

Letelier Murder Suspect Shifted \$25,000 From D.C. Bank

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Former Chilean secret police chief Manuel Contreras Sepulveda secretly ordered the withdrawal of \$25,000 from his D.C. bank account last December while he supposedly was under arrest at a Chilean military hospital on charges of directing the bombing-murder here of former Chilean ambassador Orlando Letelier, according to federal law enforcement sources.

The money has since been traced to a Chilean airline employe in Miami. FBI investigators believe it may have been used to pay for the defense of three Cuban-Americans who were convicted of the Letelier assassination last January, sources said.

FBI investigators said \$20,000 of the

cash was laundered for Contreras through a New York investment firm at the request of a Chilean company. Law enforcement authorities said it appears that the transaction violated Chilean banking laws and U.S. customs regulations, and that it still is under investigation.

The Chilean Supreme Court last week refused to order the extradition of Contreras and two other former Chilean secret police officers so they could stand trial for Letelier's murder, saying the U.S. evidence against the three men was insufficient under Chilean law. The action freed the three men and ended the case in Chile.

The Contreras account in Riggs National Bank became known publicly here yesterday after attorneys for

Letelier's widow in a civil lawsuit against Chilean officials filed notice with the bank that it would attempt to attach the remaining balance — said to be about \$2,000.

Federal sources confirmed the existence of the bank account and said they had determined that a \$25,000 check signed by Contreras was cashed against the account last December by a Chilean go-between who conducted the banking transaction for Contreras.

The account was opened by Contreras several years ago when he was stationed in Washington, sources said, and had been used intermittently since that time.

However, it was learned that last December, Contreras began a string of transactions that resulted in the placing of an additional \$20,000 in the

account. FBI investigators found that he got a company in Chile to covertly transfer \$20,000 on his behalf to a large legitimate investment firm in New York, and that the investment firm then transferred the money to Contreras' personal account here, sources said.

Later that month, an individual identified by federal sources only as "indirectly connected" with LAN-Chile, the government-owned Chilean airline, came here from Miami with a \$25,000 check signed by Contreras against that account.

After bank officials determined that Contreras' signature was genuine, they cashed the check, sources said. The individual who cashed the check then took the \$25,000 in cash to Miami and gave it to an employe of LAN-Chile there, sources continued.

The FBI has not been able to trace the money past that point, the sources added. But agents reportedly have been told that it was used to aid the accused Cuban-Americans.

At various times during the criminal trial of the three Cuban-Americans last January, government informants testified that the defendants had complained that the Chileans had not given them money promised for their help in killing Letelier.

For example, American-born Chilean secret police agent Michael V. Townley testified for the U.S. government that the Cuban-Americans had been promised \$25,000 in January 1978 to use in fleeing the country.

Although three Cuban-American members of the Cuban Nationalist Movement were found guilty in the criminal trial here last January, two

others remain at large. FBI agents are continuing to search for Virgilio Paz Romero and Jose Sparez Dionisio Esquivel.

Letelier was killed on Sept. 21, 1976, when a bomb placed under his car exploded as he drove around Sheridan Circle NW. An associate of his at the Institute for Policy Studies, Ronni K. Moffitt, also was murdered in the blast that shattered Letelier's car.

Attorneys for Letelier's widow and for Moffitt's widower wrote to the top Riggs executive officer yesterday that they intend to make an "adverse claim" on money still in the bank in Contreras' name. According to the indictment returned in the United States, Contreras ordered Townley and the Cuban-Americans to kill Letelier.