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War on drugs has unequal impact on black Americans

Contra case illustrates the discrepancy: Nicaraguan goes free; L.A. dealer faces life

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FOR THE LAST YEAR and a half, the U.S. Department of Justice has been trying to explain why nearly everyone convicted in California's federal courts of "crack" cocaine trafficking is black.

Critics, who include some federal court judges, say it looks like the Justice Department is targeting crack dealers by race, which would be a violation of the U.S. Constitution.

Federal prosecutors, however, say there's a simple, if unpleasant, reason for the lopsided statistics: Most crack dealers are black.

"Socio-economic factors led certain ethnic and racial groups to be particularly involved with the distribution of certain drugs," the Justice Department argued in a case in Los Angeles last year, "and blacks were particularly involved in the Los Angeles area crack trade."

But why -- of all the ethnic and racial groups in California to pick from -- crack planted its deadly roots in L.A.'s black neighborhoods is something only Oscar Danilo Blandon Reyes can say for sure.

Danilo Blandon, a yearlong Mercury News investigation found, is the Johnny Appleseed of crack in California -- the Crips' and Bloods' first direct-connect to the cocaine cartels of Colombia. The tons of cut-rate cocaine he brought into black L.A. during the 1980s and early 1990s became millions of rocks of crack, which spawned new crack markets wherever they landed.

On a tape made by the Drug Enforcement Administration in July 1990, Blandon casually explained the flood of cocaine that coursed through the streets of South-Central Los Angeles during the previous decade.

"[These people have been working with me 10 years](#)," Blandon said. "I've sold them about 2,000 or 4,000 (kilos). I don't know. I don't remember how many."

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Tales to DEA of gun running, drug trafficking fall on deaf ears



"It ain't that Japanese guy you were talking about, is it?" asked DEA informant John Arman, who was wearing a hidden transmitter.

"No, it's not him," Blandon insisted. "[These ... these are the black people.](#)"

Arman gasped. "Black?!"

"Yeah," Blandon said. "They control L.A. The people (black cocaine dealers) that control L.A."

U.S. has paid Blandon more than \$166,000

But unlike the thousands of young blacks now serving long federal prison sentences for selling mere handfuls of the drug, Blandon is a free man today. He has a spacious new home in Nicaragua and a business exporting precious woods, courtesy of the U.S. government, which has paid him more than \$166,000 over the past 18 months, [records show](#) -- for his help in the war on drugs.

That turn of events both amuses and angers "Freeway Rick" Ross, L.A.'s premier crack wholesaler during much of the 1980s and Danilo Blandon's biggest customer.

"They say I sold dope everywhere but, man, I know he done sold 10 times more dope than me," Ross said with a laugh during a recent interview.

Nothing epitomizes the drug war's uneven impact on black Americans more clearly than the intertwined lives of Ricky Donnell Ross, a high school dropout, and his suave cocaine supplier, Danilo Blandon, who has a master's degree in marketing and was one of the top civilian leaders in California of an anti-communist guerrilla army formed by the U.S. Central Intelligence Agency. Called the Fuerza Democratica Nicaraguense (FDN), it became known to most Americans as the Contras.

In recent court testimony, Blandon, who began dealing cocaine in South-Central L.A. in 1982, swore that the first kilo of cocaine he sold in California was to [raise money for the CIA's army](#), which was trying on a shoestring to unseat Nicaragua's new socialist Sandinista government.

After Blandon crossed paths with Ross, a South-Central teen-ager who had the gang connections and street smarts necessary to move the army's cocaine, a veritable blizzard engulfed the ghettos.

Former Los Angeles Police narcotics detective Stephen W. Polak said he was working the streets of South-Central in the mid-1980s when he and his partners began seeing more cocaine than ever before.

"A lot of detectives, a lot of cops, were saying, hey, these blacks, no longer are we just seeing gram dealers. These guys are doing ounces; they were doing keys," Polak recalled. But he said the reports were pooh-poohed by higher-ups who couldn't believe black neighborhoods could afford the amount of cocaine the street cops claimed to be seeing.

[1990 conversation between John Arman and Oscar Danilo Blandon](#)

- [78K AIFF](#)
- [233K WAV](#)



[Blandon discusses his contacts with Arman](#)

Note: Strong language used in excerpt.

- [103K AIFF](#)
- [308K WAV](#)



[More of the conversation between Arman and Blandon](#)

- [86K AIFF](#)
- [260K WAV](#)



[Confirmation of Blandon's identity as an informant](#)



[Oscar Danilo Blandon testifies about a](#)

[conversation he had with Norwin Meneses](#)

- [74K AIFF](#)
- [224K WAV](#)

"Major Violators (the LAPD's elite anti-drug unit) was saying, basically, ahh, South-Central, how much could they be dealing?" said Polak, a 21-year LAPD veteran. "Well, they (black dealers) went virtually untouched for a long time."

It wasn't until January 1987 -- when crack markets were popping up in major cities all over the U.S. -- that law enforcement brass decided to confront L.A.'s crack problem head-on. They formed the Freeway Rick Task Force, a cadre of veteran drug agents whose sole mission was to put Rick Ross out of business. Polak was a charter member.

"We just dedicated seven days a week to him. We were just on him at every move," Polak said.

Ross, as usual, was quick to spot a trend. He moved to Cincinnati and quietly settled into a home in the woodsy Republican suburbs on the east side of town.

"I called it cooling out, trying to back away from the game," Ross said. "I had enough money."

His longtime supplier, Blandon, reached an identical conclusion around the same time. A massive police raid on his cocaine operation in late 1986 nearly gave his wife a nervous breakdown, he testified recently, and by the summer of 1987 he was safely ensconced in Miami, with \$1.6 million in cash.

Some of his drug profits, records show, were invested in a string of rental car and export businesses in Miami, often in partnership with an exiled Nicaraguan judge named Jose Macario Estrada. Like Blandon, the judge also worked for the CIA's army, helping FDN soldiers and their families obtain visas and work papers in the United States. Estrada said he knew nothing of Blandon's drug dealings at the time.

Blandon invested in four-star steak house

Blandon also bought into a swank steak-and-lobster restaurant called [La Parrilla](#), which became a popular hangout for FDN leaders and supporters. The Miami Herald called it the "best Nicaraguan restaurant in Dade County" and gave it a four-star rating, its highest.



[Review of La Parrilla](#)

But neither Ross nor Blandon stayed "retired" for long.

A manic deal-maker, Ross found Cincinnati's virgin crack market too seductive to ignore. When he left Los Angeles, the price of a kilo was around \$12,000. In the Queen City, Ross chuckled, "keys was selling for \$50,000. It was like when I first started."

Plunging back in, the crack tycoon cornered the Cincinnati market using the same low-price, high-volume strategy -- and the same Nicaraguan drug connections -- he'd used in L.A. Soon, he was selling crack as far away as Cleveland, Indianapolis, Dayton and St. Louis.

"There's no doubt in my mind crack in Cincinnati can be traced to Ross," police officer Robert Enoch told a Cincinnati newspaper three years ago.

But Ross' reign in the Midwest was short-lived. In 1988, one of his loads ran into a drug-sniffing dog at a New Mexico bus station and drug agents eventually connected it to Ross. He pleaded guilty to crack trafficking charges and received a mandatory 10-year prison sentence, which he began serving in 1990.

In sunny Miami, Blandon's retirement plans also had gone awry. His 24-city rental car business collapsed in 1989 and later went into bankruptcy. To make money, he testified, he came to the Bay Area and began brokering cocaine again, buying and selling from the same Nicaraguan dealers he'd known from his days with the FDN. In 1990 and 1991, he testified, he sold about 425 kilos of cocaine in Northern California -- \$10.5 million worth at wholesale prices.

But unlike before, when he was selling cocaine for the Contras, Blandon was constantly dogged by the police.

Twice in six months he was detained, first by Customs agents while taking \$117,000 in money orders to Tijuana to pay a supplier, and then by the LAPD in the act of paying one of his Colombian suppliers more than \$350,000.

The second time, after police found \$14,000 in cash and a small quantity of cocaine in his pocket, he was arrested. But the U.S. Justice Department -- saying a prosecution would disrupt an active investigation -- persuaded the cops to drop their money laundering case.

Soon after that, Blandon and his wife, Chepita, were called down to the U.S. Immigration and Naturalization Service office in San Diego on a pretense and scooped up by DEA agents, on charges of conspiracy to distribute cocaine. They were jailed without bond as dangers to the community and several other Nicaraguans were also arrested.

Blandon's prosecutor, L.J. O'Neale, told a federal judge that Blandon had sold so much cocaine in the United States his mandatory prison sentence was "off the scale."

Then Blandon "just vanished," said Juanita Brooks, a San Diego attorney who represented one of Blandon's co-defendants. "All of a sudden his wife was out of jail and he was out of the case."

The reasons were contained in a [secret Justice Department memorandum](#) filed in San Diego federal court in late 1993.

Prosecutor found Blandon 'extraordinarily valuable'

Blandon, prosecutor O'Neale wrote, had become "extraordinarily valuable in major DEA investigations of Class I drug traffickers." And even though probation officers were recommending a life sentence and a \$4 million fine, O'Neale said the government would be satisfied if Blandon got 48 months and no fine. Motion granted.

Less than a year later, records show, O'Neale was back with another idea: [Why not just let Blandon go?](#) After all, he wrote the judge, Blandon had a federal job waiting.

O'Neale, saying that Blandon "has almost unlimited potential to assist the United States," said the government wanted "to enlist Mr. Blandon as a full-time, paid informant after his release from prison."

And since it would be hard to do that job with parole officers snooping around, O'Neale added, the government wanted him turned loose without any supervision. Motion granted. O'Neale declined to comment.

After only 28 months in custody, most of it spent with federal agents who debriefed him for "hundreds of hours," he said, Blandon walked out of the Metropolitan Correctional Center in San Diego, was given a green card and began working on his first assignment: setting up his old friend "Freeway Rick" for a sting operation.



[Motion for downward departure from sentencing guidelines](#)



[Motion for reduction of sentence for Oscar Danilo Blandon](#)

Targeted for a sting while sitting in prison

[Records show Ross](#) was still behind bars, awaiting parole, when San Diego DEA agents targeted him for a "reverse" sting -- one in which government agents provide the drugs and the target provides the cash. The sting's author, DEA agent Chuck Jones, [has testified](#) that he had no evidence Ross was dealing drugs from his prison cell, where he'd spent the past four years.

But during his incarceration Ross did something that, in the end, may have been even more foolhardy: He testified against Los Angeles police officers, as a witness for the U.S. government.

Soon after Ross went to prison for the Cincinnati bust, federal prosecutors from Los Angeles came to see him, dangling a tantalizing offer. A massive scandal was sweeping the L.A. County sheriff's elite narcotics squads, and among the dozens of detectives fired or indicted for allegedly beating suspects, stealing drug money and planting evidence were members of the old Freeway Rick Task Force.

If Ross would testify about his experiences, he was told, it could help him get out of jail.

In 1991, he took the stand against his old nemesis, LAPD detective Steve Polak, who eventually pleaded guilty to a misdemeanor charge of excessive use of force and retired. But the deal Ross got from federal prosecutors for testifying -- five years off his sentence and an agreement that his remaining drug profits would not be seized -- galled many.

"Ross will fall again someday," Polak bitterly told a Los Angeles Times reporter in late 1994.

By then, the trip wires were already strung.

Within days of Ross' parole in October 1994, he and Blandon were back in touch and their conversation quickly turned to cocaine. It was almost like old times, except that Ross was now hauling trash for a living. He was also behind on his mortgage payments for an old theater he owned in South-Central, which he was trying to turn into a youth academy.

According to tapes Blandon made of some of their discussions, Ross repeatedly told Blandon that he was broke and couldn't afford to finance a drug deal. But Ross did agree to help his old mentor, who was also pleading poverty, find someone else to buy the [100 kilos of cocaine](#) Blandon claimed he had.

Drug-laden vehicle was a trap for Ross

On March 2, 1995, in a shopping center parking lot in National City, near San Diego, Ross poked his head inside a cocaine-laden Chevy Blazer and the place exploded with police.

Ross jumped into a friend's pickup and zoomed off "looking for a wall that I could crash myself into," he said. "I just wanted to die." He was captured after the [truck careened into a hedgerow](#) and has been held in jail without bond since then.

Ross' arrest netted Blandon \$45,500 in government rewards and expenses, records show. On the strength of Blandon's testimony, Ross and two other men were convicted of cocaine conspiracy charges in San Diego last March -- conspiring to sell the DEA's cocaine.



[1994 statement regarding Ricky Ross and Danilo Blandon](#)



[Grand jury testimony by DEA agent Chuck Jones](#)



[Drugs used in DEA's bust \(15K\)](#)



[Ross' truck at time of his capture by the DEA \(13K\)](#)

Sentencing is set for Aug. 23. Ross is facing a life sentence without the possibility of parole. The other men are looking at 10- to 20- year sentences.

Acquaintances say Blandon, who refused repeated interview requests, is a common sight these days in Managua's better restaurants, drinking with friends and telling of his "escape" from U.S. authorities.

According to his Miami lawyer, Blandon spends most of his time shuttling between San Diego and Managua, trying to recover Nicaraguan properties he left behind in 1979, when the socialists seized power and sent him running to the United States.

Additional reporting for this series in Nicaragua and Costa Rica was done by Managua journalist Georg Hodel. Research assistance at the Nicaraguan Supreme Court was performed by journalist Leonore Delgado.

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