

## FEDERAL BUREAU OF INVESTIGATION

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Date of transcription April 18, 1978

During the afternoon of April 17, 1978, MICHAEL VERNON TOWNLEY was interviewed at Quantico, Virginia, by Legal Attache ROBERT W. SCHERRER and Special Agent L. CARTER CORNICK, JR., regarding his knowledge of and participation in the assassination of Former Chilean Ambassador to the United States, ORLANDO LETELIER. Immediately after identification procedures and before any questions were asked, TOWNLEY was advised of his rights as indicated on the "Interrogation; Advise of Rights Form". TOWNLEY consented to interview without the presence of his attorney subject to the terms of his agreement between the United States Government and himself which was signed on April 17, 1978.

Present during the interview were Assistant United States Attorneys E. LAWRENCE BARCELLA and EUGENE M. PROPPER, in addition to the below-indicated Agents. Present also were Mr. TOWNLEY and his two Defense Attorneys, Mr. GLANZER and Mr. BARRY LEVINE.

TOWNLEY was asked to give a general summary of his knowledge of the events leading up to the assassination of ORLANDO LETELIER which originated in Chile and culminated in the United States. TOWNLEY provided the following general summary of events:

Sometime during early July, 1976, exact time frame not recalled, he was telephonically contacted at his residence in LoCurro, Santiago, Chile, by Chilean Army Lieutenant ARMANDO FERNANDEZ LARIOS. Lieutenant FERNANDEZ requested that he meet with Colonel PEDRO ESPINOSA, the Director for Operations of the National Directorate for Intelligence (DINA), at a suburban location near St. Georges School in Santiago, Chile. He recalled that in July, 1976, he was a civilian contract employee of DINA and Lieutenant FERNANDEZ was an Army officer seconded to DINA. He agreed to meet Colonel ESPINOSA and during the early morning hours of the following Saturday or Sunday morning, he met with Colonel ESPINOSA near St. Georges School. He and Colonel ESPINOSA sat in an automobile with a thermos of coffee. Colonel ESPINOSA asked him whether Cubans might be induced to carry out a mission on behalf of DINA in the United States. Colonel ESPINOSA specifically mentioned that the mission had to do with an assassination of an individual residing in the United States. He told Colonel ESPINOSA that Cuban exiles in the United States were "uptight" over a recent expulsion of Cuban exile terrorist ROLANDO OTERO HERNANDEZ from Chile to the United States in order to face bombing charges in Miami, Florida. He

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recalled that another Cuban exile, VIRGILIO PAZ, had recently terminated a visit to Chile during which he attended a one month "quickie" intelligence course sponsored by DINA. He recalled that PAZ resided at the TOWNLEY residence during his stay in Chile. He recalled that PAZ had problems with his wife and had made numerous long distance telephone calls from the TOWNLEY residence to his wife in the United States. He recalled that the telephone calls were billed to his residence number, however, he noted that his residence telephone actually was a special DINA number and that charges for long distance telephone bills were taken care of by DINA. Based on his recent favorable association with PAZ and the latter's recent training under DINA sponsorship, he told Colonel ESPINOSA that he believed the assassination in the United States might be arranged.

Approximately several weeks later, he again met with Colonel ESPINOSA near his residence in LoCurro. He met at this location with Colonel ESPINOSA and FERNANDEZ. During this meeting Colonel ESPINOSA informed him that the assassination target in the United States would be ORLANDO LETELIER. Plans were formulated at this meeting with Colonel ESPINOSA to travel from Santiago to Asuncion, Paraguay, where he and FERNANDEZ were to secure Paraguayan passports under fictitious identities and then continue on to the United States to implement plans to carry out the assassination of LETELIER utilizing Cuban exiles.

He and Lieutenant FERNANDEZ subsequently traveled to Asuncion where they obtained Paraguayan passports under fictitious identities. He recalled that he was allowed a daily per diem of \$60.00 per day. In Paraguay he and Lieutenant FERNANDEZ stayed at the Senorial Motel which was located near the Estado Mayor (High Command) Building of the Paraguayan Army. The Paraguayan passports under false identities were secured through the Paraguay Intelligence Service. Among the Paraguayan military officers contacted in connection with the acquisition of the Paraguayan passports were Frigate Captain (first name unknown) SOSA, an unidentified Paraguayan Army Major, a Paraguayan Colonel (exact name not recalled) who was the Chief of the Paraguayan Intelligence Service, and Paraguayan Army Chief of Staff General (first name unknown) FLEITES. He and Lieutenant FERNANDEZ also met with an official connected with the Secretary's Office of the Paraguay Presidency whose nickname was "TURUCO".

After the acquisition of the Paraguayan passports in the names of JUAN WILLIAMS ROSE and ALEJANDRO ROMERAL JARA, Lieutenant FERNANDEZ telephonically contacted Santiago and spoke with DINA headquarters. Lieutenant FERNANDEZ was instructed that they should return immediately to Santiago and not proceed to the United States.

Approximately four or five days after their return from Asuncion to Santiago, he had a personal meeting with Colonel ESPINOSA, at which time he told Colonel ESPINOSA he thought that the mission to the United States to assassinate LETELIER utilizing Paraguayan passports under fictitious identities should be aborted.

Shortly after his warning to Colonel ESPINOSA that the LETELIER assassination mission should be aborted, he received orders from Colonel ESPINOSA to proceed to the United States and carry out the mission. He was told by Colonel ESPINOSA that FERNANDEZ was already in the United States and that he should contact FERNANDEZ for assistance. He traveled to the United States with a Chilean official passport under the fictitious name of HANS PETERSEN SILVA. He left Santiago on September 8, 1976, and met FERNANDEZ at Kennedy International Airport (KIA) in New York City. FERNANDEZ had already been in the Washington, D.C. area carrying out shadowing operations to determine the daily activities and patterns of movement for LETELIER. Lieutenant FERNANDEZ handed over to him the written report containing the results of surveillance on LETELIER. He recalled that FERNANDEZ was in a great rush to return to Chile inasmuch as his father had been taken seriously ill and was confined to a hospital. When he met Lieutenant FERNANDEZ at KIA, the latter was accompanied by his sister and another female. The latter female accompanied Lieutenant FERNANDEZ to the United States as a cover for his activities. This female was believed to be a DINA operative but she did not get along well with Lieutenant FERNANDEZ and his initial impression of her was very unfavorable. Lieutenant FERNANDEZ departed KIA during the same evening that he arrived from Chile.

At KIA he rented an automobile, after having telephonically contacted VIRGILIO PAZ at the latter's residence. He drove to New Jersey and that evening he, VIRGILIO PAZ and the latter's wife had dinner at a restaurant/bar known as the "Bottom of the Barrel". The next evening a meeting was arranged by PAZ at his motel room in New Jersey with CNM members. Present at this meeting were GUILLERMO NOVO SAMPOL, JOSE DIONISIO SUAREZ ESQUIVEL, possibly VIRGILIO PAZ, and a doctor whose name he could not recall who closely resembled a television commentator in Chile. There were also several other individuals present. He described the doctor as an older man with glasses and straight hair and indicated he would be able to identify him if he saw him again. There was considerable bad feeling against the Chilean Government and specifically DINA by the Cubans present over the recent expulsion of ROLANDO OTERO HERNANDEZ from Chile to the United States. Cuban exiles present at the meeting agreed that the CNM would assist DINA in assassinating LETELIER. Subsequently, he, GUILLERMO NOVO and SUAREZ ESQUIVEL met at a restaurant for lunch known as the

"Estrella" or the "Star", which was located in Union City, New Jersey, near the Sears Roebuck Department Store.

Shortly thereafter he traveled to Washington, D.C. in the automobile of VIRGILIO PAZ in order to conduct additional surveillance on LETELIER and to purchase additional materials necessary to make the bomb which would be utilized to kill LETELIER. Basically, the bomb was made up of TNT and a substance which he believed to be C-3 plastic. Several months previously he modified a CB Fanon Courier (phonetic) receiver in Chile at the request of the CNM to be utilized at a future date. When he modified the aforementioned CB receiver he had no idea as to its ultimate purpose. The crystal on the receiver was set at 31.040 megahurts. A major modification made by TOWNLEY was to remove the speaker from the receiver and put in a transformer. A standard blasting cap was used in the construction of the bomb. The bomb was contained in an aluminum baking tin.

Upon arrival in Washington, D.C., he and PAZ checked into a Holiday Inn in the downtown section. He and PAZ then conducted surveillance operations for the next several days on LETELIER's movements.

JOSE DIONISIO SUAREZ ESQUIVEL arrived on Saturday after which arrival he and VIRGILIO PAZ changed hotels. SUAREZ checked into a hotel separate from the one that he and VIRGILIO PAZ were occupying.

Late Saturday night or early Sunday morning he placed the bomb in LETELIER's car while it was parked in the driveway of LETELIER's suburban Maryland residence. He was driven to the neighborhood where LETELIER resided by VIRGILIO PAZ and was dropped off at the top of a hill in a cul-de-sac street, immediately adjacent to the LETELIER home. He affixed the Bomb to LETELIER's car with black insulating tape. He affixed the bomb to the cross-member and recalled he had some trepidation as to whether the bomb would remain attached since he ran out of tape. The bomb contained a safety switch which he placed in the "on" position after covering the switch with tape. He could not recall with complete certainty whether or not the switch remained on the "on" position inasmuch as the consistency of the tape may have conceivably moved the switch from the "on" position to "off". While he was placing the bomb he recalled that a police cruiser passed by at LETELIER's residence, however, he was undetected. After placing the bomb he walked down the hill and joined VIRGILIO PAZ in the latter's automobile and they left the area and returned to their hotel.

On early Sunday morning, he went to Washington National Airport and took a flight to Newark Airport where he was picked up by ALVIN ROSS DIAZ. After having breakfast, ROSS took him to meet GUILLERMO NOVO SAMPOL. He and the latter then went to New York City in NOVO SAMPOL's automobile where NOVO SAMPOL contacted an attorney apparently connected with the local New York City government. After NOVO terminated his meeting with the attorney, he borrowed NOVO's car and drove to Westchester County, New York, where he had an early Sunday dinner with his sister and her husband.

After dinner with his sister and brother-in-law, he flew from New Jersey to Miami, where he checked into a hotel near the airport. He then traveled to his parent's residence in Boca Raton, Florida. He then arranged to meet with Miami CNM member FELIPE RIVERO DIAZ. He was unable to specifically recall whether RIVERO had knowledge of the LETELIER bombing. He was able to recall that RIVERO complained about the expulsion of ROLANDO OTERO HERNANDEZ and that RIVERO stated that DINA must provide the CNM with more than ideological support. He recalled that RIVERO specifically mentioned the CNM's need for training sites which he referred to as "farms".

While in Florida he visited the Ft. Lauderdale office of Audio Intelligence Devices (AID) where he purchased some material for DINA.

He then returned to his parent's residence where he spent Monday evening.

He was troubled that no news had been received concerning LETELIER and he suspected that something had gone wrong with the plan to assassinate him. Early Tuesday morning he telephonically contacted VIRGILIO PAZ from his parent's residence in Boca Raton in order to ascertain why he had received no news on LETELIER. PAZ was extremely angry at the early hour of the call and the use of the telephone from a security standpoint. PAZ furnished no information concerning the LETELIER bomb. Later on during the morning he contacted IGNACIO NOVO SAMPOL in Miami and they arranged to have lunch at a Miami restaurant. During the telephone conversation, NOVO informed him that something had happened in Washington, D.C. Subsequent news broadcast the death of LETELIER as a result of a bomb which detonated in the latter's automobile.

He traveled to the United States on his DINA mission with about \$900.00, which was to cover all his living expenses and the

purchase of certain materials for the bomb. Upon arriving in the United States he was short of money and had to borrow funds from GUILLERMO NOVO SAMPOL. He was so short of funds in Miami that he did not have sufficient money for his return passage to Santiago. He contacted a friend in LAN-Chile Airlines who signed a voucher for his return trip to Chile. He eliminated the identity of HANS PETERSEN SILVA and returned to Chile utilizing a United States passport under the name of KENNETH ENYART.

In recalling events during the day that LETELIER was assassinated, it is his speculation that JOSE DIONISIO SUAREZ ESQUIVEL must have remained in Washington and detonated the bomb in LETELIER's car since VIRGILIO PAZ was in New Jersey at his residence early that day, September 21, 1976.

After returning to Chile he reported to Colonel ESPINOSA, who was pleased with LETELIER's assassination.

With regard to organizational responsibility in DINA for ordering the assassination of LETELIER, he was certain that Colonel MANTUANO CONTRERAS SEPULVEDA was the ultimate authority. He based his reasoning on the following facts:

1. Only Colonel CONTRERAS had authority to issue foreign currency for missions. He recalled that during his and Lieutenant FERNANDEZ' trip to Paraguay, the latter had approximately four to five thousand dollars in his possession to carry out the LETELIER assassination. He also was given approximately \$900.00 by Lieutenant FERNANDEZ in Santiago to be used by him on his DINA mission to kill LETELIER.

2. Only Colonel CONTRERAS had authority to issued Chilean official passports in fictitious identities for DINA missions.

3. Only Colonel CONTRERAS had the authority to request cooperation from a sister intelligence service for the issuance of false documentation to carry out DINA missions.

4. Only Colonel CONTRERAS had the authority to authorize any DINA mission abroad.

In recalling events in the United States, he is certain that Lieutenant FERNANDEZ had no contact with Cuban exiles, inasmuch as Lieutenant FERNANDEZ was a Chilean Army officer and such contact was prohibited by Colonel ESPINOSA in their briefings for the LETELIER assassination.

WFO 135-425

III. Reinterview of MICHAEL VERNON  
TOWNLEY. Assignment to TOWNLEY  
and Lieutenant ARMANDO FERNANDEZ  
LABIOS of DINA mission to  
assassinate LETELIER (4/17/78)

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription April 18, 1978

MICHAEL VERNON TOWNLEY was reinterviewed at the United States Marine Corps Detention Facility for approximately forty-five minutes between the hours of 7:35 p.m. and 8:20 p.m. concerning his knowledge of and participation in the LETELIER assassination. Immediately after identification procedures and before any questions were asked, TOWNLEY was advised of his rights as indicated on the "Interrogation; Advise of Rights Form". TOWNLEY consented to interview without the presence of his attorney subject to the terms of his agreement between the United States Government and himself which was signed on April 17, 1978.

TOWNLEY furnished the following information regarding his knowledge of events preceding the LETELIER assassination.

Sometime in late June, 1976, or early July, 1976, exact date not recalled, Chilean Army Captain ARMANDO FERNANDEZ LARIOS telephonically contacted him at his residence to request that he attend a meeting the following morning with Colonel PEDRO ESPINOSA, the Director of Operations for the National Directorate of Intelligence (DINA). He agreed to meet Colonel ESPINOSA near St. Georges School in suburban Santiago. During his telephonic conversation with Captain FERNANDEZ the latter was extremely secretive and gave no reason or specifics as to why Colonel ESPINOSA desired to speak with him. He believes the meeting with Colonel ESPINOSA was held either on a Saturday or a Sunday morning or possibly during the winter vacation period inasmuch as there were no students around St. Georges School when he and Colonel ESPINOSA met. The meeting with Colonel ESPINOSA took place during the early morning hours. He brought a thermos of coffee with him to the meeting. He recalled that Colonel ESPINOSA had been posted to Brazil during a portion of 1976 and had returned to Chile in March, 1976. At the time he met with Colonel ESPINOSA he was a civilian contract employee of DINA with command responsibilities equal to that of a Chilean Army Major. At this time Captain FERNANDEZ was a Chilean Army Lieutenant seconded to duties with DINA. Colonel ESPINOSA asked him whether he would be available for a special operation outside of Chile. He complained to Colonel ESPINOSA that he had spent a majority of 1975 in Europe on DINA missions and that he felt he was neglecting his family with constant travel on behalf of DINA. Colonel ESPINOSA noted that the special DINA operation would have a September, 1976, time frame. After discussing his constant travel and other personal complaints related to his DINA duties he told Colonel ESPINOSA that he would carry out the special DINA operation should he be specifically ordered to do so. Prior to meeting with Colonel ESPINOSA.

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he told his wife that he thought he would be given some special DINA assignment. His wife, who accompanied him on many of his foreign DINA missions during 1975, cautioned him not to undertake any DINA assignment which would come to the attention of the FBI in the United States or the BND in West Germany since these were the two best intelligence services in the world. He recalled driving to the rendezvous with Colonel ESPINOSA near St. Georges School in his DINA automobile which was a Fiat 125. He terminated his meeting with Colonel ESPINOSA with the understanding that the latter would recontact him at a future date.

Several weeks later in late July another meeting was arranged between he and Colonel ESPINOSA. This meeting took place near his LoCurro residence at a location approximately six blocks distant. He believes that he picked up Captain FERNANDEZ near the Chilean Army Academy and took him to the meeting site in an automobile believed to be an MG 1300, which was a light metallic green. Colonel ESPINOSA arrived at the meeting site in a rust colored Chevy Nova. Captain FERNANDEZ remained in the MG automobile while he and Colonel ESPINOSA spoke privately outside the automobile. Colonel ESPINOSA informed him that the DINA mission in which he would take part was the assassination of ORLANDO LETELIER and that Paraguayan documents would be utilized for travel to the United States under false identities to carry out the assassination. He recalled that his wife, INES, was about to undergo an operation and he had serious misgivings about the timing of the DINA mission. Colonel ESPINOSA told him that the method to be utilized to assassinate LETELIER should be that of apparent accidental death by means of a traffic accident. Colonel ESPINOSA emphasized that LETELIER should be alone when the assassination took place. Colonel ESPINOSA instructed him that Cuban exile terrorists were to be utilized to carry out the actual assassination, and that his and Captain FERNANDEZ' role would be to plan the assassination and then withdraw leaving its execution to the Cubans. Colonel ESPINOSA discussed with him the problem that the recent expulsion from Chile of Cuban exile terrorist ROLANDO OTERO HERNANDEZ was certain to cause in Cuban exile circles in the United States. Colonel ESPINOSA told him that Captain FERNANDEZ would travel to the United States to conduct surveillance activities and ascertain LETELIER's habits and to conduct "pre-op intelligence" (pre-operations intelligence). Colonel ESPINOSA also informed him that LETELIER's assassination should be carried out through any means, should the preferred method of apparent accidental death or suicide fail. In essence, Colonel ESPINOSA gave him complete latitude in arranging for LETELIER's death. Colonel ESPINOSA told him that FERNANDEZ would pass on to him all of the "pre-op intelligence" and that FERNANDEZ would immediately depart the United States. Colonel ESPINOSA emphasized that Captain FERNANDEZ was to have no contact whatsoever with Cuban exiles who would carry out the actual assassination, inasmuch as he was an active duty Chilean Army officer. Colonel

ESPINOSA informed him that the LETELIER assassination was to be a joint venture with authority divided equally between him and Captain FERNANDEZ. Colonel ESPINOSA told him that Captain FERNANDEZ would have all details of their travel to Paraguay to secure Paraguayan documentation in fictitious names which would be utilized to travel to the United States for the LETELIER assassination. Colonel ESPINOSA told him that Captain FERNANDEZ would be responsible for all false Chilean documentation used to travel to Paraguay, as well as their passage from Chile to Paraguay and from Paraguay to the United States.

In discussing possible problems which would be encountered in dealing with Cuban exile terrorists over the expulsion of ROLANDO OTERO HERNANDEZ from Chile to the United States, he recalled telling Colonel ESPINOSA he thought he could institute contact with VIRGILIO PAZ of the Cuban Nationalist Movement (CNM) who would be sympathetic to him personally and to DINA as an organization, inasmuch as PAZ had only recently departed Chile after spending a three or four month period as a guest at his residence. Additionally, he recalled that PAZ had been afforded a one month accelerated intelligence course by DINA with the permission of the DINA Director, Colonel MANUEL CONTRERAS SEPULVEDA. He recalled that PAZ departed Chile in close proximity to the birthday of his son, BRIAN, which was on June 6, 1976.

With regard to his DINA affiliation, he advised that he progressively became involved with intelligence operations in Chile which culminated in October or November, 1974, when he became an operational agent in the capacity of a civilian contract employee. Initially he was assigned command responsibilities with DINA equivalent to those of a Chilean Army Lieutenant. In July, 1976, his command responsibilities had increased to the equivalency of those of a Chilean Army Major.

IV. Interview of MICHAEL VERNON TOWNLEY.  
Travel by TOWNLEY and Lieutenant  
FERNANDEZ LARIOS to Paraguay to  
Secure Paraguayan Passports Under  
JUAN WILLIAMS and ALEJANDRO BOWFRAL  
identities (4/18/78)

## FEDERAL BUREAU OF INVESTIGATION

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Date of transcription April 25, 1978

MICHAEL VERNON TOWNLEY was interviewed at the United States Marine Corps Detention Facility concerning his knowledge of and participation in the assassination of ORLANDO LETELIER in Washington, D.C. on September 21, 1976. Immediately after identification procedure and before any questions were asked, TOWNLEY was advised of his rights as indicated on the "Interrogation; Advise of Rights Form". TOWNLEY consented to interview without the presence of his attorney subject to the terms of his agreement between the United States Government and himself which was signed on April 17, 1978.

TOWNLEY furnished the following information regarding his knowledge of events preceding the LETELIER assassination:

Approximately five days before departing for Asuncion, Paraguay, during July, 1976, he met with Lieutenant ARMANDO FERNANDEZ LARIOS at the "Quartel", (Headquarters) of the National Directorate of Intelligence (DINA) in Santiago, Chile. Lieutenant FERNANDEZ gave him a ticket for travel between Santiago, Buenos Aires, Argentina - Asuncion - Santiago and an envelope which contained less than \$1,000 in United States currency. Lieutenant FERNANDEZ desired to leave for Asuncion the same day as the meeting when the ticket and envelope containing the United States currency were delivered to him. He disagreed with FERNANDEZ' desire to travel that very day, recalling that there was a weekend which would be wasted in Asuncion since all Paraguayan Government agency offices would be closed. Based on the foregoing, he believes the meeting with FERNANDEZ at the DINA Headquarters took place on a Friday. During his meeting with FERNANDEZ at DINA Headquarters, the latter showed him United States currency which amounted to between \$4,000 and \$5,000 which was to be used for their common DINA mission to travel to Paraguay to secure Paraguayan passports in fictitious identities and continue on to the United States to murder LETELIER. He recalled that he was authorized per diem in the amount of \$60 per day for his stay in Paraguay.

FERNANDEZ departed for Buenos Aires, Argentina, prior to his travel. He and FERNANDEZ arranged to meet in Buenos Aires on the following Monday evening. He traveled to Buenos Aires on Monday afternoon or early Monday evening and arrived at Ezeiza International Airport (EIA). He took the airport bus from Ezeiza to the bus terminal located on Avenida Rivadavia, where he met FERNANDEZ and an Argentine male who was a member of "Milicia," an Argentine right-wing activist

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Interviewed on 4/18/78 at Quantico, Virginia File # WF 185-425

SAs ROBERT W. SCHERRER and <sup>12</sup>  
by L. CARTER CORNICK, JR. /kvb Date dictated 4/21/78

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organization. He checked into the Republica Hotel near the Obelisk Monument near Avenida 9 de Julio. FERNANDEZ was staying in the hotel El Embajador, located toward the end of Calle Carlos Pellegrini. FERNANDEZ' Hotel was located near to a strip tease club and FERNANDEZ made a joke of this fact. He did not go out with FERNANDEZ on that evening but had dinner with the Argentine "Milicia" member. He recalled arriving in Buenos Aires via LAN-Chile flight and remembered that the pilot's first name was MARTIN.

At approximately 6:00 a.m. the following morning, believed to be a Tuesday, he and FERNANDEZ proceeded by taxi to EIA where they took a Lineas Aereas Paraguayas (Paraguayan Airlines) (LAP) flight to Asuncion, which departed EIA at approximately 8:00 a.m. The LAP official at EIA attempted to "bump" them off the flight since there were several, apparently influential Paraguayans who desired to travel to Asuncion on the same flight but had no reservations. FERNANDEZ reacted aggressively to the LAP officials overtures and they managed to travel on the flight. He and FERNANDEZ arrived in Asuncion without incident and they took a taxi to the Senorial Motel, which was recommended by the taxi driver. He told the taxi driver that he desired to stay at a hotel on the outskirts of Asuncion rather than downtown. He traveled to Asuncion with a Chilean Cedula de Identidad (Identity Document) (CI) under the fictitious identity of JUAN ANDRES WILSON SILVA. FERNANDEZ traveled to Asuncion with a Chilean CI under the fictitious identity of ALEJANDRO RIVADENEIRA.

The same afternoon of their arrival they went to the Estado Mayor (High Command) of the Paraguayan Army which was located several blocks from their motel. FERNANDEZ knew where he was to go and with whom he should initiate contact. Inasmuch as he was not a member of the Chile military establishment, he was supposed to "keep his mouth shut" and stay in the background. On arriving at the Paraguayan Army Estado Mayor Headquarters, FERNANDEZ was informed that the Colonel-in-Charge of the Paraguayan Intelligence Service (PIS) was out of the country and not available. He and FERNANDEZ were received by a white male, Paraguayan military officer who had sandy hair and a moustache. This individual was approximately 5'11", with a heavy build and broad shoulders. This military officer had a square face without being rectangular. He believes this individual was identical with a Paraguayan Naval officer, Capitan de Fragata (first name unknown) (FNU) SOSA. He, FERNANDEZ and SOSA met at the Colonel-in-Charge of the PIS' office. At this time a Paraguayan Army Major came into the room and was introduced to he and FERNANDEZ by SOSA. The Paraguayan Army Major told them he knew about their mission, since a telephone call had been received from Santiago. The Paraguayan Army Major instructed them to have photographs taken, which he believes was done on the following day. He and FERNANDEZ were instructed by the Paraguayan Army Major to

have photographs in two sizes taken, one apparently being for a passport and the smaller being for a Paraguayan CI. The Paraguayan Army Major informed FERNANDEZ and he that the Paraguayan Colonel in Charge of the PIS had left that very day for Brazil.

The following day, he and FERNANDEZ had photographs taken at a commercial photography shop located in downtown Asuncion. The photography shop was located off a main avenue in downtown Asuncion, approximately two blocks away from the Ministerio de Hacienda. At one of their visits to the Paraguayan Army Estado Mayor Building, he and FERNANDEZ were introduced to the Taiwanese military intelligence representative assigned to Asuncion.

After approximately two or three days in Asuncion, he and FERNANDEZ received a notice addressed to them individually from the Chief of Staff of the Paraguayan Army, General (FNU) FLEITES, in which the latter requested them to visit his office at the Estado Mayor Building for a personal interview. He and FERNANDEZ went to General FLEITES' office and were questioned by General FLEITES concerning the exact purpose of their mission which required that they acquire Paraguayan passports. FERNANDEZ was reluctant to go to the meeting with General FLEITES since, at that time in July, 1976, FERNANDEZ was only an Army Lieutenant. When they were introduced to General FLEITES he introduced himself as "Capitan Asimulado de Telecomunicaciones" (Assimilated Telecommunications Captain) and FERNANDEZ introduced himself as an Army Lieutenant. The fact that he introduced himself as a Capitan annoyed FERNANDEZ, since it made him superior to FERNANDEZ in rank. FERNANDEZ was also extremely critical of civilians carrying out military missions since FERNANDEZ came from a family with a military tradition. He believes that the Paraguayan Army Major, whom they previously met, was present at the meeting. FERNANDEZ explained to General FLEITES that the purpose of their mission to the United States was to check on security leaks in various Chilean Government commercial offices in New York City, specifically the Chilean copper entity, Codelco. He explained to General FLEITES that his and Lieutenant FERNANDEZ' duties in the United States would include electronic surveillance. He also mentioned to General FLEITES that FERNANDEZ and he would check security at the Chilean Embassy in Washington, D.C. General FLEITES asked he and FERNANDEZ whether their security checks would include break-ins or burglaries. Both he and FERNANDEZ assured General FLEITES that their duties in the United States would not include any illegal activities. General FLEITES appeared to be reassured and indicated he would contact them at a later date. SOSA, after the meeting with General FLEITES, said he felt bad about the delay and apologized to them, noting that the absence of the Paraguayan Army Colonel-in-Charge of the PIS had complicated matters.

Several more days passed during which he and FERNANDEZ did practically nothing. One evening SOSA and his wife, accompanied by the Paraguayan Army Major and his wife, went to the Yguazu Night Club and Restaurant where they met an officer of the Argentine State Secretariat for Intelligence (SIDE), who was assigned to the Argentine Embassy in Asuncion. They had dinner, watched the floor show and the Paraguayans drank considerably. One day SOSA took him and FERNANDEZ to an island where Guarani Indians lived in their native habitat. He recalled the rag-tag condition of Paraguayan Naval personnel who attended SOSA, recalling that one of them was barefoot. During the time they were waiting to receive word on the issuance of their Paraguayan passports, a weekend intervened. FERNANDEZ made friends with several Argentine guests at the Senorial Motel and went with them on excursions into the Paraguayan country side. He recalled that SOSA drove a "Brasilia" model Volkswagon automobile.

Approximately four days after the meeting with General FLEITES, the Colonel-in-Charge of the PIS returned to Asuncion. Upon the return of the Colonel, he and FERNANDEZ met with him in his office at the Estado Mayor Headquarters. He believes that prior to the return of the Colonel, FERNANDEZ had two additional meetings with unknown individuals at the Estado Mayor Headquarters in Asuncion. The Colonel-in-Charge of the PIS assured him and FERNANDEZ that the issuance of their Paraguayan passports would be carried out immediately.

At one point in time, exact time frame not recalled, he and FERNANDEZ filled out applications for visas to enter the United States. He invented the name JUAN WILLIAMS ROSE. He picked the name JUAN WILLIAMS inasmuch as the initials J.W. corresponded with another fictitious identity which he utilized, JUAN ANDRES WILSON. He picked the name ROSE as his matronymic surname, inasmuch as he recalled a British family which he befriended in Santiago named ROSE that served excellent kidnap pie. He recalled signing the blank Paraguayan passport with the signature "JUAN WILLIAMS". FERNANDEZ picked his own name and signed his blank Paraguayan passport. The name selected by FERNANDEZ was ALEJANDRO ROMERAL JARA. He gave his Paraguayan passport to FERNANDEZ who in turn, furnished it to the Paraguayans in order that the passports might be sent to the United States Embassy in Asuncion so that the visas to enter the United States might be entered. On one occasion while he and FERNANDEZ were in an office on the third floor of the Estado Mayor Headquarters, which belonged to a Paraguayan Lieutenant Colonel or Colonel, the latter left the room in order to make arrangements for a military orchestra to play at a party being planned at his residence. When the Paraguayan Army officer left his office, he perused papers on this officer's desk. The papers included completed visa applications, their Paraguayan passports, and a movement sheet which outlined their daily activities in Asuncion, indicating obviously that he and FERNANDEZ had been under surveillance. Also included in these papers

someone at DINA Headquarters. Lieutenant FERNANDEZ in fact did communicate the fact that they were "very leary" over the delay in the issuance of Paraguayan passports to them.

He and Lieutenant FERNANDEZ subsequently communicated their plans to return to Santiago to the PIS and a Paraguayan Army Intelligence officer picked them up at their motel and brought them to the LAP office in downtown Asuncion in order to arrange their return passage to Santiago via Buenos Aires. The Paraguayan Army Intelligence officer who accompanied them to the LAP office was very well known to the LAP personnel in the office. This Paraguayan Army Intelligence officer left them with LAP personnel and departed the office. After his departure, he overheard small talk between various LAP clerical employees in the office which indicated that the Paraguayan Army Intelligence officer who brought them to the LAP office was well known to them in his official capacity. He felt the professionalism of the PIS was sadly lacking since obviously both he and Lieutenant FERNANDEZ would be automatically categorized as intelligence officers by the LAP personnel at the LAP ticket office based on their being accompanied to the office by the Paraguayan Army Intelligence officer.

He and Lieutenant FERNANDEZ returned to Santiago via Buenos Aires. After arriving in Buenos Aires from Asuncion, he and Lieutenant FERNANDEZ spent the evening at different hotels. His hotel was located in the vicinity of Calle Florida. He believes he dined that evening with an Argentine representative of "Milicia." He and Lieutenant FERNANDEZ returned the next morning to Santiago via an Aerolineas Argentinas (Argentine Airline) (AA) flight directly to Santiago. Inasmuch as he and Lieutenant FERNANDEZ returned from Asuncion on very short notice, no DINA personnel received them at Pudahuel International Airport. He and Lieutenant FERNANDEZ took a taxi toward their respective residences; however, he got out of the taxi prior to arriving at his residence, in order to go to the house of a friend. Lieutenant FERNANDEZ made the official report on their mission to Paraguay to DINA officials. Upon his return from Paraguay, he was extremely preoccupied with his wife's health, and making preparations for her hospitalization and eventual surgery for a fallen uterus. He definitely conveyed his impressions of the Paraguayan trip to Colonel PEDRO ESPINOSA, the Director of Operations for DINA. He was unable to recall whether he conveyed his impressions personally to Colonel ESPINOSA, or by telephone. He definitely told Colonel ESPINOSA that he suspected that his and Lieutenant FERNANDEZ' intelligence affiliation had been compromised to the United States Government, based on his observations of certain papers in the office of a Paraguayan Army

officer prior to the issuance of the United States visas. He also pointed out to Colonel ESPINOSA that the unusual length of time that he and Lieutenant FERNANDEZ had been required to remain in Asuncion before the issuance of the Paraguayan passports and United States visas led him to believe that something had troubled the Paraguayans about the entire affair, and that the PIS may have informed their counterpart in the United States Intelligence community. He told Colonel ESPINOSA that he had grave reservations about the entire mission to Paraguay and stated that he did not like the entire affair.