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U.S. Cocaine-Plane Invasion Spooking Latin America

Trail of Evidence Points to Major Covert Operation Targeting Venezuela

By Bill Conroy
Special to The Narco News Bulletin
March 11, 2008

Two Florida-based companies that have exported a total of at least 11 aircraft to Venezuelan buyers since 2003 are linked to four cocaine planes and what appears to be an elaborate covert intelligence operation, an ongoing Narco News investigation shows.

The covert program, law enforcement sources contend, likely involves the CIA and components of defense Department intelligence agencies, and is focused, in part, on penetrating, or even propping up, narco-trafficking groups in Venezuela. That country's outspoken leader, Hugo Chávez, is regularly demonized by U.S. policymakers for, among other things, supposedly allowing his country to become a haven for narco-traffickers.

The operation also appears to prioritize intelligence objectives over law enforcement goals, which means tons of cocaine might well be getting a free pass into the United States.

Foreign law enforcement authorities confiscated two of these cocaine planes — one in the Dominican Republic and one in Nicaragua, (tail numbers N1100M and N391SA, respectively) — on suspicion of cocaine trafficking. A third plane (tail number N12DT) is cited along with N1100M in a pending FBI money laundering case involving a Venezuelan-based drug-trafficking organization.

The fourth aircraft, a Gulfstream II jet (tail number N987SA), crashed in Mexico in late September last year with a payload of some four tons of cocaine onboard.

The companies at the center of this parade of cocaine planes are Skyway Aircraft Inc. of St. Petersburg, Fla., and Planes and Parts Enterprises LLC of Doral, Fla.

In addition, a third Florida company, also named Skyway Aircraft Inc., but based in Clearwater, Fla. (just north of St. Petersburg in the greater Tampa area), is linked to a fifth cocaine plane, a DC-9 jet (tail number N900SA), which was apprehended by Mexican authorities in April 2006 with some 5.5 tons of white powder onboard. The DC-9 had been sold to an unknown Venezuelan buyer only days before it was busted in Mexico.

Two of these cocaine planes — the Gulfstream II and a Beech 200 (N391SA) found in Nicaragua with the false tail number N168D — have been tied to the CIA's terrorist rendition program via the Federal Aviation Administration-issued tail numbers, according to European investigators.

In addition, the two Skyway companies are associated with individuals who have done highly sensitive work for the Department of Defense or U.S. intelligence agencies, public records show and Narco News sources confirm. The third company, Planes and Parts, it turns out, appears to be little more than a paper shell company that can be traced back to a Mail Boxes Etc. service located at a UPS store in the Miami area.

None of the principals of these three companies has been charged with any crime in relation to the cocaine planes — as would be expected in a U.S.-sanctioned intelligence operation. Company officials with Skyway Aircraft in St. Petersburg contend they have done nothing wrong and claim they cannot control what happens to an aircraft once it is sold to an overseas buyer.

Representatives of Skyway Aircraft in Clearwater, whose parent company is now in bankruptcy, could not be reached for comment. The company's phone number is disconnected.

However, a shareholder and major creditor in the company — who operates a separate firm that sold the DC-9 jet apprehended in Mexico with 5.5 tons of cocaine onboard — also told Narco News he has no control over what happens to an aircraft once it is sold to a foreign buyer.

The principal of Planes and Parts, an individual named Andrew Wilson, could not be located and appears, based on a search of public records, to be as vaporous as the company itself.

But behind these disclaimers is a complex series of connections that, for all three companies, appear to point to the U.S. intelligence agencies and their standard operating practice of ensuring plausible deniability.

Planes and Parts

The latest focus of Narco News' investigation into the cocaine planes centers on Planes and Parts Enterprises of Doral, Fla. — which is located in the Miami metro area. The company is mentioned by name in a federal criminal case now pending in Miami.

Pleadings in that federal criminal case allege that a Venezuelan drug-trafficking organization purchased two planes from U.S. companies via an elaborate money-laundering scheme. The sellers of the planes, including Planes and Parts as well as Skyway Aircraft Inc. of St. Petersburg, were "unwitting" parties in those transactions, an [FBI affidavit](#) filed in the case contends.

Neither Skyway Aircraft nor its owner, Larry Peters, are mentioned by name in the FBI affidavit. But the affidavit does reference a Cessna Conquest II (tail number N12DT) as being one of the two planes sold to the Venezuelan-based drug-trafficking organization. Skyway sold that Cessna in 2006, FAA records show, to a Venezuelan purchaser. In fact, a recent check of FAA records available online shows that Skyway Aircraft in St. Petersburg exported a total of nine aircraft between October 2003 and January 2008 to Venezuelan purchasers. (See entire list at this [link](#).)

The scam outlined in the pending federal criminal case worked by funneling drug money through various "casas de cambio" (money exchange houses) in Mexico to a "buffer" U.S. bank account held by a Venezuelan national named Pedro Jose Benavides Natera (the only defendant named in the case to date). Benavides then allegedly used that money to buy the planes on behalf of the Venezuelan narco-trafficking organization from the "unwitting" sellers — Skyway Aircraft in St. Petersburg as well as Planes and Parts Enterprises.

However, the FBI affidavit includes a list of transactions from the bank account for Planes and Parts, and one entry is peculiar in that it shows that Planes and Parts received a wire transfer of \$165,000 to its bank account directly from a *casa de cambio* in Nuevo Leon, Mexico, on Aug. 28, 2006.

That seems to go against the theory in the FBI affidavit of how this money-laundering scheme worked. In other words, Planes and Parts didn't get that money through a buffer account designed to hide its origin, but rather directly from one of the money exchange houses in Mexico, which the FBI affidavit alleges served as collection points for illicit drug proceeds.

That led Narco News to do some further digging into Planes and Parts. What we found in searching Florida corporation records is that Planes and Parts' address is listed as 10773 NW 58th St., Doral, Fla., according to an annual report it filed with the state. However, a search of other public records shows the business located at that site is a United Parcel Service (UPS) store.

When Narco News contacted the UPS store by phone, one of the employees confirmed that we had the right location and said that she had never heard of Planes and Parts. She also confirmed that the UPS outlet did offer a Mail Boxes Etc. service for customers. Another employee, whom Narco News spoke with in a follow-up call, said the UPS store had been in operation at the address for about "four to five years."

State of Florida corporation records indicate, though, that Planes and Parts was not [incorporated](#) until March 2006, about two years ago, and it was dissolved in September 2007 for failure to file an annual report.

So, based on the available public-record information, it appears Planes and Parts operated from a mailbox out of the UPS store in South Florida. Efforts to track down an individual named Andrew Wilson — listed as the manager of the company in the Florida corporation records — also proved unsuccessful.

Given this puzzling information concerning Planes and Parts and the alleged links between the cocaine planes and the CIA's terrorist rendition program, it is interesting to note that journalists tracking the latter program also uncovered a trail of ghost companies.

A 2005 story in the [New York Times explained how the rendition planes are acquired](#):

So, rather than purchase aircraft outright, the C.I.A. uses shell companies whose names appear unremarkable in casual checks of F.A.A. registrations.

On closer examination, however, it becomes clear that those companies appear to have no premises, only post office boxes or addresses in care of lawyers' offices. Their officers and directors, listed in state corporate databases, seem to have been invented. A search of public records for ordinary identifying information about the officers — addresses, phone numbers, house purchases, and so on — comes up with only post office boxes in Virginia, Maryland and Washington, D.C.

William Harry Bryan, the Assistant U.S. Attorney representing the U.S. government in the Benavides criminal complaint, declined to comment on the case, as did Benavides' attorney, Rene Sotorrio of Coral Gables, Fla.

In addition to the former Planes and Parts' aircraft mentioned in the federal criminal case (a Beech King Air E-90 with tail number N1100M), FAA records also list an additional aircraft that Planes and Parts exported to a Venezuelan purchaser in May 2007 — a Cessna 441 with the tail number N195FW. Add Planes and Parts' two aircraft exported to Venezuela to the total of nine known aircraft exported to the same country by Skyway Aircraft of St. Petersburg and it becomes clear the two companies have helped to field a small air fleet in that South

American nation — and at least three of those exported aircraft have subsequently been linked directly to narco-trafficking activities (N1100M, N391SA and N12DT).

In fact, the King Air E-90 (N1100M), was apprehended on suspicion of cocaine trafficking by authorities in the Dominican Republic in May 2007, according to Narco News sources and recent reports in a [Dominican online daily](#). Those same sources indicate the aircraft is still in the Dominican Republic — at the Gregorio Luperón International Airport in Puerto Plata. A recent DND (National Drug Control Department for the Dominican Republic) photo of the plane obtained by Narco News offers proof of that fact (see photo above). In addition, the aircraft shows up on a popular aviation Web site, [JetPhotos.Net](#), in a photograph snapped on Oct. 1, 2007, at the same airport.

Interestingly, FAA's online records indicate that Planes and Parts was issued a [registration certificate](#) (still current) for a Beech King Air E-90 aircraft with the tail number N1100M and Serial No. LW-25 on July 23, 2007 — some two months after a King Air E-90 with an identical tail number and serial number was apprehended (and remains) in the Dominican Republic linked to narco-trafficking.

Attorney Mark Conrad, a former high-level supervisory U.S. Customs agent who has an extensive background in the intelligence world, offered the following insight into the cocaine planes saga in a prior interview with Narco News:

Even though it looks as if you are unraveling odd connections you may be only seeing a small part of what is going on — or you may be seeing what you are expected to see, missing something else.

My guess — and that is all that it is — is that this has something to do with operations in Venezuela — either to finance ops. or to divert attention from Agency ops in Venezuela to destabilize Chávez. ... It is not in the U.S. interests for Chávez to create another Cuba on some of the largest oil field reserves in the world.

If that's the case, then it might well be that the current U.S. administration has placed a higher value on controlling the flow of oil from Venezuela than it has on controlling the flow of cocaine into this country.

The Cocaine Planes

Narco News' prior seven stories in this cocaine planes series explored the roles that Skyway Aircraft in St. Petersburg and Skyway Aircraft in Clearwater (whose parent company is Skyway Communications Holding Corp.) played in the cocaine planes adventure as well as their links to suspected CIA operations. Readers are encouraged to read those past stories (links below) if they are interested in an in-depth look at the companies' operations and how they intersect with U.S. government operations, assets and informants.

However, the following summary of the known cocaine planes will provide you with the highlights, drawn from Narco News' reporting to date.

DC-9 (tail number N900SA): Apprehended in Mexico in April 2006 with 5.5 tons of cocaine onboard. Skyway Communications Holding Corp., the parent company of Skyway Aircraft Inc. in Clearwater, Fla., arranged to purchase the DC-9 via a stock swap with a Costa Rica-based firm, called Dupont Investment Fund #57289, in November 2004, according to a filing with the U.S. Securities and Exchange Commission. The passenger-class jet was ultimately sold to a Venezuelan purchaser by Royal Sons Inc. of Clearwater, Fla., only days before it was seized in Mexico.

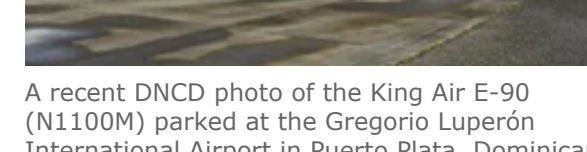


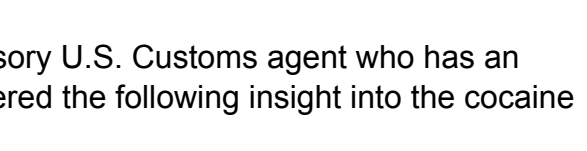
Photo: D.R. 2004 Michael Cater, [Airlines.net](#)
DC-9 (tail number N900SA)

Royal Sons' president is a shareholder in Skyway Communications and his company is a major creditor in the publicly traded Skyway Communications' still-pending bankruptcy case. In addition, Royal Sons and Skyway Communications previously teamed up to purchase a separate DC-9 (tail number N120NE) via a joint loan agreement, a January 2004 SEC filings shows.

The owner of Skyway Aircraft Inc. in St. Petersburg (Larry Peters) and the president of Skyway Communications (parent company of a different Skyway Aircraft Inc. located in Clearwater, Fla.) live in the same upscale St. Petersburg community, called Tierra Verde.

James Kent, CEO of Skyway Communications, has in the past served as a contractor for national intelligence-related programs for the National Security Agency and the Department of Defense.

Gulfstream II (tail number N987SA): Crashed in Mexico's Yucatan in late September 2007 with about 4 tons of cocaine onboard. The jet, which sported a tail number linked by [European investigators to past CIA rendition operations](#), was owned, just prior to its crash landing, by a Florida duo, one of whom was Greg Smith.



Gulfstream II (tail number N987SA)
Photo D.R. 2007 George N. Dean, [Airlines.net](#)

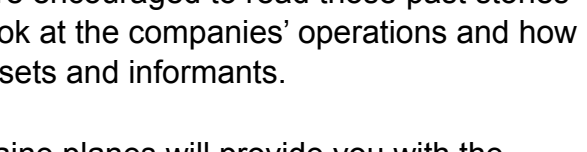
A CIA asset named Baruch Vega told Narco News, and public records verify, that Smith served as a pilot for past CIA, DEA and FBI undercover missions. Vega also claims that the cocaine load on the jet was purchased through a syndicate of Colombian narco-traffickers that included a CIA asset named Nelson Uriego, who was recently arrested by Panamanian authorities on money laundering and drug trafficking charges.

DEA sources contend the Gulfstream II was part of a U.S. Immigration and Customs Enforcement (ICE) operation called the Mayan Express, which law enforcement sources suspect also is an official cover for a larger U.S. intelligence operation.

Smith and his partner, Florida pilot Clyde O'Connor, purchased the Gulfstream II jet, according to a bill of sale, about a week before its cocaine payload unexpectedly hit the ground in Mexico's Yucatan on Sept. 24, 2007. The seller was a Florida company called Donna Blue Aircraft Inc. — which is owned by two Brazilians, one of whom is Joao Malago, who also is a business partner with Larry Peters of Skyway Aircraft Inc. in a company called Atlantic Alcohol.

Atlantic Alcohol, which has operations in Brazil, the British West Indies and the Dominican Republic, is based at 341 8th Ave. Southeast in St. Petersburg, Fla., according to Dun & Bradstreet, a popular business research service. That's the same address listed on the Web site for Larry Peters' Skyway Aircraft Inc. Another principal of Atlantic Alcohol, Neil Singer, holds a government security clearance and has worked as a consultant for NASA and the Joint Chiefs of Staff.

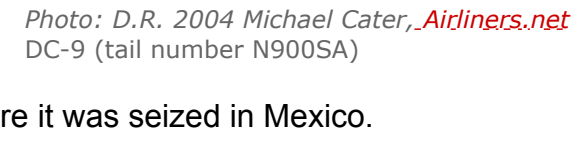
Beech 200 (tail number N391SA): Skyway Aircraft Inc. in St. Petersburg, Florida, sold the aircraft to a Venezuelan purchaser in October 2004, about a month before it was apprehended in a Nicaraguan cotton field linked to a payload of some 1,100 kilos of cocaine. The Beech 200 was found in Nicaragua bearing a false tail number (N168D), which FAA records show is registered to a North Carolina company called Devon Holding and Leasing Inc.



Beech 200 (tail number N391SA, shown here with false tail number)
Photo: Humboldt Rescue Organization

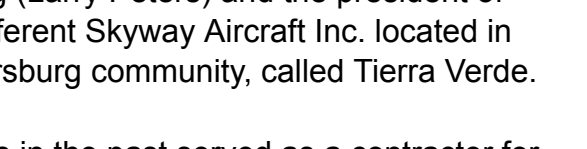
According to press reports and an investigation conducted by the [European Parliament](#) into the CIA's terrorist rendition program, Devon Holding is a CIA shell company and N168D is a tail number to a [CIA aircraft](#).

Cessna Conquest II (tail number N12DT): This aircraft was sold by Skyway Aircraft Inc., St. Petersburg, Florida, in December 2006 to a Venezuelan purchaser allegedly linked to a drug trafficking organization, according to a pending criminal case filed in October 2007 in federal court in Miami. Between October 2003 and January 2008, a total of nine aircraft were registered to Skyway Aircraft Inc. just prior to being exported to Venezuelan purchasers, including N391SA and N12DT, FAA records show.



Cessna Conquest II (tail number N12DT)
D.R. 2007 [Airlines.net](#)

Beech King Air E-90 (tail number N1100M): The FAA issued Planes & Parts Enterprises LLC of Doral, Florida, a registration certificate for the N1100M on July 23, 2007, FAA records available online show, and currently lists Planes and Parts as the registered owner of the aircraft.



King Air E-90 (N1100M)
D.R. 2008 [diariohorizonte.net \(jetphotos.net\)](#)

However, an FBI affidavit filed in federal court in Miami claims N1100M was purchased by Planes and Parts on Sept. 8, 2006, and later exported to a Venezuela purchaser linked to a drug trafficking organization and subsequently de-registered from the FAA registry on Oct. 23, 2006.

The address for Planes and Parts traces back to a mailbox at a UPS store in the Miami area. The plane, N1100M, was apprehended in the Dominican Republic on suspicion of cocaine trafficking in May 2007, after flying into that country from Venezuela, according to Narco News sources and press reports in the Dominican Republic. The plane was still being held at an airport in the Dominican Republic as of late February of this year.

Past Stories in Cocaine Planes Series

[Narco News Investigation: Cocaine Planes Cross Paths with Corporate America's Green Movement](#)

[Third Cocaine Plane Surfaces and is Tied to Web of Government Connections](#)

[Cocaine Jet Crash in Mexico Linked to Narco-Trafficker Who Worked for U.S. Government](#)

[Jet Case Colored with Shades of Iran/Contra and "House of Death"](#)

[Cocaine Jet That Crashed in Mexico Part of Cowboy Government Operation, DEA Sources Claim](#)

[New Document Provides Further Evidence That Owner of Crashed Cocaine Jet Was a U.S. Government Operative](#)

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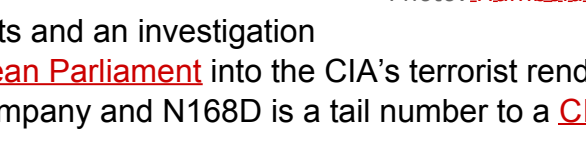
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