

# EXTENSIONS OF REMARKS

## WINNERS OF THE OLIN E. TEAGUE AWARD

### HON. BOB STUMP

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 7, 2000

Mr. STUMP. Mr. Speaker, in a ceremony on Wednesday, September 13, 2000, in the House Veterans' Affairs Committee hearing room, the Orientation and Mobility Section, Western Blind Rehabilitation Center, VA Palo Alto Health Care Facility, Palo Alto, California, received an Olin E. Teague Award for their efforts on behalf of disabled veterans.

The Teague Award is presented annually to VA employees whose achievements have been of extraordinary benefit to veterans with service-connected disabilities, and is the highest honor at VA in the field of rehabilitation.

The Section members, Miriam Emanuel, Scott Johnson, Julie Hazan, Richard Ludt, Patrick Ryan, Jennifer C. Smith, Candace Thelen, and Paul Thomas, Blind Rehabilitation Specialists; Charles "C.T." Vasile, Supervisor Blind Rehabilitation Specialist, and Bill Ekstrom, Chief Western Blind Rehabilitation Center, were selected to receive this prestigious award in honor of their work to develop the first power scooter training program for low vision blinded veterans with ambulatory problems.

Realizing that current support items such as canes, walkers, and scooters did not meet the needs of the less mobile, blind veteran, the team determined to find a solution. The team worked with specialists in Physical Therapy, Physical Medicine, and Prosthetics Service to study the various types of power scooters available for sighted individuals. In addition to their full daily schedules, the team members made the time to actually become power scooter travelers to learn to navigate on the scooters as sighted individuals. When they became fully knowledgeable of power scooter travel, they began to develop options to adapt the power scooter for use by blind veterans. Their enthusiasm, persistence, and creativity paid off. Two distinct power scooter programs were developed to meet the differing needs and capabilities of legally blind low vision veterans. These programs offer veterans a higher quality of life and a highly valued commodity—their independence.

Mr. Speaker, the name Olin E. "Tiger" Teague is synonymous with exemplary service to the Nation's veterans. The late Congressman Teague served on the House Veterans Affairs Committee for 32 years, 18 of those years as its distinguished chairman. No one who opposed him on veterans' issues ever had to ask why he was called Tiger. He set the standards by which we can best serve all veterans. I know my colleagues join me in offering our deep appreciation to the Orientation and Mobility Section for their concern, dedication, and innovation in meeting the special rehabilitation needs of disabled veterans. We congratulate them for the excellence of their

work and for the distinguished award they received.

## SECRET AGENT MAN

### HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 7, 2000

Mr. CONYERS. Mr. Speaker, I submit the following articles, which appeared in the Wall Street Journal on December 7, 2000 into the CONGRESSIONAL RECORD.

SECRET AGENT MAN—FASHION PHOTOGRAPHER SCORES BIG OFF PALS IN THE NARCOTICS TRADE

BARUCH VEGA MADE MILLIONS AS A FEDERAL INFORMANT, BUT WAS JUSTICE SERVED?—A PRIVATE JET TO PANAMA CITY

By Jose de Cordoba

MIAMI BEACH, Fla.—For years, fashion photographer Baruch Vega jetted from Miami to Milan, shooting the industry's top models.

Few knew of Mr. Vega's off-the-books job, one that was far more lucrative—and dangerous. When he wasn't snapping collections for Versace or Valentino, Mr. Vega, a Colombian by birth and an engineer by training, was covertly meeting with some of the world's most-powerful drug traffickers, trying to persuade them to surrender to U.S. lawmen.

By most accounts, he was a star operative. "We regarded Vega as our principal weapon" in the battle against Colombia's drug cartels, says one former U.S. agent. "I think he was very successful," agrees retired cocaine kingpin Jorge Luis Ochoa, speaking by cellular phone from Colombia, where he recently completed a six-year prison term. "A lot of people got into his program and co-operated with him, and he with them."

So many, in fact, that a meeting brokered by Mr. Vega last year in a Panama hotel drew more than two dozen drug dealers or their representatives, according to Mr. Vega and the lawyer for one of the suspects. Rattled by a new Colombian policy permitting traffickers to be extradited to the U.S., they met in marathon sessions with Drug Enforcement Administration agents, negotiating plea agreements that would potentially net them reduced jail terms in exchange for providing information on drug shipments by other traffickers.

But in March, Mr. Vega's secret life unraveled. As he was unpacking from a photo shoot, agents from the Federal Bureau of Investigation burst into his penthouse and arrested him on money-laundering and obstruction-of-justice charges. In a criminal complaint filed in Miami federal court, the government accused him of receiving million-dollar fees from drug lords, in return for promising to use his influence with U.S. agents—and even bribes—to help them with their legal problems. The name he gave the operation, according to the complaint: "The Narcotics Traffickers Rehabilitation Program."

Mr. Vega, a trim 53-year-old who favors black T-shirts, readily admits he accepted the traffickers' money, which he says totaled

about \$4 million, but which others familiar with his midwifery put at as much as \$40 million. Mr. Vega says he took the payments as part of his undercover persona, and that his law-enforcement handlers knew it. He also denies paying any bribes. "The agents I worked with used to joke: 'Baruch, we trained to put people in jail, but with you, we get them out,'" he says.

However the case sorts out, Mr. Vega's story offers a rare look into the twilight world of the narcotics informant—and into the questionable relationships and accommodations. U.S. authorities sometimes enter into as they pursue the global war on drugs. Already, it is proving an acute embarrassment to the DEA, which has placed two agents on paid leave pending an internal investigation of their relationship with Mr. Vega. And it comes at a delicate time, just as the U.S. government begins to implement a \$1.3 billion program to fight the narcotics trade underpinning Colombia's bloody civil war.

Because of the highly secretive nature of undercover operations—and law enforcement's reluctance to disclose the details of cooperation agreements with drug suspects—it's impossible to answer the central question of whether traffickers who paid fees to Mr. Vega received special treatment from the U.S. justice system. No evidence has been presented that any agents accepted bribes. But what can be pieced together, through court documents and interviews with Mr. Vega and others involved in his career, suggests at the very least a highly unorthodox operation that took on a life of its own, fueled by piles of underworld cash.

## RED FACES AT DEA

In a brief statement, the DEA says it is "very concerned about the allegations . . . concerning the conduct of certain DEA agents." It declines to comment further, citing a continuing investigation. The Justice Department also declines to comment.

Mr. Vega became a law enforcement go-between almost by accident. He was working in New York City in 1976 as a structural engineer when a neighbor and fellow Colombian was arrested in a police raid. The neighbor's wife tearfully sought Mr. Vega's help. Mr. Vega, who was studying law at night, had befriended a fellow student then working at the FBI. According to Mr. Vega, his friend said the case against the neighbor appeared weak, and charges would probably be dropped soon. They were.

The grateful neighbor, who was indeed involved in the cocaine trade, gave Mr. Vega \$20,000 for what he believed was a successful intervention. Word of Mr. Vega's supposed clout began to spread, and he soon met many of the future capos of Colombia's drug cartels, most of whom were then living in New York.

By 1978, Mr. Vega was dividing his time between New York and Miami, which was immersed in the violence and decadence later made famous by the television show "Miami Vice." "There were the beautiful people, cocaine, models, the fast life," says Sgt. June Hawkins, now a supervisor in the homicide unit of the Miami-Dade police department. There were also lots of unsolved murders involving Colombians with false names. "They were who-isits, not who-dunnits," says Sgt. Hawkins.

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

After finding Mr. Vega's name and number in the phone book of one victim, police discovered he was often able to identify the who-is-its. At the time, Mr. Vega was married to the daughter of a real-estate tycoon who counted among his properties the Mutiny Hotel, then a favorite watering hole for many of the city's most-notorious characters.

#### A YACHT NAMED ABBY SUE

Mr. Vega lived the Miami lifestyle, with a mansion off Miami Beach and a 78-foot yacht named the Abby Sue. "He was a real charmer," remembers Sgt. Hawkins, then a member of Centac 26, a joint federal, state and local police antidrug task force. "A wheeler-dealer extraordinaire who could sell snow to the Eskimos."

Mr. Vega's charm was enhanced by his willingness to fund his own activities, a welcome contrast to most informants, whom police tend to view as money-grubbing low-lives. Former Centac commander Raul Diaz says Mr. Vega aided in one of the unit's biggest cases ever, at great personal risk, and "didn't get any money from us for his help."

By 1985, the Miami police introduced Mr. Vega to the FBI, where agents determined to make use of his access to the highest echelons of Colombia's drug circles. Mr. Vega—who prefers to be called a "mediator" rather than an informant—was perfect for the job of double agent. He had turned a lifelong interest in photography into a career as a fashion photographer and producer of fashion shows. That gave him access to the beautiful women and glamorous social circles that dazzled drug traffickers.

Meanwhile, a former U.S. official says federal agents helped concoct Mr. Vega's cover: a jet-setting playboy who for a price would exert his influence with U.S. law-enforcement agencies. To aid Mr. Vega's deception, the former official says, agents would make leniency recommendations to prosecuting attorneys and judges in the cases of drug traffickers working with Mr. Vega. The result: Colombia's drug barons believed Mr. Vega could do anything.

#### APPEARANCE OF IMPROPRIETY

The official insists that defendants received no special favors, but that they truly rendered assistance in investigations and that prosecutors, using their broad discretion, argued for sentence reductions commensurate with the level of cooperation. This official and Mr. Vega add that the appearance of impropriety was part of the act—that hardened criminals were much more likely to take the first step toward cooperating if they thought the U.S. system was rigged in their favor.

Nevertheless, a senior federal agent familiar with the case says such an arrangement would likely have violated Justice Department guidelines. Allowing Mr. Vega to represent himself as someone with influence over U.S. prosecutors and other officials "is totally unacceptable," he says. He adds that informants shouldn't be in a position to accept cash from drug traffickers without supervision—although he allows that such oversight is hard to maintain when the case involves work in dangerous foreign countries.

Among the people Mr. Vega says he helped is Luis Javier Castano Ochoa, now a federal deputy in Colombia's Congress. In 1988, Mr. Castano Ochoa pleaded guilty to U.S. money laundering and drug charges and was sentenced to 16 years. But three years later, the same Miami judge who sentenced him let him off with time served. Mr. Vega says he met with Mr. Castano Ochoa in prison, charging him \$40,000 to help him work out a cooperation agreement with the government.

Reached by telephone in Bogotá, Mr. Castano Ochoa says he never paid Mr. Vega

a cent, but knew him as a lawyer who visited prison "to ask Colombians for money to advise us." Mr. Castano Ochoa says he never cooperated with the U.S. government, and says he was freed because the judge "realized there was nothing against me."

That the drug dealers were paying Mr. Vega for his purported services was an open secret among the U.S. agents working with him, says one former official. Indeed, some saw it as a plus, given their tight budget. "The drug traffickers paid him to be their representative," say the former official. "We didn't have to spend any government funds; we never could have afforded the level he was spending."

In any case, Mr. Vega's results seem to have outweighed any misgiving. In 1987, when cartel hit men almost killed a former Colombian attorney general, Mr. Vega was able to learn the names of the would-be assassins, says the former official. In 1989, the FBI asked Mr. Vega to look into reports that drug dealers were planning to blow up President George Bush's plane during a trip to Colombia, says the former U.S. official. The feedback: The hit was off.

#### PLAYING A HORSE RANCHER

Mr. Vega even lived the life of a country squire, courtesy of the U.S. government, which set him up from 1988 to 1991 in a fancy ranch in Eustis, Fla., that had been confiscated from a drug dealer. Renamed "El Lago," the ranch boasted Paso Fino show horses, highly prized as status symbols among Colombian drug dealers. In fact, the operation was really an undercover sting conducted by a task force composed of members of the Internal Revenue Service, the FBI and the Lake County Police Department.

During those years, Mr. Vega entertained a long stream of drug capos at El Lago. "Drug dealers used to drop off their horses and say, 'Train them for me, Baruch,'" says an active U.S. law-enforcement official. The task force mostly gathered intelligence, and Mr. Vega helped induce an importance money launderer to cooperate with U.S. authorities, says a federal law-enforcement official.

"Baruch is a brave man," says retired Lake County Police Capt. Fred Johnson. "I think the world of this guy."

He was also industrious. Under Mr. Vega's management, the El Lago facility became one of the largest Paso Fino ranches in the U.S. The ranch remained government property, but Mr. Vega says he paid for numerous capital improvements, including new corrals and stables. During this time, Mr. Vega says he did receive about \$70,000 as his percentage of the haul from money-laundering stings, but added that he also continued to receive fees from drug traffickers.

In 1997, Mr. Vega's work came to the attention of David Tinsley, a senior supervisor at the DEA's Miami office. People who know Mr. Tinsley describe the 27-year veteran of law enforcement to be a hyperkinetic, dedicated and sometimes zealous agent. With Mr. Tinsley, an expert on drug-money laundering, Mr. Vega's work picked up considerably—especially so after a Miami federal grand jury indicted 31 Colombian drug traffickers in October last year.

#### A STAMPEDE OF COLOMBIANS

Billed as an enormous blow to Colombia's drug cartels, the so-called Millennium indictment came at a time of great confusion in the narcotics trade. Colombia's congress had recently changed the law to allow drug traffickers to be extradited to the U.S., where they couldn't readily pay off judges. A stampede of Colombians arrived at Mr. Vega's door; some had already been indicted and others feared they could be next. All sought the sort of edge that Mr. Vega purported to offer.

"There were 200 drug dealers who wanted to surrender to American justice and make a deal," says Mr. Vega.

For the DEA's Mr. Tinsley, the panic was a one-in-a-lifetime opportunity to strike a crushing blow against the drug trade, says Richard Sharpstein, his lawyer. "Tinsley believed they had the highest-level drug dealers in the world willing to cooperate at a level never seen before," says Mr. Sharpstein.

In the following months, Mr. Vega was constantly on an airplane, shuttling between Panama and Miami, brokering meetings between DEA agents and drug traffickers anxious to make their peace with the U.S., according to interviews with meeting participants and statements by lawyers for drug dealers submitted to the FBI. He was such a frequent flier that last November, he plunked down \$250,000 toward the lease-purchase of a seven-passenger Hawker jet, Mr. Vega says.

Panamanian flight manifests show that on many occasions he was accompanied on his jet by DEA agent Larry Castillo of the agency's Miami office. Mr. Castillo has been placed on administrative leave with pay, pending the result of an internal DEA probe, along with Mr. Tinsley. Mr. Castillo's lawyer declines to comment.

The FBI complaint says that soon after the Millennium indictment, Mr. Vega orchestrated a meeting at Panama's Miramar Intercontinental Hotel between an alleged drug dealer and U.S. agents. "Vega told the CW [confidential witness] that he had U.S. officials in the hotel room next door and arranged for the CW to meet with them. The CW then met with four DEA agents and a Miami police officer."

During the meeting, the confidential witness—whom Mr. Vega and several other individuals familiar with the case say is Carlos Ramon, an alleged drug trafficker known as "the Doctor"—discussed with the agents the procedures for his possible surrender, the complaint says.

Mr. Ramon, under indictment in Miami for conspiracy to import and distribute cocaine, wasn't alone. More than two dozen Colombian traffickers or their representatives were locked in similar marathon meetings in a suite of rooms rented by Mr. Vega on various floors of the Miramar, according to meeting participants.

Four months later, Mr. Ramon surrendered to authorities in Miami, but only after a farewell dinner at the trendy China Grill, for which Mr. Vega says he picked up the \$1,000 tab. After spending a month in jail, Mr. Ramon, who is cooperating with U.S. authorities, posted bail. He now lives in Miami Beach's luxury Portofino Tower, according to court papers.

Federal investigators are now trying to trace the path of the money Mr. Vega generated from traffickers. Mr. Vega says more than \$5 million wound up with Daniel Forman, a well-respected Miami defense lawyer, as legal fees to represent Mr. Ramon and 18 other accused traffickers.

Mr. Forman appears to have played an important role in Mr. Vega's final months as an informant. The defense attorney was brought into the case at the insistence of the DEA's Mr. Tinsley, who needed someone who would move the plea negotiations along without raising a lot of objections, according to Mr. Vega. The informant says he quickly became "50-50 partners" with the defense attorney, with Mr. Vega herding in clients and splitting the fees with Mr. Forman. Flight manifests show that Mr. Forman flew several times from Panama to Florida in the company of Messrs. Vega and Castillo.

Mr. Forman, in an e-mail, strongly denied that Mr. Vega relayed legal fees to him, adding that "Mr. Vega is not, and has never

been, my partner in any sense of the word." He declines to comment on his clients, except to say that the government didn't attempt to interfere with his representation of them.

Mr. Tinsley's lawyer, Mr. Sharpstein, says his client brought Mr. Forman into the case because he had worked with Mr. Forman when the latter was a federal prosecutor and then as a defense attorney. "He trusts Forman and still believes in him," says Mr. Sharpstein.

As for the financial arrangements, Mr. Sharpstein says Mr. Tinsley had no idea Mr. Vega was receiving money from traffickers, and wouldn't have allowed it had he known. Mr. Tinsley's understanding was that Mr. Vega would receive a percentage of the value of assets seized by law enforcement, a more-traditional method of compensating informants, says Mr. Sharpstein. "Unfortunately," he adds, "it's not in writing."

Apart from the controversy over money, Mr. Vega's wheeling and dealing caused rising tension in the law-enforcement community. Under a 10-year-old program, all cooperation agreements with major drug traffickers are supposed to be cleared through the Justice Department's secretive "Blitz Committee" to ensure that criminals don't pit one agency or prosecutor against another in search of the best deal. A senior committee member declines to comment on Mr. Vega.

But federal agents outside Mr. Tinsley's small DEA group grew increasingly upset as Mr. Vega breezed through their turf. One was Ed Kacerosky, a driven and highly decorated U.S. Customs agent known for his work leading to the 1997 indictment of the Cali cocaine cartel.

#### \$60 MILLION FOR VISAS

Now a supervisor in the agency's Miami office, Mr. Kacerosky didn't take it well when Mr. Vega tried to help the daughter of late Cali drug lord Jose Santacruz obtain U.S. resident visas for her family. At a meeting brokered by Mr. Vega and attended by Mr. Kacerosky and other U.S. officials, Sandra Santacruz offered to give the U.S. half of some \$120 million her family held in accounts around the world in exchange for the visas, say U.S. officials. The U.S. turned down the offer.

Last year, Mr. Kacerosky became enraged upon learning that Mr. Vega had approached Miguel Rodriguez Orejuela, a former leader of the Cali cartel, in a Colombian prison. People familiar with the matter say Mr. Vega offered to help Mr. Rodriguez Orejuela's son William—under indictment in Miami on U.S. drug charges—in return for information on possible high-level Colombian police corruption.

Mr. Kacerosky, these people say, blames William Rodriguez for the brutal 1995 torture and killing of the wife of a key informant. After the prison meeting, these people say, Mr. Kacerosky wrote an eight-page memo to his superiors sparking the investigation of Mr. Vega.

Mr. Vega's activities also played into a growing feud between the DEA's Bogota detachment and Mr. Tinsley's Miami-based crew. The Colombia-based agents largely responsible for last year's Millennium indictment were unhappy that the alleged criminals they had long been stalking were working out deals with Miami-based agents appearing to poach on their turf with Mr. Vega's help.

Hearing on Oct. 21, 1999, that Bogota-based DEA agents were heading for Panama to crash the Miramar dealer summit, Mr. Vega

says he and Mr. Tinsley cleared the traffickers out of the hotel for fear of their arrest.

"There's a common distrust between DEA Bogota and DEA Miami," says Mr. Sharpstein, Mr. Tinsley's lawyer. "The Bogota agents were jealous of Miami agents racking up these cases."

Today, Mr. Vega is officially off limits to U.S. law enforcement. When the FBI charged him in March, authorities froze a Miami bank account in his name containing \$1.5 million. Though most condemn Mr. Vega's alleged illegal enrichment some agents believe his fall is undeserved after such a long career in a world whose common coin is often a violent death.

As fear and controversy swirl around him, Mr. Vega sits in his Miami Beach penthouse, wearing an ankle monitoring device and fielding phone calls from models in Greece and designers in Paris. "I will be in Miami for the rest of the season. Same place, same apartment," he tells a model who calls to commiserate, "I have a bunch of pictures for you. They used the one with the bathing suit. It looks very nice."

### THE DEPARTMENT OF ENERGY'S CHILLING WINTER FORECAST

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Friday, December 8, 2000*

Mr. GILMAN. Mr. Speaker, as we enter the winter months, the Energy Information Agency of the U.S. Department of Energy (EIA) delivered the cold facts on December 6th in its "Short-Term Energy Outlook for December 2000." The bottom line is that prices for home heating oil and natural gas will rise this winter—considerably.

While the EIA's report is written in approximations, averages, and technical language, its message resonates loud and clear with our constituents and those residing in the Northeast—that their heating oil bills may increase by more than 33 percent from last winter. Furthermore, it is predicted that those whose homes and businesses are heated by natural gas are likely to see an increase of 50 percent in their utility bills this winter over last winter's.

The reasons EIA give for the projected increases are: lower than average heating oil and natural gas reserves, an increase in demand versus available supply, and the onset of colder weather, earlier in the season. The American Gas Association reports that while exploratory drilling for natural gas has tripled over the past year, it will take another year or more before that gas will make its way into the marketplace. Another factor effecting home heating oil prices, a distillate of crude oil, is the relatively high price per barrel of crude. In this regard, our dependency on foreign oil, specifically from the OPEC nations, hurts us.

Mr. Speaker, the situation with OPEC is not any new issue. Our House International Relations Committee as well as the Government Reform Committee have held hearings on OPEC and their affecting the exorbitant costs of energy. I have called upon President Clinton, Secretaries Albright and Richardson, and to OPEC Ministers before their meeting last September urging their assistance. The theme

was the same, the price of energy is too high and is hurting our nation and others, and it must come down.

While OPEC has agreed to increase production, it is difficult to ascertain by how much and what effect that increase will make on the price of oil. Thus far, the price of imported crude oil remains over \$30 per barrel, and OPEC's increase in production has done little or nothing to stabilize the prices for heating oil, or significantly reduce the price per barrel of imported crude oil to an acceptable level for both consumers and producers. The oil market remains volatile and prolonged cold weather could easily result in prices soaring to the \$40 per barrel, ten-year highs of a few months ago. This is substantiated by EIA's following statement.

The EIA states: "unless the winter in the Northeast is unusually mild or world crude oil prices drop significantly, the projected high prices for heating oil will continue until next spring." The EIA further reports that, "a risk exists this winter for distillate fuel (home heating oil and diesel fuel) price spikes similar to what happened last February, especially if the weather stays unusually cold in the Northeast for more than a few days." The EIA once again underscores that mother nature plays a significant role in determining the price of energy.

Mr. Speaker, the next Administration must create and implement a strategic, coherent, forward looking short and long-term energy policy that takes winter weather into consideration when formulating a national policy. Notwithstanding the current Administration's failure to enact an energy policy that makes sense for the American people, there are short-term measures that we can take to make our homes more energy efficient this winter.

Regardless of how our houses are heated, there are certain steps that can lower the cost of our heating bills: checking doors and windows for leaks and drafts; wrapping the hot water boiler with insulated material; clean filters on forced air furnaces; making sure that fireplaces are clean and working efficiently, and if they are not being used, making sure that the flues are sealed; installing a programmable thermostat, and caulking and adding weather stripping where needed.

Mr. Speaker, as the price of energy continues to rise, no one should have to decide whether to feed their family or to heat their home. There are programs such as the Low Income Home Energy Assistance Program (LIHEAP), for which I have been a strong advocate. LIHEAP is designed to assist our low income families with the costs of energy. As the Department of Health and Human Services states, depending on the LIHEAP grantee, LIHEAP can be used for: heating assistance, cooling assistance, energy crisis intervention, and weatherization and other energy-related home repairs. If constituents are having trouble paying for the high costs of energy, they should not hesitate to contact their Member of Congress to find out if they qualify for LIHEAP assistance.

While the EIA projects that the price of energy this winter may rise by as much as 50 percent, it is important for our constituents to know that no one should have to choose between eating or heating.