

1 (b)(7)(C) Okay. I'm sorry, I don't have
 2 that --
 3 (b)(7)(C) This particular line of questions,
 4 I'm okay with what we've got.
 5 (b)(7)(C) Okay.
 6 THE WITNESS: Okay. And I continued this process.
 7 Most of the questions were clarified. We understood, and we
 8 got some, you know, additional information.
 9 BY (b)(7)(C)
 10 Q Now, just so I'm clear, all of what you're sending
 11 summaries of, are these all sensitive, so-called sensitive
 12 payments?
 13 A Yes.
 14 Q That's it?
 15 A That's it. That's it. And, as a result of this
 16 exercise, I found out that there was -- it was too painful to
 17 do it, within the process.
 18 I said, "There is no way that we can keep doing
 19 this in this way." And I implemented a procedure, sometime
 20 in '95. I wanted to have a better understanding on how those
 21 payments were supposed to be done.
 22 (b)(7)(C) I was not comfortable
 23 with payments done to different groups, and I said: "How do
 24 I feel those payments are really going to those groups? I
 25 mean, how can I audit? I cannot ask them a receipt."

1 Correct? And I had this -- this concern.
 2 (b)(7)(C) for if you want to stay there.
 3 (b)(7)(C) You could, but you wouldn't be
 4 here right now.
 5 THE WITNESS: And I raised this problem to (b)(7)(C)
 6 (b)(7)(C) and he suggested to me to put together a procedure in
 7 how those payments were supposed to be done.
 8 I put together a one-sheet summary, or two, I don't
 9 recall, sometime in '95, probably second quarter of '95 or
 10 third quarter, sometime between, that was addressed to (b)(7)(C)
 11 (b)(7)(C) with copy to (b)(7)(C)
 12 (b)(7)(C) describing how the
 13 sensitive payments are supposed to be treated in Colombia.
 14 The memo was very simple. I said: "We want to
 15 open two accounts in Colombia."
 16 BY (b)(7)(C)
 17 Q You said?
 18 A "We are going to create -- we are going to create
 19 two accounts" --
 20 Q Two accounts.
 21 A -- in the general ledger."
 22 (b)(7)(C) This is in your memorandum --
 23 THE WITNESS: Yes --
 24 (b)(7)(C) -- to (b)(7)(C)
 25 THE WITNESS: To (b)(7)(C) correct. "We are

1 going to create those two accounts. One of the accounts is
 2 going to be only to register payments to the guerrillas."
 3 BY (b)(7)(C)
 4 Q To register?
 5 A Yes, payments done to the guerrillas, and the other
 6 account was for payments done to the government, meaning
 7 army, police in Colombia.
 8 The memo said clearly that the only person who has
 9 the power to authorize this kind of payment is the general
 10 manager (b)(7)(C) in this case.
 11 Prior to this memo, I was able to identify payments
 12 done of this nature that were authorized by other people in
 13 the organization, because they didn't have the matrix, the
 14 approval authorization, they didn't have anything in writing
 15 properly.
 16 Therefore, I found that it was a major exposure for
 17 the company, and I put together this one-sheet summary saying
 18 how it's supposed to be treated. Has to be done with the
 19 approval of the general manager. The 1016s have to be signed
 20 by him, and I will sign, as well, the 1016s to proceed the
 21 payment, to proceed the payment.
 22 It was requested by (b)(7)(C) to do it this way,
 23 mainly because he didn't want to have this kind of 1016 going
 24 through the normal accounting process, where a lot of people,
 25 you know, are going to get a copy and read, and create a

1 speculation in the company why those payments were done.
 2 His intention was one, to centralize the
 3 responsibility in one man, the general manager, and secondly,
 4 with my signature, this is supposed to, you know, speed up
 5 the process, rather than going -- when we do a normal payment
 6 for purchase of materials, usually the purchase takes a week
 7 or sometimes two weeks, because we are trying to pay less for
 8 cash flow purposes, and it's going to go from one desk to the
 9 other one, it's going to go to -- we have so many legal
 10 entities. Therefore, we have a person in charge of a legal
 11 entity who will receive the document, pass to the next. It
 12 was a two-week process. And we thought that it was not
 13 prudent to let those 1016s into the hands of a lot of people
 14 there.
 15 Q So before any payment can be made, the 1016 has to
 16 be signed off on?
 17 A Yes, by only one person in the company, the general
 18 manager.
 19 (b)(7)(C) Let me understand. You sent
 20 (b)(7)(C) a one-or-two-page memo, but this is really his policy?
 21 THE WITNESS: It's something I put together. I
 22 proposed to him, and he -- he gave me some -- some ideas
 23 about, you know, who, and he -- I specifically recall. I
 24 said, "What about (b)(7)(C) He said "No."
 25 The only person --



National Security Archive,
Suite 701, Gelman Library, The George Washington University,
2130 H Street, NW, Washington, D.C., 20037,
Phone: 202/994-7000, Fax: 202/994-7005, nsarchiv@gwu.edu