

Extradition Deal for Chilean Bomb-Murder Suspect Said Rejected by the U.S.

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A Chilean secret police agent, who was charged in the Washington bombing murder of former Chilean ambassador Orlando Letelier, covertly offered to provide information against his superiors last spring if the United States would drop extradition proceedings against him, according to U.S. law enforcement authorities.

The agent, Capt. Armando Fernandez Larios, made the offer through an intermediary who reportedly guaranteed that the two superiors, including Chilean secret police chief Manuel Contreras Sepulveda, would be extradited by a Chilean court if the offer was accepted.

Federal authorities said they reject-

ed the offer because Fernandez would only testify that he had been sent to Washington to "surveil and harass" Letelier and knew nothing about plans to murder him. Such testimony would be untrue, authorities said, and would directly contradict the government's chief witness in the case, Michael Vernon Townley, an American-born agent of the Chilean secret police formerly known as DINA.

Fernandez, Contreras, and DINA operations director Pedro Espinoza Bravo were indicted by a federal grand jury here for their alleged roles in the Letelier murder. Two weeks ago, a Chilean court ordered them freed after refusing an American request for their extradition.

Fernandez' offer of cooperation was

viewed at the time by U.S. authorities as an attempt by Chilean President Augustus Pinochet to work out a compromise solution to the problem of extradition while the proceedings were pending before the courts there, sources said.

The intermediary, identified by federal authorities as former Pinochet press secretary Federico Willoughby, denied he was working as a government middleman and asked the U.S. authorities to keep his contacts here a secret. He told them he was trying to help Fernandez, his former bodyguard, and attempting as a private citizen to prevent further deterioration of relations between the United States and Chile.

U.S. authorities said Willoughby's

assurances of favorable Chilean court actions and other comments belied his statements that he was acting solely as a private citizen.

Assistant U.S. Attorney E. Lawrence Barcella confirmed yesterday that discussions were held with Fernandez during a series of three secret contacts in March and April.

He said the offer of cooperation by Fernandez was rejected because federal authorities here could not "negotiate over the truth."

Barcella said two of those meetings occurred at the Embassy Row Hotel here, and the third was held in his office at the U.S. Courthouse. For the last meeting, Willoughby brought along Fernandez's brother Arturo from Chile. They met briefly with

Townley as well as with Barcella, then Assistant U.S. Attorney Eugene M. Propper, FBI agent Carter Cornick, and FBI agent Robert Scherrer, Barcella said.

Willoughby said that if the extradition proceedings against Fernandez would be dropped, Fernandez would change an untrue previous statement he made to a Chilean court about his DINA activities. He said Fernandez would also testify that he and Townley were under direct orders from Contreras and Espinoza to travel to the United States "for the purpose of surveilling and harassing" Letelier, authorities said.

Willoughby said Fernandez would confirm also that he had met Townley at a New York airport and turned over to him surveillance reports on Letelier, authorities said.

Willoughby told U.S. law enforcement officials that Chilean military officers were especially concerned about the possible disruptive effect of the charges against Fernandez, a third-generation military officer, because of the Chilean tradition that military officers cannot be punished for merely following orders.

Barcella said the U.S. authorities told Willoughby that the discussions could continue only if Fernandez told the "complete truth." He said Willoughby and Arturo Fernandez talked directly with Townley, who told the

Chileans that the same arrangement had been made for his testimony.

One participant in the decision to reject Fernandez's offer, who asked not to be named, said it appeared that Pinochet was "looking for a workable solution" that would allow Chile to save face worldwide by turning over accused terrorists while preserving the impression of an independent judiciary.

"Willoughby would not have made this approach without the approval of Pinochet," that source said. He pointed out that Fernandez had worked directly for Pinochet and Contreras prior to the overthrow of then-Chilean president Salvador Allende in 1973.

Letelier and Ronni K. Moffitt, an associate at the Institute for Policy Studies here, were killed on Sept. 21, 1976, when a bomb exploded under Letelier's car as they drove around Sheridan Circle NW.

Moffitt's husband, Michael Moffitt, said yesterday that he had been "convinced that Pinochet would be willing to make a deal" to turn over Contreras and indicated he felt that U.S. authorities should have pursued the matter further.

The State Department has tentatively decided to cut off U.S. aid to Chile in retaliation for the Chilean court's refusal to extradite the three DINA officers.