

Chile's ex-dictator Pinochet tied to multi-million-dollar payoffs

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A series of revelations emerging from US investigations into money-laundering and corruption charges against the Riggs Bank have implicated Chile's ex-dictator Augusto Pinochet in illicit payoffs totaling in the millions of dollars.

Chile's Defense Ministry ordered an official investigation following a report published December 7 in the *New York Times* that Pinochet had received \$12.3 million in "donations" and "service commissions" from the governments of the United States and several other countries. The paper said the payments began in 1974—the year after he led the military coup that ousted Chile's elected President Salvador Allende—and continued until 1997, seven years after he had given up power. Until 1998, he remained head of Chile's armed forces.

The *Times* said it based its report on documents that were supplied by the Chilean Defense Ministry to Riggs, where the ex-dictator maintained multiple bank accounts. Riggs in turn passed them on to a Senate committee investigating the influential Washington-based bank.

The newspaper said that these documents showed that the ex-dictator "received \$3 million from the United States government in 1976 and, in other years, \$1.5 million from Paraguay, \$1 million from Spain, \$2.5 million from China, a combined payment of \$2.5 million from Britain and China, and a combined payment of \$3 million from Britain, Malaysia and Brazil."

The *Times* report followed the release by veteran Chilean journalist Patricia Verdugo of a Defense Ministry document sent to Riggs and obtained by the Senate panel that indicated Pinochet had received more than \$6 million in overseas "travel expenses" taken from the ministry's budget between 1974 and 1976.

Verdugo, who has dedicated most of her career to investigating the crimes of Pinochet, denied that she was a source for the *Times* story and indicated that the newspaper's allegation of payments from foreign governments was not what the document she made public in Santiago revealed.

It was not immediately clear if the *Times* had obtained new documents, or if at least parts of its report involved a misinterpretation of the document made public by Verdugo. Some of the figures given by the newspaper as foreign payments corresponded exactly with the Defense Ministry's listing of travel expenses paid by the Chilean regime itself in 1974 and 1976. But the *Times* report states that the dictator continued to collect such payments until 1997.

Whatever the case, these latest revelations have further exposed the criminality of the anticommunist dictatorship that Washington helped install in Chile. While Pinochet's right-wing defenders have invariably defended him as an incorruptible man of principle, the documents make clear that he was not only an assassin, but also a

shameless embezzler.

In presenting the document last week showing payments by the Chilean government for Pinochet's trips abroad, Verdugo said that the question remains, "How much of this money went into the bank accounts and how much went to pay for crimes?"

The Chilean journalist noted that Pinochet spent \$2.3 million during three short trips to Brazil, Spain and Argentina in 1974 and 1976. During his visit to Spain, the dictator met with Steffano Delle Chiaie, the leader of an Italian fascist group, who organized the attempted assassination of Bernardo Leighton and his wife. Leighton, a former vice president, was one of the few Chilean Christian Democrats who opposed the coup. He was living in exile in Rome.

Some of the money was also carried abroad during the period in which the Chilean secret police, the DINA, was instrumental in launching Operation Condor, a CIA-backed collaboration between the Pinochet regime and dictatorships in Argentina, Brazil, Bolivia, Uruguay and Paraguay to track down and kill exiled political oppositionists. At least 200 Chileans were killed in the operation and thousands died throughout Latin America.

Verdugo also questioned the purpose of the money spent in Argentina: "Did Pinochet use the money to murder General Prats?" The former chief of the Chilean army, Prats opposed the September 11, 1973 coup that brought Pinochet to power. He and his family fled to Argentina, where he became an outspoken opponent of the dictatorship. In September 1974, Prats and his wife, Sofia Cuthbert, were assassinated with a bomb placed under their car.

A former agent of the DINA secret police who participated in the attack was tried and convicted of murder and sentenced to life in prison in Argentina. In 2000, the Argentine court sought the extradition of six other DINA agents involved in the killing and named Pinochet as the "intellectual author" of the assassination, demanding the former dictator's extradition as well. The Chilean Supreme Court ruled that he could not be extradited because of his immunity from prosecution as a lifetime senator.

The Santiago Court of Appeals, however, stripped Pinochet of his immunity in the case earlier this month, clearing the way for a state investigation and prosecution of the ex-dictator for the murders of Prats and his wife.

"This opens a new line of investigation in the crime and will allow us to establish the real responsibility of General Pinochet and others involved who are being prosecuted," said Pamela Pereira, the attorney for the Prats family.

The decision marked the third case in which Pinochet has forfeited his immunity. Last August, the Chilean Supreme Court ruled by a one-vote majority that he could be prosecuted for his role in setting up

Operation Condor. Pinochet has denied any responsibility for the international assassination program, declaring to the media that as Chile's ruler, "I had no time to worry about minor matters."

In 2001, he lost his immunity in connection with the Caravan of Death case. The operation involved a specially formed squad of Chilean army officers who traveled the length of the country, systematically slaughtering political prisoners.

The courts granted a temporary dismissal of the charges against Pinochet in the Caravan of Death case based on his claim that he is unfit to stand trial because of senile dementia.

The ex-dictator used the same claim to escape extradition to Spain in 2000 after being held under house arrest in Britain for a year-and-a-half. Spanish Judge Baltasar Garzón brought charges against humanity against Pinochet for the murder, disappearance and torture of both Spanish and Chilean citizens. These charges are still pending, and Garzón has issued a new indictment against Pinochet and his wife, Lucia Hiriart, in connection with the multi-million-dollar Riggs accounts, charging them with violating an international order freezing the retired general's assets.

The revelations that Pinochet himself handled his intricate deals with the Washington-based bank have fueled the demands of those seeking his prosecution for the murder and torture of tens of thousands of Chileans during his brutal 17-year rule.

"It is a situation that has to be solved by the judge in charge of this investigation," said the Prats family lawyer. "We have always said that General Pinochet is neither crazy nor insane. It's just a ploy used by his defense because we know his responsibility in this...it has been established that he has been able to make complex financial operations."

Also undermining Pinochet's mental incompetence claim is a videotaped interview he gave a Miami television station recently, in which he lucidly denied responsibility for the crimes of his regime.

Last July it was disclosed that Riggs had maintained secret offshore accounts for Pinochet and his family holding between \$4 million and \$8 million, some of them under assumed names such as "Daniel Lopez" and "Ted Fox." The Senate investigation revealed that Riggs illegally concealed its relation with the ex-dictator and was aided in this cover-up by a top federal bank examiner, R. Ashley Lee, who subsequently retired from the government and joined the bank as a senior executive.

The bank's management has close ties to the Bush administration and the Washington establishment. It is the owner of a money management firm operated by the current US president's uncle. The bank itself is owned by the Allbrittons, a Texas family with very close ties to the Bush family. One of the dummy companies created to hide Pinochet's money was called the Allbritton Fund.

While initially it was reported that Pinochet opened these accounts beginning in 1996, it has since been learned that his relations with the bank go back to the mid-1980s, when he still ruled as Chile's military dictator. Ten new accounts were discovered in November, with a total estimated value of up to \$16 million.

Alongside the murder and torture charges, Pinochet is now facing indictment for money laundering and tax evasion for hiding his overseas assets. These charges have proved unsettling for Chile's financial elite, among whom such practices are widespread.

Riggs has estimated Pinochet's total personal fortune at \$100 million. Where did he get this money? On a Chilean general's salary, such accumulation of wealth would have clearly been impossible.

In addition to the looting of the national treasury, Pinochet has been

implicated in illegal arms sales to Croatia, as well as drug trafficking. His son, a former army captain, was the target of an investigation in the 1990s in connection with the illicit sale of an arms factory to the military for \$3 million. The government ordered the probe halted in 1995 on the grounds of "national security."

Then there are the spoils of the "dirty war" waged by the Pinochet dictatorship against the Chilean people. In many cases, the regime not only murdered, tortured and imprisoned its opponents, but also stole their property, dividing it up among the senior officers.

The new revelations about Pinochet's ill-gotten fortune surfaced in the midst of a national controversy sparked by the government's release of a long-delayed official report of the National Commission on Torture and Political Prisoners, which established that the atrocities carried out under the dictatorship were part of a systematic plan devised by the Pinochet regime to terrorize the Chilean people. Some 35,000 people came forward to testify that they were tortured. There are clearly tens of thousands more victims who, for various reasons, chose not to identify themselves.

The report triggered a series of formal statements by the three branches of the armed forces, the police as well as other establishment institutions expressing regret for these crimes, while denying any current responsibility.

The Council of former Political Prisoners of Santiago responded with a report of its own, naming nearly 2,000 current and ex-members of the Chilean security forces as well as some civilians whom victims had identified as being responsible for their torture.

The report, entitled, "We the Survivors Accuse," indicts not just the military, but the whole of Chilean society—including the judges who rejected virtually every motion on behalf of those who disappeared into the regime's torture chambers, and the media, which faithfully parroted the dictatorships denials of human rights violations.

The Socialist Party government of President Ricardo Lagos reacted to the document by cynically equating the victims' exposure of their torturers with the crimes of the dictatorship itself. "What did Chile learn from the dictatorship?" asked Francisco Vidal, spokesman for the La Moneda presidential palace. "That you cannot stigmatize people in the press. People have to be accused, if there is reason for it, in the courts." He stressed that the government itself has no intention of using its report to prosecute the criminals of the Pinochet regime.



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