operation. On the third visit, the Iranian ambassador, Chahmard Moghaddan, received them to concretize the terms of the operation.

At the end of July 1984, Guinoza and Sátiro traveled to London to meet the Uruguayan Juan Arzuaga, the chief executive of Magnum, one of Brazil's most prestigious trading companies, and Hélio Zebinatok, his representative in England. It turns out that Magnum belongs to banker Armando Conde, a partner with his two brothers, in the Banco de

Crédito Nacional (BCN). Juan Arzuaga is Armando Conde's son-in-law; today, he is in Montevideo, having "retired" from such activities. Hélio Zebinato today runs CIPEX, the successor to Magnum as the Conde family foreign trading company.

The daily *O Globo* on Nov. 30, 1986 also confirmed links between the Guinoza-Sátiro gang and the Conde family. As Sátiro told it, "Jairo [Guinoza] came to Buenos Aires and we had a meeting with the Saudi consul general. That meeting was not for arms, but for a large purchase of sheep which an Arab sheik [El-Emtar] wanted to make. He bought 100,000 head. The sale was made in Uruguay, on the Banco de Crédito Nacional ranch. . . . The thing was arranged with Mr. Pedro Conde, who is the president of the bank" (and head of the Brazilian Federation of Banks). But, "the man who showed up was Mr. Arzuaga of the BCN of São Paulo. The sheep belonged to the BCN ranch in Uruguay."

The circle closes: the Condes once again

Another revelation which could be conclusive in tying the Conde family into Irangate came in *Veja* magazine on Dec. 10, 1986. It reported that the 1983 murder of Czech-born U.S. businessman George Perry in upstate New York was linked to illegal arms sales to Iran made by Perry and a group of Brazilians and Czechs. Perry, a former General Motors official in Argentina, had been contracted by Still, a São Paulo heavy machinery export house presided over by Josef Vanecek, also of Czech origin.

Things got still worse for the Condes when the police found that Still and its president, Vanecek, were Conde partners in a holding company, Participações, Negócios y Administraciones, S.A.

The *Veja* exposé implicated the ministers who had brought Brazil to the IMF. It wrote: "The most visible part of the love affair with Iran took place in October 1983, when an Iranian mission, invited by Brazilian officers and a Rio business, came to Brazil, commanded by Vice-Minister of Defense Azis Mehdi. The Iranians, willing to spend \$2 billion on arms, dined with ministers Delfim Netto and Ernane Galveas. Brazil agreed with the deal, but did not want to sell the arms directly, to not alienate Iraq. Then, it was proposed that the sale take place via Portugal or Paraguay. . . ."

When New York police investigations of the George Perry murder uncovered information about the Brazilian arms sales to Iran, *Veja* reported that the Brazilian government refused visas to the U.S. detectives on the grounds they "would trouble the lives of Brazilians." The U.S. police reported, "The CIA did not want to cooperate with us in any way. . . . Nor did the State Department collaborate when the investigators wanted to go to Brazil to hear witnesses."

The big question opened up by the arrest of cocaine trafficker Jairo Guinoza is whether Brazilian authorities will follow through on their leads, although it may "trouble the life" of some "untouchable" Brazilians.