



## Smuggler's Dues

The Clinton administration came into office extolling the merits of multiculturalism, and the ever-expanding roster of Clinton campaign fundraising scandals has displayed the administration's commitment to diversity: Russian mobsters, Chinese arms dealers, Lebanese embezzlers — all have been welcome to ply the administration with campaign money. Now a report from Puerto Rico suggests that the Clinton White House has accepted drug-tainted contributions linked to the Dominican Republic's radical Dominican Revolutionary Party (DRP).

According to Puerto Rico's *El Vocero* newspaper, DRP members Simon Diaz and Pablo Espinal "supported the campaign of U.S. President Clinton. The pair made [campaign] donations last September during a Democratic National Committee fund-raiser at Coogan's Irish Pub in Washington Heights [in New York City]. Both Diaz and Espinal reportedly posed for pictures with Vice President Al Gore, according to DRP leaders."

Diaz is vice president of a New York City chapter of the DRP and president of a group of party-affiliated businesses. He is also currently under investigation by the Drug Enforcement Administration (DEA) and various other anti-narcotics agencies with regard to the DRP's "alleged nexus with international drug cartels," as *El Vocero* reported. The paper noted that "official investigations presume narcotics proceeds accounted for a good chunk of collections among the DRP's stateside 'compañeros,' or party cohorts...." Furthermore, although U.S. federal officials were aware of the links between the DRP and the drug cartels, "for reasons that remain unclear, these officials exerted pressure to derail active investigations in the matter."

### Sea Crest Connection

Among those "reasons that remain unclear" may be the fact that Jose Francisco Peña-Gomez, the DRP's leader and perennial presidential candidate, was the Clinton administration's choice in the Dominican elections of 1994 and 1996. However, another reason may be that DRP leader Simon Diaz is president of the Dominican Federation, which has been identified by the New York Police Department as a front group for the Dominican crime cartel. Why would this fact present an obstacle? First of all, because the Dominican Federation is deeply entangled in New York City Democratic politics; and secondly, because the Federation is intimately connected to a suspected CIA front in Greenwich, Connecticut, called Sea Crest Trading Company.

According to New York City police detective Lenny Lemmer, there is "concrete evidence" regarding Sea Crest's involvement in laundering drug money. Former Immigration and Naturalization Service agent Joe Occhipinti saw and handled some of that "concrete evidence" during a raid on a Dominican *bodega* (grocery store) operated by Federation member Freddy Then. "In Freddy Then's bodega, I found \$136,000 wrapped up and ready to be shipped to Sea Crest," Occhipinti told *The New American*. "That same \$136,000 was later seized as drug money. This is pretty hard evidence that Sea Crest is involved in the drug trade."

Other hard evidence linking the mysterious Sea Crest company to the drug trade was provided by undercover investigator Hector Rodriguez. In an affidavit placed in the Congressional Record for February 8, 1994, Rodriguez describes a tape-recorded encounter with Dominican Federation member Ricardo Knipping. Posing as an aspiring drug dealer, Rodriguez explained that he "was interested in buying a supermarket in New Jersey" as a means of laundering illicit profits; to do so, he needed a \$150,000 loan.



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According to Rodriguez, Knipping “explained that he is a member of a ‘federation’ who helps bodega owners borrow money without ... a legal registration of the money” and that “in the event Sea Crest Trading did not approve of the bodega I wanted to buy they could set me up in one of their own supermarkets.” Knipping gave Rodriguez the name and telephone number of Sea Crest official Pedro Dominguez. Rodriguez later visited the Bronx office of Sea Crest, where — still in the guise of a drug dealer — he met with Dominguez and a business partner. The unnamed Sea Crest partner told Rodriguez that “there were several bodegas he could get for me in Newark” as a means of laundering drug money.

Sea Crest specializes in usurious loans — at rates of up to 44 percent annual interest — to bodegas; the small businesses then find themselves forced into illicit businesses in order to pay back the loans. “A lot of them end up in money laundering, drug trafficking, and other forms of organized crime,” reported Occhipinti, who headed a multi-agency task force called “Project Bodega” that uncovered extensive Dominican mob activities in the grocery stores.

### **Dominican Domination**

Smugglers, dealers, and street gangsters from the Dominican Republic are playing an increasingly important role in the drug trafficking industry. As *Newsday* reporter William Kleinknecht explains in his recent book *The New Ethnic Mobs: The Changing Face of Organized Crime in America*, “Dominicans dominate drug distribution in the Northeast and have made forays into gambling, numbers, loan-sharking, and other rackets.” The influence of Dominican crime bosses is particularly pronounced in New York City’s Washington Heights section, which Kleinknecht describes as “the busiest drug bazaar in the country [and] the epicenter of Dominican control over cocaine distribution throughout the northeast.”

While the “superpower” of the illegal drug industry remains the Colombian drug cartels, Dominican crime networks are among the key elements of the cartel’s distribution network within the U.S. “The mules [drug couriers] of the Colombian cartels bring the cocaine to New York by the hundreds of kilos and sell it to Dominican wholesalers who then become the suppliers for both lower-level Dominican dealers and drug gangsters of every stripe,” Kleinknecht writes. “From Washington Heights, Dominican dealers transport the drugs to Philadelphia, Boston, Hartford, and dozens of other old industrial cities.”

Dominican gangsters in the Washington Heights area also maintain a network of money-laundering operations, many of them disguised within *bodegas* or *envios de dolares* — cash-exchange and money-wiring businesses. Kleinknecht estimates that some \$100 million is sent from Washington Heights to the Dominican Republic every year, much of it laundered drug money. According to El Vocero, the DRP’s Simon Diaz “operates the money transmittal chain Pan American Express Inc., [and] has been tagged by federal authorities as a major launderer of drug money.”

Suspect money-wiring businesses like Diaz’s provide other unsavory services aside from money-laundering: As Joe Occhipinti discovered during his investigation of the *bodegas*, many of the Dominican businesses in Washington Heights “were acting as fronts for a mind-boggling array of Dominican mob activities,” which included assassination for hire, fraud, weapons trafficking, drug dealing, and funneling money to Middle Eastern terrorists.

### **The Jheri-Curl Gang**

Another thread connects the DRP to some of the most notorious denizens of the Dominican underworld — the so-called “Jheri-Curl gang,” which took its name from a distinctive coif preferred by



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the gang's leaders. Founded by gangster Rafael Martinez in collaboration with his brothers Augusto, Loren, Daniel, and Papin, the Jheri-Curl gang presided over a reign of terror on its New York City turf — West 157th Street, between Broadway and Riverside Drive — from 1989-91. Gang leaders cruised their domain in gold-painted luxury cars while their enforcers carded out “hits” and occasionally intimidated pedestrians by unleashing public volleys of gunfire.

In 1991, 23 members of the Jheri-Curl gang were imprisoned on drug-related charges. According to memoranda from the New York Drug Enforcement Task Force (NYDETF), the main supplier for the Jheri-Curls was identified as DRP leader Pedro Corporan, alias Pedro Cabrera — a local businessman and noted anti-drug activist. A February 9, 1994 NYDETF memo received by *The New American* stated that Fernando Camacho, the New York City Assistant District Attorney who successfully prosecuted members of the Jheri-Curl gang, “has determined that Pedro Corporan was supplying the Jheri-Curl gang with at least ten (10) kilograms of cocaine on a weekly basis during their reign. Corporan now enjoys a ‘cult hero’ status within the Dominican community in Washington Heights. On the surface, Corporan is a local business owner and author of several ‘anti-drug’ editorials published in the ‘El Diario’ newspaper. In addition, Corporan has been the most vocal supporter and right-hand man to Dr. Jose Francisco Peña-Gomez, who is running for President in the Dominican Republic....”

Corporan, the memo noted, had been convicted twice for carrying a loaded handgun and on two separate occasions had “delivered one million dollars ... to an undercover detective in Group T-12 for deposit into an ‘Operation Pisces’ account.” Operation Pisces was a multi-agency anti-money-laundering sting operation. Group T-12, noted the memo, “is currently investigating the possibility that drug profits are being funneled from Corporan to the Peña-Gomez campaign.” The memo maintained, “The Corporan narco-trafficking organization is beyond the scope and capabilities of local law enforcement due to its international ties.”

Three days later the DEA sent a memo to the NYDETF with corroborating testimony from an informant that “the source of supply for the ‘Jheri-Curl’ gang was Pedro Corporan.” Corporan fled the United States earlier this year after being identified as a “heavy” drug dealer by Rafael “Fiquito” Vasquez, the DRP’s U.S. coordinator, who squealed on his comrade during a DEA interrogation last November.

### **What about Peña-Gomez?**

Between 1994 and 1996, even as the DEA and New York anti-narcotics investigators were targeting Pedro Corporan, the Clinton State Department was lending its support to Peña-Gomez’s presidential bid — which was believed to be financed, in large measure, by drug profits earned by Corporan. A January 17, 1996 memo from Larry Leightley, the CIA station chief in the Dominican Republic, explained that “Peña was widely seen as the ‘U.S. Embassy’s candidate’ in the 1994 [Dominican presidential] elections.... Assistant Secretary of State Alex Watson was in Santo Domingo on 11 December [1994] and had a lengthy meeting with Peña.” Although Peña-Gomez has a long history of Marxist and anti-American activism, “Peña-Gomez and the [DRP] are considered main stream in the political spectrum,” according to Leightley. “He and his [DRP] ideology pose no specific problems for U.S. foreign policy.”

Properly understood, this is an indictment of U.S. foreign policy, not an endorsement of Peña-Gomez. Three decades ago, Peña-Gomez was among the Dominican Republic’s militant, Cuba-aligned communists. Now, in addition to his leadership of the DRP and his perennial status as a presidential contender, Peña-Gomez is head of the Socialist International’s (SI) Latin American section. Until becoming bedridden with pancreatic cancer, Peña-Gomez was actively involved in SI diplomacy. For



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instance, on November 28 of last year he was in Beijing meeting with China's commissars and urging his country and other Latin American governments to discontinue diplomatic relations with the Free Chinese government on Taiwan.

"A country of China's importance cannot be ignored," declared Peña-Gomez after emerging from a meeting in Beijing. He suggested that SI delegations from Latin American countries whose governments still recognize Free China should open offices in Beijing in order "to establish closer links with a society and a country whose economic successes are impressive." Although the SI formally suspended ties with Beijing after the slaughter at Tiananmen Square in 1989, Peña-Gomez insisted that "the page should be turned" on the massacre. He assured Beijing's autocrats that a delegation led by SI President Pierre Mauroy would visit China in the near future.

Peña-Gomez was also among the loudest and most militant participants in last September's SI conference, which was held at the United Nations at the invitation of SI member Boutros Boutros-Ghali (who was then UN secretary-general). The DRP militant unleashed a torrent of Cold War rhetoric condemning "anti-socialist fanatics and retread conservatives who in the name of religion, order, or some pretended patriotism put into effect crusades of false nationalism in order to close our access to power." Such are the sentiments of the man who was the "U.S. Embassy's choice" for president of the Dominican Republic.

### **"Triunfo '96"**

As part of its "Triunfo '96" ("Triumph '96") fund-raising campaign, DRP leaders in the United States sought to create a "self-sustaining financial operation" that would underwrite a new campaign of "militancy" in the Dominican Republic. To that end, party leaders in the United States were urged to raise \$2,500 apiece toward the effort to elect Peña-Gomez — and not to be inordinately concerned about where the money came from. As a result, a DEA report concluded, "much of the Peña-Gomez campaign fund has been raised through the illegal distribution of narcotics here in the United States."

According to a March 15, 1996 DEA intelligence report, the DRP leadership includes "known drug traffickers, money launderers and felons." A confidential informant who infiltrated a Philadelphia DRP meeting reported that Bernardo Paez, who heads the New England DRP chapter, "discussed being careful when selling narcotics, because any mention of [party] members being arrested would hurt the campaign of Peña-Gomez." In fact, according to the informant, "Paez once brought a personal message from Peña-Gomez, warning members about being caught with narcotics."

This was not an admonition from Paez to eschew drug trafficking. The DEA's Boston office reports that "Bernardo Paez and [party] members there ... run a large-scale drug distribution network." Paez also emphasized to his comrades that "if he was elected, Peña-Gomez would facilitate the flow of drugs into the United States and help reduce the traffickers' costs."

Other DRP members have created an Eastern Seaboard drug smuggling network disguised as a van service, according to the DEA: "The DEA offices of Boston, Philadelphia and Baltimore all have active investigations into Gerardo's Transportation, which is run by Gerardo Valerio," as well as "Juan's Express, which has branched off of Gerardo's Transportation."

Gerardo's Transportation, according to the DEA, "travels to New York with van passengers and picks up large quantities of heroin for distribution in the cities of Boston, Philadelphia, and Baltimore." Juan's Express is a van service that shuttles Dominicans to New York and returns with heroin for distribution in Philadelphia. The owner of Juan's Express, according to the DEA, "is a typical example of a drug



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trafficker with [DRP] involvement that is helping to fund the presidential campaign of Peña-Gomez.”

The DEA report observes that both the DEA and state police in New Jersey and Massachusetts “have all made numerous money and drug seizures from Gerardo’s Transportation and Juan’s Express vans” and that the money raised by heroin trafficking was being funneled through the party “into the presidential campaign of Peña-Gomez.”

### **Clinton Support**

Despite being favored by the Clinton Administration, Peña-Gomez lost the 1994 Dominican presidential election and narrowly lost last June’s election when two rival parties formed an alliance to defeat him. During both campaigns, Peña-Gomez’s opponents stridently accused the DRP of accepting campaign contributions from drug cartels. Party officials and drug dealers do appear to be inseparable: On May 26 of last year, DRP mainland coordinator Rafael Vasquez attempted to post bail for two men arrested on a New York-bound vessel carrying 300 kilos of cocaine; both of the suspected smugglers were DRP members.

That same month, 54 kilos of cocaine were found on DRP property in the Dominican Republic. According to Interpol’s Santo Domingo office, that drug cache appears to be connected to a Dominican affiliate of the Cali cartel in Colombia. In addition, CIA Dominican station chief Leightley has stated that the Dominican Drug Control Directorate has photographed Peña-Gomez in the company of known drug traffickers.

Although the links between the DRP and drug smuggling were known by the DEA no later than 1994, it was not until 1996 that the Clinton Administration’s support for Peña-Gomez was withdrawn.

Shortly after the DRP’s March 1996 “Grand Reunion” fund-raiser in New York’s Concord Hotel, Peña-Gomez provided the DEA with a list of party members who currently reside in the United States. The Grand Reunion fund-raiser produced \$550,000 for the DRP’s presidential campaign from party “militants” living in the United States — much of which was taken from drug profits.

On March 28, 1996 — the night of the Grand Reunion — two undercover DEA agents approached various leaders of the DRP in New York. Posing as agents of a Colombian cartel, the agents carried a travel bag loaded with cash — as did most of the legitimate DRP contributors that evening — and attempted to entice party officials to accept \$250,000 a month in contributions in exchange for certain “considerations.” The sting attempt came to nothing when the offer was summarily rejected. Was this simply a case of “criminals’ intuition” sniffing out an obvious setup? Perhaps. But another possibility suggests itself.

Based on an account provided by a narcotics investigator (whose name must presently be withheld), the investigation of the DRP and Peña-Gomez may have been short-circuited by CIA intervention. The investigator reported that shortly before the Grand Reunion meeting in New York, his team received a visit from a CIA official who sought the identity of a specific “confidential informant” in the Dominican Republic who had provided crucial information about the DRP’s links to drug smuggling; this information was withheld. From that point, the investigation began to unravel:

- When Peña-Gomez arrived in New York City, a death threat against him was supposedly received by the State Department. Accordingly, the radical leader was taken into a protective cocoon by the NYPD — thereby ruining planned surveillance by the DEA.
- On April 10, 1996 — 13 days after the CIA’s request was turned down — drug cases developed by the



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agent who denied the request started to be thrown out of court.

- The agent was contacted by a CIA official demanding the return of a CIA memo stating that Peña-Gomez was the Dominican presidential candidate preferred by the Clinton Administration.
- Following the cocaine seizure on DRP property on May 19, the agent requested information from a DEA contact, only to be told that the DEA agent was no longer permitted to share reports, intelligence summaries, and other documentary information.

How can this series of events be explained? "I think it comes down to partisan politics," the agent remarked to *The New American*. "I was told by a CIA official back in early 1996 that the Clinton administration would be embarrassed if the information about Peña-Gomez and the party's connection to drug smuggling became public." Might the CIA have been running damage control for the administration, the agent was asked. "I think that's one possibility."

Another possibility is that the real focus of concern is not protecting Peña-Gomez, but rather keeping investigators away from DRP officials who are connected to the Dominican Federation, which is itself closely tied to the enigmatic Sea Crest company. "Everybody who gets too close to Sea Crest ends up getting clobbered," notes former INS agent Joe Occhipinti. Occhipinti understands this firsthand: By brushing up against Sea Crest's involvement in *bodega* scams, Occhipinti set in motion a train of events that led to his federal imprisonment on bogus "civil rights" charges. Furthermore, as he pointed out, that imprisonment was meant to be a life sentence: "It's no coincidence that my cellmate was a Dominican drug dealer. Somebody wanted to arrange things so that I'd be horizontal when I got out of there."

NYPD detective Lenny Lemmer, who uncovered substantive links between Sea Crest and Dominican drug trafficking, provided that information to an FBI agent who (in Lemmer's words) "disappeared off the face of the earth." Former police detective Ben Jacobson, who investigated Sea Crest's role in underwriting grocery coupon fraud (which is a major funding source for both drug trafficking and terrorism), was among the first to announce suspicions that Sea Crest was a CIA front; however, he has reportedly retreated from his conclusions under pressure from the IRS. The unraveling of the long-term investigation into Peña-Gomez and the DRP may result in an Occhipinti-like injustice befalling another exemplary law enforcement officer.

### **Three Scandals**

As previously reported by *The New American*, Jacobson's investigation of Sea Crest developed evidence that might have prevented the World Trade Center bombing, which was — to some extent — underwritten by funds obtained through coupon fraud. At the center of that fraud was the untouchable Sea Crest, which is deeply involved with the Washington Heights "businessmen" who organized Al Gore's DNC fund-raiser at Coogan's Irish Pub.

"There are at least three real scandals here," notes Occhipinti. "First, we see once again that our federal government has no serious intention to fight the so-called war on drugs. Here we have several agencies, both state and federal, that have uncovered a major component of the drug distribution network along the East Coast, with links all the way down to Colombia, and nothing substantial has been done to shut it down. Second, we see evidence suggesting that there is greater concern to protect apparent CIA front groups than to protect American citizens from drug traffickers and terrorists. And finally, we can see that the Dominican mob has enough influence that it can organize a fund-raising dinner for the Vice President of the United States."



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Indeed, perhaps the greatest service the Clinton administration has done for the DRP and its drug cartel allies is to lower the ethical standard for campaign fund-raising. *El Vocero* reported that “Peña-Gomez and other top DRP leaders insist they knowingly accepted no contributions from drug traffickers [and] that they cannot realistically be expected to police the contributions drawn from their supporters [because] even the President of the United States was forced to return a contribution from a convicted drug dealer.”

At the rate that Clinton administration fund-raising scandals are being revealed, the Dominican Revolutionary Party might soon be able to claim the moral high ground.



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