

Page 57

1 You're just speculating.

2 THE WITNESS: I'm assuming that he was using those

3 codes, because I read in the 1016s, "Gravel," or "Purchase of

4 wood," or things like that, that doesn't mean anything to me,

5 correct? It might be somebody else, probably the one who did

6 it that way. I'm assuming this.

7 In Colombia, we have a lot of guerilla groups. We

8 have not only guerilla groups. We have the anti-guerilla

9 groups, as well, and we have the army in between.

10 Therefore, the anti-guerilla groups were people

11 that the guerrillas killed a relative and they started

12 killing the guerrillas, therefore at the end, the guerrillas

13 were killing the army and the anti equal. It was really

14 -- it was really bad.

15 During my stay in Colombia, there was a day that

16 20-some people were killed, in one day, from one bus, and I

17 was in my office when people from Uraba called me and they

18 said, "What can we do?" Okay. I have a wife that carried

19 the body of her husband into the office to ask for money to

20 bury him.

21 I mean, there were situations where, I mean, things

22 that I hope not to live again. But after being exposed to

23 those horrible stories, I understood better if the money was

24 reaching the end or not.

25 Somebody in Cincinnati told me that -- I said to

Page 58

1 him: "How can I audit this?" And he said: "If nobody is

2 killed, it's because the money is reaching the end. That's

3 the only way to say that the money is there."

4 Because I always had this concern, (b)(7)(C)

5 (b)(7)(C) I was very tight with expenses. I was, you know,

6 concerned a lot. That was a major area of expenditure. I

7 recall we reached, you know, six figures in dollars once.

8 Q U.S. dollars?

9 A U.S. dollars.

10 Q Before you came and started implementing this new

11 procedure, was there anywhere in the books or records that

12 reflected that these payments were being made to, to

13 guerrillas? Was there something that would identify them as

14 payments to guerrillas or to the military?

15 A Yes. In one of the accounts in the general ledger,

16 I don't recall which account, or how it was treated, but

17 there was a way that the prior controller was able to get

18 this information.

19 Apparently, the information was not consistent to

20 Cincinnati. That's why Cincinnati asked me to reconstruct

21 everything from the past and see if what the person prior to

22 me was reporting was accurate or complete. That's why I

23 started this project.

24 The only person who -- the person who did this

25 project for me was (b)(7)(C)

Page 59

1 BY (b)(7)(C)

2 Q I'm a little bit confused, because -- I want to

3 make sure I understand what you're saying -- I thought you

4 said that the general ledger had had cryptic descriptions

5 that didn't mean anything to you, and now I just thought I

6 heard you say that the general ledger actually had statements

7 that these were payments to guerrillas.

8 A No. There is a confusion, definitely, there.

9 Q Okay.

10 A The general ledger had an account called, probably

11 prior to my arrival, "General Manager's Expense."

12 (b)(7)(C) Do you know that, or --

13 THE WITNESS: I don't recall. That's what I'm

14 assuming. Okay?

15 (b)(7)(C) It's important, when you testify,

16 to state on the record what you're assuming --

17 THE WITNESS: Okay.

18 (b)(7)(C) -- and what you know

19 specifically, what you've seen, or what someone told you,

20 because they don't know what's in your mind.

21 THE WITNESS: As I said before, I don't know how

22 they were booking, but I'm assuming that they had an account

23 in the general ledger, probably called "General Manager's

24 Expense," to book every single sensitive payment.

25 The description was in the 1016. When they did the

Page 60

1 1016, to justify the expenditure, they would put different

2 concepts.

3 BY (b)(7)(C)

4 Q Well, I mean, did they put "Payment to this

5 guerilla group?"

6 A No, never.

7 Q Okay.

8 A They never did that.

9 Q Because what we're trying to understand is if

10 somebody came in, like you, who didn't know whatever they had

11 set up, how would you find, how would you know what the

12 payments were that were made to the guerrillas, based on

13 their books and records?

14 A I'm assuming, because the general manager's

15 account, that account was created by Cincinnati to book those

16 kind of payments. Therefore, whoever, who knows the

17 procedures or policies from Cincinnati will go into this

18 general manager's account that is utilized around the world,

19 to know what is there.

20 That is, it doesn't have the -- it doesn't give the

21 option to each subsidiary to really own, okay. In my case,

22 because the whole, you know, nightmare I had with the lack of

23 good understanding, because the synergies, everything, I

24 asked authorization to perform an audit, to creating two

25 accounts, to have a good control of each type of expenditure.



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