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DIRECTORATE OF INTELLIGENCE

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Pinochet's Role in the Letelier Assassination and Subsequent Coverup

Summary

A review of our files on the Letelier assassination has provided what we regard as convincing evidence that President Pinochet personally ordered his intelligence chief to carry out the murder. These files also make clear that when the subsequent investigation by US authorities established that senior Chilean military and intelligence officers were responsible, Pinochet decided to stonewall on the case to hide his involvement and, ultimately, to protect his hold on the presidency. As the result of the recently revived US interest in the case, Pinochet is now seeking new ways to contain the potential threat to his political survival in the face of armed forces pressure to clear up the Letelier affair. In our view, however, none of the several options he apparently has considered--ordering a Chilean court trial for the culprits in the murder, blaming another Army officer for the coverup, or even the elimination of his former intelligence chief--is likely to protect Pinochet from any further embarrassing revelations that ensue. Moreover, they will be unable to satisfy the military's concern that Pinochet take effective steps to repair the damage already done to the armed forces' reputation.



\* \* \*

This typescript was prepared by [redacted] South American Division, Office of African and Latin American Analysis. It was coordinated with the Directorate of Operations. This typescript was requested by Mr. Robert Gelbard, Deputy Assistant Secretary, Department of State. Comments and queries are welcome and may be directed to the Chief, South America Division, ALA, on [redacted]

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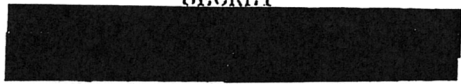
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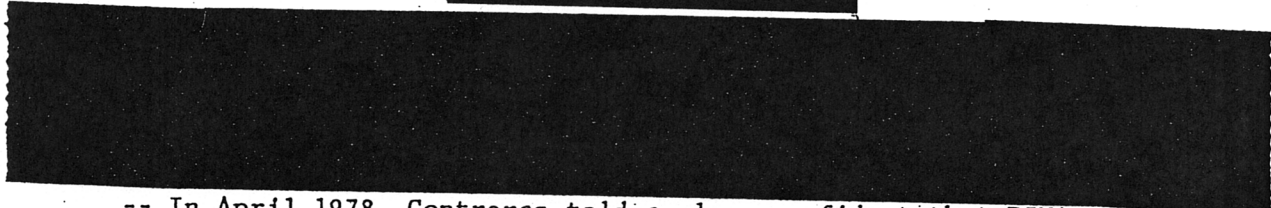
[REDACTED]

Recent revelations by Army Major Armando Fernandez Larios that senior Chilean military officers planned the assassination of former Foreign Minister Orlando Letelier in Washington in September 1976 have caused an uproar in Chile and revived speculation that President Pinochet himself ordered the killing. In his formal statement to a US court in February 1987, Fernandez Larios claimed that Pinochet tried to cover up the extent of Chilean government involvement in the assassination during an investigation conducted by the Chilean military in the mid-1970s and personally forbade him to leave the country. Fernandez Larios admitted, however, that he did not know if Pinochet was involved in planning the killing. [REDACTED]

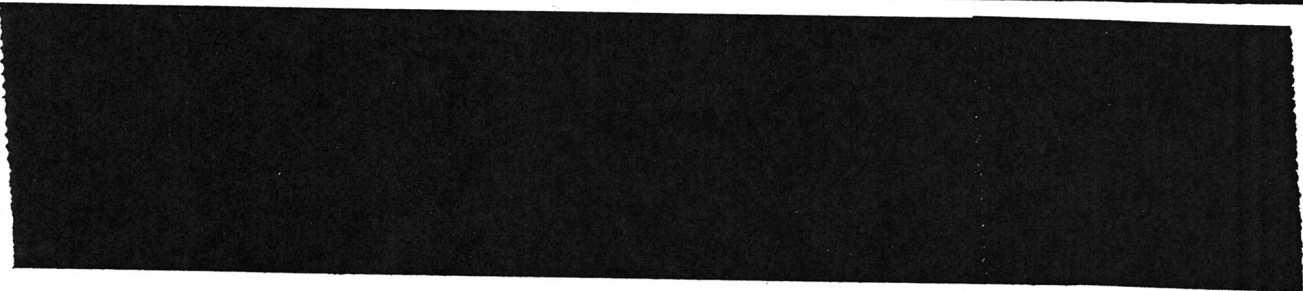
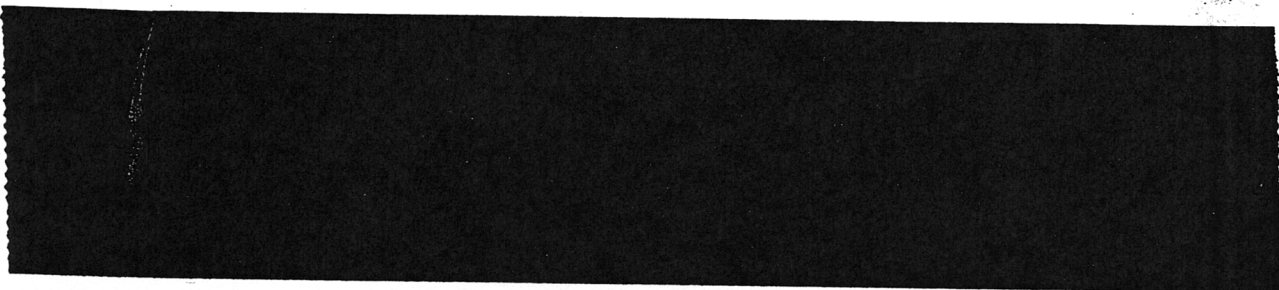
To our knowledge, no credible reporting concerning Pinochet's role in the Letelier affair became available before mid-1978, when the US investigation was nearing completion and Chilean officials realized that Washington would indict three active duty officers and request their extradition to the US. In June 1978, the senior US intelligence officer in Santiago submitted a special appraisal of the Chilean government's strategy on the Letelier case. He reported that Pinochet moved quickly to limit the damage from the confession by Michael Townley--a dual citizen whom Santiago expelled to the US in response to charges by the Justice Department that he was one of the assassins--that put the onus for the crime directly on former Chilean intelligence (DINA) chief, retired Army General Manuel Contreras. According to the senior intelligence officer, Pinochet was determined to protect Contreras from prosecution for Letelier's murder because he knew that his own political survival depended on Contreras' fate. Therefore, the President decided to stonewall on all further US requests that might have helped solidify the case against Contreras and others implicated in Letelier's murder. He also made plans to ensure that the Chilean Supreme Court would reject requests for the extradition of Chileans in response to anticipated indictments in a US court. [REDACTED]

[REDACTED]

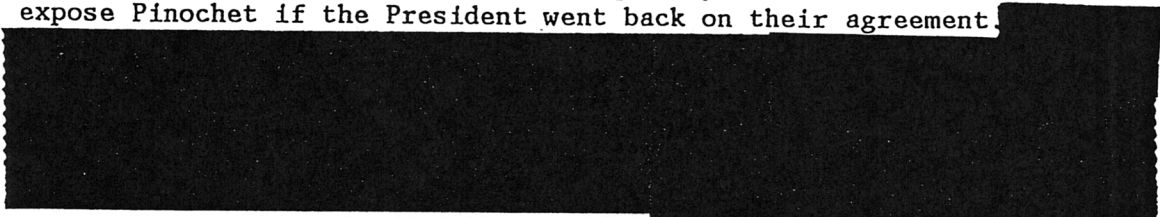
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- In April 1978, Contreras told a close confidant that DINA was responsible for the assassination of Letelier, that he had authorized the killing on direct orders from Pinochet, and that he had admitted as much to Orozco.
- During the same month, Orozco stated that Pinochet had learned that Contreras had given a close friend a briefcase with very sensitive documents placing responsibility for the assassination on the President, with instructions to make them public if anything happened to Contreras.



- In August 1978, Pinochet met with the President of the Chilean Supreme Court--whom he had appointed in May in order to lessen chances that the Court might find legal cause for the extradition of officers implicated in the killing--to urge him not to extradite Contreras. Pinochet stated that he had promised the Army's generals that Contreras would not be extradited because of the negative impact on the Army's reputation. The Court President promised Pinochet that he would do everything possible to see that the Court complied with his request.
- Over time, Contreras became increasingly anxious about whether Pinochet in the end might bow to US pressure and either extradite him or have him tried in Chile. He consequently renewed his threats to expose Pinochet if the President went back on their agreement.



[REDACTED]

[REDACTED]

-- In late 1979, a draft of the Chilean Supreme Court decision denying Washington's request for the extradition of Contreras, Espinoza and Fernandez Larios was shown to Pinochet. The President insisted that it be toughened to exclude any possibility that the extradition case could be revived. The language was changed to comply with Pinochet's order.

[REDACTED]

Recent Developments in the Case

Following the denial of the US extradition request, the Letelier case quickly slipped into the background in Chile, and, [REDACTED] most military officers were pleased with the way it was handled and that military's reputation emerged relatively intact from the affair. Even Contreras seemed to relax, as his fears dissipated that Pinochet might turn against him, and, according to generally reliable sources, over the years he and the President resumed their formerly close relationship.

[REDACTED]

Attitudes again changed following the revival of the Letelier case resulting from Fernandez Larios' revelations in the US in early 1987.

[REDACTED]

[REDACTED] senior military officers--concerned about damage to the reputation of the Army as the result of Fernandez Larios' revelations--are pressing Pinochet to clear up the Letelier case.

[REDACTED]

[REDACTED] most military officers at first believed that the President had no prior knowledge of the Letelier killing. [REDACTED] soon after Fernandez Larios made his statements before a US court the armed forces were subjected to a vigorous

[REDACTED]

presidentially inspired campaign to denigrate the Major--branding him a deserter--and-portray the whole affair as an effort by Washington to destabilize the Pinochet government.

As a consequence of this campaign, [redacted] officers in all of the services have closed ranks behind their commanders and Pinochet and have become very guarded about commenting on the case. Nevertheless, [redacted] the government's campaign has not overcome the conviction of at least some officers that the Letelier assassination probably was planned and approved by the highest levels of the Chilean military. Moreover, an untested source reports that as of late April Army field grade officers thought that Fernandez Larios' revelations could affect Pinochet's support among middle grade officers and that many officers have become "privately skeptical" about Pinochet's role in the assassination of Letelier--which we believe means they now suspect he ordered the murder. In addition, we believe that despite the government campaign to blacken Fernandez Larios' reputation, many military officers are still seriously concerned about his revelations and their negative implications for the armed forces' reputation. We also believe that reporting to date provides only glimpses of how seriously they view this matter and of what they are prepared to do about it.

Consequently, we judge that Pinochet [redacted] --is worried that his standing with the Army might be damaged if he merely stonewalls on the case while continuing to criticize Fernandez Larios and the US Government. At the same time, we believe that he is in a quandary over what steps would satisfy the military's concern because, above all, he fears that former DINA operations chief Colonel Espinoza, General Orozco, and especially General Contreras, would reveal his role in the murder if he moved against them. Although we have no reports that Contreras has made new threats to expose Pinochet's role in the murder, we believe that Pinochet may be seeking to protect himself at all costs, possibly even by eliminating Contreras.

Outlook

Interest in the Letelier case in Chile is unlikely to dissipate soon, and Pinochet clearly knows this. He is probably very concerned about possible new damaging revelations on the case or actions by Washington that would cause further embarrassment for him with the Chilean military. Nevertheless, in our view, Pinochet has little recourse but to continue stonewalling in order to



avoid having his role in the Letelier killing exposed and, at most, he probably hopes thereby to be able to avoid a serious erosion of his support with the military. On the other hand, he is almost certainly realistic enough to know that he might eventually be forced to take concrete actions on the case--such as permitting a real court trial in Chile of one or more of the culprits, which he would try to drag out indefinitely--if military pressure on him continues to mount.

