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7 July 1972

MEMORANDUM FOR THE RECORD

SUBJECT: ⁰³ Jeffrey G. Peterson's Conversation with Rolando Masferrer, Jr.

1. On Sunday, 2 July 1972, from 1800 to 2000 hours at the Shanghai Restaurant, Arlington, Va., I met with Rolando Masferrer, Jr. (Masferrer is unwitting of my Agency employment. My cover story is that I am a Program Officer with the State Department. I supposedly work in a research capacity for the American Republics Area until the time I can be programmed to enter the next Foreign Service Institute class.)

2. Masferrer and I, old National Guard comrades, had not seen one another for 5 months. We had dinner and later went on a tour of apartment sites in the District and northern Virginia. During the course of the conversation, he related the events of his trips to Mexico and his recent trip (June 1972) to Colombia in the course of his job as Vice-President, Sales, Military Armament Corp.

Mexico: Subject mentioned the trouble the Mexican Government is having with leftist guerrillas, particularly in two western states. He claimed the rebels were being trained in part by U.S. adventurers who claimed to be ex-ranger, airborne, Marine or Special Forces types, many with Vietnam experience. The Americans were training the rebels in return for money and marijuana and a piece of the drug smuggling action. The Americans operated under the nom de guerre "Force Seven". This same "Force Seven" claimed to have connections and affiliations in Guatemala. Subject claimed even to have participated in a small firefight with the Mexican Army and the Judicial Police against the guerrillas in an effort to prove the worth of his particular military products.

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Colombia: Subject mentioned Colombia's increasing alarm with the problems of drug trafficking within the country. While in Colombia he claimed to have stayed in the house of his family friend MG Jaime DURAN Pombo, Chief of Staff of the Colombian Army.

2. The entire conversation was kept on the level of buddies swapping war stories. Subject, however, swore to the veracity of his statements. I mentioned that the State Department was currently interested in the problems of drug trafficking in Latin America and maybe there would be some interest in pursuing the matter further. I also indicated I would ask my superiors at the State Department if they had ever heard anything about the existence of a "Force Seven" or anything of the curious admixture of U.S. adventurers, drug smuggling, and leftist guerrilla movements in Mexico.

3. On Monday, 3 July 1972, I coordinated with the following people at Headquarters:

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 [Robert Brugger] Acting Desk Chief, Colombia
 Richard Wheeler and John Murray, Branch 1, Mexico
⁰³ [Robert Weicha] C/WI/PI
⁰³ [Drake Reid] WI/NARC

Their collective suggestions and instructions were:

a. Go slow on efforts to elicit information so not to arouse suspicions of Agency involvement.

b. Find out any information regarding the Colombian Army's E battalion, U.S. citizen's involvement in drug trafficking in Latin America (names, dates, and places), Cuban involvement in cocaine traffic, and any ties between leftist guerrillas and drug smuggling.

c. Write a memorandum and Subject evaluation (where he works, where he goes, who he meets, and an assessment of recruitability).

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