Page 1
BUENOS AIRES 3052 01 OF 02 2522372
ACTION APA-10

TRANSLATION

ASST. NSAE-01 HAE-05 PA-01 PKS-01
SF-59 SA-15 1069 W

S 2522457 APR 77

TO: AMBASSADOR BUENOS AIRES

FRO: STATE WASH DC PRIORITY 2204

SECTION 1 OF 2 BUENOS AIRES 3052

FIL: 114502 GDS-2

T468: PIUS SHUN FLAB AR

SUBJECT: GRAWER/THOMPSON INVESTIGATION AND RELATED

REF: BUENOS AIRES 2949

4. WHILE A MORE CONCLUSIVE JUDGMENT MUST WAIT A DETAILED PRELIMINARY
   EVIDENCE THE GOA HAS DEVELOPED IN THE GRAIVER CASE,
   WE FIND IT SIGNIFICANT THAT INQUIRIES BY THE EMBASSY LEGATT
   INVARIABLY HAVE ELICITED RESPONSES FROM US SOURCES IN ARMY
   INTELLIGENCE (ARMY INTELLIGENCE BATTALION SIE), BUENOS
   AIRES PROVINCIAL POLICE, AND FEDERAL POLICE THAT THEY HAVE UNCOVERED
   NO FACTOR INFORMATION TO SUPPORT THESIS THAT MONTONEPOS
   "FUNDED" THEIR FUNDS THROUGH GRAIVER FINANCIAL INSTITUTIONS
   OF ANY
   OTHER FINANCIAL LINKS TO GRAIVER.

5. LA RAZON OF APR 10 REPORTED THE INVESTIGATION HAD REVEALED
   THAT, IN ORDER TO REINFORCE THEIR ATTEMPT TO ENSURE THAT DAVID
   GRAIVER WOULD DO THEIR BIDDING, THE MONTONEPOS KIDNAPPED HIS
   WIFE AND TERRORIZED HER (FOR RANSOM) ON ONE OCCASION AND ATTEMPTED TO
   USE GRAIVER'S ENSAYO COMERCIAL DE LA PLATA ON ANOTHER OCCASION.
   ACCORDING TO LEGATT.. INFORMATIONS, THE KIDNAPPING REPORT IS PROBABLY A
   REFERENCE TO A SUCCESSFUL EXPULSION PERPETRATED IN 1972 NOT
   BY MONTONEPOS BUT BY BUENOS AIRES PROVINCIAL POLICEMEN IN WHO

ARGENTINA PROJECT (5200000044)
U.S. DEPT. OF STATE, A/RPS/IPS
Margaret P. Graef, Director

( ) Release ( ) Excise ( ) Deny
Exemption(s):

Declassify: ( ) In Part ( ) In Full
( ) Classify as ( ) Extend as ( ) Downgrade to

Date 1/28/19 Declassify on ( ) reason ( )
PURSUING AS MONTONEROS AND WITH THE APPROVAL OF THE GOVERNOR
AT THE TIME, OBTAINED $890,000 IN EXCHANGE FOR FREEZING SiDORO.

3. LACASER OF APR 19 REPORTED THE ASSERTION APPEARING A DAY
EARLIER IN "LA NUEVA PROVINCIA" OF BAHIA BLANCA THAT, FOLLOWING
PAYMENT BY THE BORN FAMILY (OF THE BUNGE AND BORN COMBING) INTO
A SWISS BANK ACCOUNT FOR THE RANSOM OF JUAN AND JURGE BORN IN
SEPTEMBER 1974, FORMER PFROINIST ECONOMY MINISTER JOSE BORN IN
SEPTEMBER 1974, FORMER PFROINIST ECONOMY MINISTER JOSE REP GELBAND
AND DAVID GRAVER MET WITH MONTONERO LEADER ROBERTO QUIETO IN
BUENOS AIRES AND ALLEGEDLY PUT THE FINAL TOUCHES TO A FINANCIAL
COMMITMENT BETWEEN THE MONTONEROS AND "THE GELBAND-GRAVER
GROUP." WE UNDERSTAND, HOWEVER, THAT THE BULK OF THE $30-60
MILLION RANSOM REPORTEDLY PAID FOR THE BORN BROTHERS WAS EFFECTED
BY BANK TRANSFERS IN EUROPE AND DID NOT HAVE TO BE "LAUNDERED"
OUT OF ARGENTINA THROUGH AN ARGENTINE BANK. MOREOVER, QUIETO
ROBERTO QUIETO IN BUENOS AIRES AND ALLEGEDLY PUT THE FINAL TOUCHES
TO A FINANCIAL COMMITMENT BETWEEN THE MONTONEROS AND "THE GELBAND-
GRAVER GROUP." WE UNDERSTAND, HOWEVER, THAT THE BULK OF
THE $30-60 MILLION RANSOM REPORTEDLY PAID FOR THE BORN BROTHERS
WAS EFFECTED BY BANK TRANSFERS IN EUROPE AND DID NOT HAVE TO BE
"LAUNDERED" OUT OF ARGENTINA THROUGH AN ARGENTINE BANK. MOREOVER,
QUIETO QUIETO, WHO HAS BEEN COOPERATING FULLY WITH ARGENTINE
AUTHORITIES SINCE HIS DETENTION IN DECEMBER 1975, TOLD HIS CAPTORS
THAT THE MONTONEROS MAINTAINED A SWISS BANK ACCOUNT CONTAINING
$150 MILLION, WITH ANOTHER $50 MILLION DISTRIBUTED THROUGHOUT
ARGENTINA, AT NO TIME HAS QUIETO, WHOSE LIFE HAS BEEN SPARED
BECAUSE OF HIS COOPERATION, STATED THAT ANY OF THIS MONEY WAS
"LAUNDERED" THROUGH GRAVER BANKS.
5. As for La Opinion Publisher Jacobo Timmerman's connections to David Graiver, the local press and unsigned pamphlets circulating in recent weeks have made the assertion that Graiver had controlling interest in La Opinion Enterprises—the implication being that the newspaper was controlled by the Montoneros' financial agents. Actually, there are two companies involved in La Opinion: Gustavo S.R.L. owns the print shop and ALTA S.A. has title to the newspaper. According to one version, ex-President Cardoso has a part interest in these enterprises and the missing Fernando Sañon, manager of the print shop, represented Lanusse in the venture (thus allegedly implicating Lanusse with Graiver as well). On April 19 editorial Olta S.A., issued a notice signed by its vice president, Hector Timmerman (Jacobo's son), stating that from its inception an absolute majority of Alta's shares have been owned by its founders and have the power of decision in the enterprises.
AND THAT THE "GRAIVER GROUP" HAS NEVER HAD ANY SHARES IN THE ENTERPRISE, FORMED PART OF THE BOARD, NOR PARTICIPATED IN THE OWNERSHIP IN ANY WAY. THE NOTE MADE NO MENTION OF GUSTAVO B. R. L. HOWEVER, LEGATT'S INFORMATION IS THAT WHILE GRAIVER'S BANCO DE LA PLATA GUARANTEED A LOAN TO THE PRINT SHOP, THE LOAN WAS FROM ANOTHER UNIDENTIFIED SOURCE.
A. On April 22, Jacobo Timerman's name appeared on a list released by the Interior Ministry of 185 persons who have been arrested since April 6 and are being held at the disposition of the pen (Executive Power). Timerman was the only person on the list whose arrest was attributed to "economic crimes." Alone, eighty-nine persons on the list are accused of "economic crimes in connivance with subversion," and 16 are charged simply with "subversion." Previously, the Army's I Corps, in answering a habeas corpus request, had stated that Timerman was being held under law 21,460, which is the National Security Law pertaining to subversive crimes. The change in the legal justification for holding Timerman suggests that the Army is unable to make the charge of subversion stick and may be falling back to the less serious accusation circulating against Timerman in recent weeks that he, like hundreds or probably thousands of his countrymen, has illegal dollar accounts abroad. The particular charge against Timerman seems to be that he, along with other prominent Argentine newspaper, trade union leaders, Peronists, and others, including commentator Bernardo Neustadt, Edgaro Sajon, ex-Congress President Casildo Herreras, and ex-provisional president of the Senate Italo Ludov, got their money out through the Graiver ranks. Military authorities may argue that it was legitimate to haul in Timerman in order to check out further his connections with Graiver and, presumably having failed to prove any subversive link, to continue holding him on the basis...

7. THE APRIL 24 ISSUE OF LA NUEVA PROVINCIA CHARGED THAT THE PRINCIPAL INVESTORS IN GRAIVER'S LA PLATA BANK WERE FORMER PRESIDENT JUAN PERON, HIS WIFE ISABEL, HERRERAS, AUTOMOBILE UNION (SMATA) LEADER JOSE RODRIGUEZ, SAIJON, EX-PRESIDENT LANUSSE'S TWO SONS AND OTHERS. THE ARGENTINE GOVERNMENT RECENTLY ASKED INTERPOL TO LOCATE AND ARREST HERRERAS FOR ALLEGEDLY DEFRAUDING THE CGT OF LARGE AMOUNTS OF TRAVEL AND OTHER OFFICIAL MONIES.

IN A RELATED DEVELOPMENT, SIX PERSONS IMPLICATED IN THE GRAIVER CASE AND WHO RECENTLY WERE INCLUDED IN THE ACT OF INSTITUTIONAL RESPONSIBILITY HAVE HAD THEIR BANK ACCOUNTS FROZEN BY THE CENTRAL BANK.

A. LA OPINION'S SUBDIRECTOR ENRIQUE JARA WAS RELEASED APR 23 WITHOUT CHARGES.

9. NOTWITHSTANDING THE PROMISES TO CARRY OUT THE CURRENT INVESTIGATION "TO ITS ULTIMATE CONSEQUENCES," IT HAS BEEN REPORTED THAT THE ARMY HAS REJECTED GENERAL VILAS' REQUEST TO CONVENE A SPECIAL MILITARY COURT OF HONOR TO REVIEW EX-PRESIDENT LANUSSE'S STATEMENTS IN CONNECTION WITH THE DISAPPEARANCE OF HIS FORMER CIVILIAN AIDE EDDARDO SAJON. ACCORDING TO OUR INFORMATION, LANUSSE QUIETLY LET IT BE KNOWN TO PRESIDENT VIDELA THAT IF HE WERE MADE TO STAND TRIAL HE WOULD BE COMPELLED TO REVEAL HIS FILES IMPLICATING HIGH-RANKING ARGENTINE MILITARY OFFICERS IN CROOKED FINANCIAL SCHEMES INCLUDING THE "FAMOUS MTV SCANDAL INVOLVING ADMIRAL GNAVI AND OTHERS."