

Bayou of Pigs

A rag-tag band of mercenaries barely missed the boat

By WILLIAM P. BARRETT
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NEW ORLEANS — The battle plan for the coup was simple. Ten North American mercenaries, equipped with 33 guns, 20 sticks of dynamite, 20 blasting caps, 5,000 bullets, fatigues, several Radio Shack walkie-talkies, a Nazi flag, a bottle of liquor and a copy of Soldier of For-

tune magazine, would approach the Caribbean island on a rubber raft after a 10-day ride in a chartered boat.

They would land at a company harbor a few miles north of the capital, meet local collaborators and capture the armory and police station. Resistance would be minimal, since the local police are ineffective and the army has been disbanded.

A few hours later it would be all

over. The tiny, little-known island-nation of Dominica and its 80,000 black inhabitants would fall under control of a new regime and supporters would fly in to savor the fruits of success and carve up the bounty.

Actually, the mercenaries barely got out of town. A squad of federal agents arrested them April 27 as they prepared to board a boat on nearby Lake Pontchartrain. Last Thursday, a federal grand jury here indicted them

on seven counts of conspiracy, alleging violations of various weapons and explosives laws and the Neutrality Act, which makes it a crime to launch a coup against a friendly nation. Maximum penalty is 25 years in prison and a \$23,000 fine. More indictments against additional defendants are expected.

See COUP on Page 31

COUP — From Page One

Despite the rag-tag nature of the aborted coup, federal investigators said it probably would have succeeded had they not learned of the scheme in the final two months of preparations and placed an undercover agent within the group to secretly record most of their strategy sessions.

The 250-year history of the Crescent City is rich with tales of foreign intrigue, but it is unlikely any of those past adventures involved a more improbable combination of characters than the participants in what authorities are now calling "the Bayou of Pigs." Among the principals:

✓ Michael Eugene Perdue, 32, one of the 10 arrested and their leader. A balding, right-wing, white racist from Houston whose childhood hopes for a glorious military career were dashed by a one-year prison stint for petty theft at the age of 19, Perdue had planned the coup for two years. A high school dropout, he gave away the plot when he tried to charter one of the few sea-going boats in the New Orleans harbor owned by a member of a law enforcement agency.

✓ Patrick John, the black ex-prime minister of Dominica who hoped to regain power from Mary Eugenia Charles, the current prime minister and leader of the Freedom Party. He and his Labor Party were ousted from office two years ago in a public outcry after he gave an Arlington, Texas, corporation what amounted to sovereignty over a fifth of the island. John, who was not charged here, has been in a Dominican jail since he and some military officers were arrested there in March on suspicion on plotting a coup.

✓ An unidentified Canadian mobster, who investigators think was exploiting a sweet opportunity to profit handsomely and perhaps secure a haven from the Royal Canadian Mounted Police. He is under investigation.

✓ A rather seedy group of untrained mercenaries, in their 20s or 30s, some of them with criminal records, including Christopher Billy Anderson of Oklahoma City, a convicted

ex-police chief from Kansas. Most have ties to extremist groups. Two, Wolfgang Walter Droege, 31, of Toronto, and Larry Lloyd Jacklin, 22, of Stowell, Ontario, have been linked to the Canadian Ku Klux Klan while another, Stephen Don Black, 27, has been identified as grand wizard of the Alabama Klan. Some apparently joined the venture by responding to a classified advertisement in a newsletter called *Le Mercenaire*, which is French for *The Mercenary*.

As the defendants, who have not been allowed to talk to the press, remain in the City Correctional Center here in lieu of \$500,000 bail each, the investigation is continuing. Federal authorities and Canadian mounties are trying to trace the source of the estimated \$100,000 spent by Perdue, including \$15,600 he paid undercover agents for the boat and food, and money used to purchase the arms and transportation between Dominica, the United States and Canada.

Authorities are also investigating a mysterious company called *Nortic Enterprises*, which the New Orleans grand jury charged was a company set up by Perdue and others to benefit from the coup.

They are looking at a Longview, Texas, man whom Perdue, in a conversation recorded by federal agents, said was involved "you know, for the money part."

And they hope to answer a puzzling question: Why would a right-wing white supremacist like Perdue help a black politician with socialistic leanings oust one of the few governments in the Caribbean totally committed to free enterprise?

"It really doesn't make any sense," a puzzled Ms. Charles said last week.

Dominica would not seem to be a prize worthy of a foreign-backed coup. It is tiny, backward, impoverished and beset with political unrest.

Located between Martinique and Guadeloupe in the West Indies 300 miles southeast of Puerto Rico, the island, discovered in 1493 by Christopher Columbus, is 29 miles by 16 miles, one-quarter the size of Rhode Island. Most of that consists of uninhabitable volcanic terrain. The 18-

mile ride from the airport across the island to the capital, Roseau, takes 2 ½ hours.

A true banana republic (the fruit accounts for 70 per cent of the country's meager exports), it contains little else. There is no tourist trade. A recent visitor who stayed at the leading hotel in Roseau said he found a frog in his bed and had to stuff a towel in a broken window to keep out the rain. Hurricanes in 1979 and 1980 practically wiped out the economy.

The gross domestic product is about \$37 million a year, the sum generated by the United States each six minutes. American aid last year amounted to \$4 million plus some Peace Corps workers.

But besides the marijuana that grows wild across the island, Dominica has one other asset: sovereignty. A 19th century British protectorate that gained its independence in late 1978, the country now answers to no one. And who knows what industries, legal or otherwise, could be generated with the right incentives and political environment?

Grey Pierson, a 28-year-old lawyer in Arlington, Texas, said he read about the island's independence and economic woes in local newspapers. "We figured they needed help," he said in an interview last week. So, Pierson said, he went to the island and conferred with the then-prime minister, John, offering to promote the island's economic potential. He returned to Arlington, pulled together some investors, including his father, Don Pierson, who in the 1960s was involved in the offshore "pirate" radio stations that plagued Great Britain, and formed the Caribbean Southern Corp. In February 1979 Caribbean Southern signed a 99-year contract with John to develop a fifth of the island as a "free port city."

It was a remarkable pact. Dominica gave the Americans total power to police the area and substantial control over "immigration," two functions normally reserved to a government. In a side agreement, Dominica agreed to levy a gross receipts tax on all industries in the free port zone, with half the income going to Caribbean Southern Corp. investors.

Within three months, John canceled the agreement. News accounts suggested that South Africa was behind the corporation. Natives were outraged at what they saw as a give-away. A few months later the prime minister was out of office.

The current Dominican government last week accused Caribbean Southern — which in March obtained an \$8 million judgment against Dominica in a Fort Worth federal court — of being behind Perdue. Federal authorities here are in the process of obtaining the corporation's telephone records. Pierson, who denied any involvement with South Africa or with the attempted coup, said he has had no contact with Dominica since he went there in May 1979 to try to salvage the contract.

According to federal documents on file in Houston, Perdue said in March he had been working on the project for "about two years," which would coincide with the time of Pierson's difficulties. Pierson said he never heard about Mike Perdue until he read of the attempted coup and added that he had not been questioned by federal investigators.

If Dominica was a surprise choice for a coup, Mike Perdue was an unusual pick for its leader. A native of Crawfordsville, Ind., who went to high school in Gallatin, Tenn., 40 miles north of Nashville, he apparently had little experience as a mercenary and had received poor grades in high school.

He had long held racist views. "He bragged about how he beat up blacks on Saturday nights," recalled Mrs. Charles Guthrie, his high school drama teacher, adding that Perdue was the head of a junior version of the KKK.

On April 1, 1968, he enlisted in the Marine Corps, according to military records, delaying boot camp for a month until the end of the school year. On April 15 he was arrested for trying to break into a home on Old Hickory Lake near Gallatin. On May 10, before he ever reported for active duty, the Marine Corp discharged

him. That summer he was convicted of petty theft and sentenced to the Tennessee State Prison at Nashville, where he served 11 months, according to prison records.

Perdue clung to his tenuous military connection. The day after the coup failed, Perdue told a federal magistrate in New Orleans he was a Marine Corps veteran.

People around Gallatin said that after leaving prison, Perdue moved to Indiana and took a job as a truck driver. In 1975, he moved to Houston with a friend, Ron Cox. Together they rented a house in the city's Montrose section.

Perdue was somewhat active in right-wing organizations around Houston, particularly the Nazis. "He was a hanger-on, not a leader," said one source.

In his only public statement on the case, Perdue acknowledged that the coup was his only recent employment. Asked at a bail hearing whether he had a job, he replied, "I've been working on this project so I haven't been employed."

Exactly who prompted Perdue to plan his "project" is not yet known, but there are increasing indications the direction might have been from Canada. Authorities say they are looking at a Canadian man with strong ties to organized crime around Toronto. Federal documents quote Perdue as saying he had to go to Canada for "intelligence meetings with his people."

As a go-between, investigators are looking at Droege, the Toronto man who was one of the arrested mercenaries. The federal grand jury identified Droege and Perdue as leaders of the conspiracy.

Investigators say Perdue seemed to be receiving substantial funds from outside sources. He paid out \$15,600 for the boat and for food. From other funds he purchased weapons, traveled to Dominica, to Canada, and at one point to Antigua for a meeting with John. Investigators do not believe any of the money came from John.

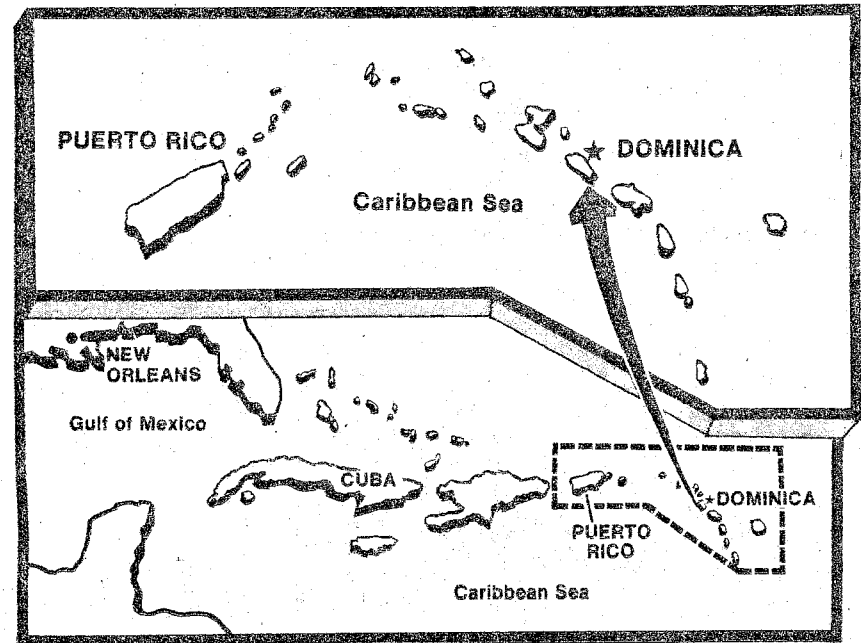
In a Feb. 27, 1981, conversation with agents, Perdue said he wanted them to meet Jim White, whom he described as a Baton Rouge, La., businessman, "a business guy" who was there "for the money part." Perdue said White knew about the operation but was not actively participating. On another occasion Perdue said the coup would be "staged" from White's house in Baton Rouge.

On April 4, 1981, agents of the U.S. Bureau of Alcohol, Tobacco and Firearms, which led the investigation, spotted a late-model Cadillac outside Perdue's house. The car was registered to James C. White of S. Tyron Street in Longview, Tex., a small city 250 miles northwest of New Orleans.

A post office box in Longview was the return address listed in a classified ad published in the January 1981 issue of *Le Mercenaire*, a four-page newsletter published from Aurora, Ill., that claims to provide "hard intelligence on terrorism, Communist subversion, mercenary activities." The ad sought persons "of disciplined character" interested in "security duty for a private employer on Caribbean nation." Salary would be \$250-\$300 a month, plus free room, board, uniform and medical care with a \$10,000-\$15,000 bonus at the end of five years, the ad said.

The name of the firm in the ad: Nortic Enterprises, the same company listed by the grand jury.

The grand jury charged that on Sept. 20, 1980, Perdue and John entered into a written agreement — apparently seized by agents on the night of the arrests — that "listed the obligations of both parties before and after the takeover." According to the indictment, Perdue would receive \$150,000 from the Dominica budget, Dominican citizenship, "a high position within the Dominican govern-



— Staff illustration by Jan Bryza

ment" and responsibility for training the Dominican army.

Nortic Enterprises would develop the island, build an international airport and develop tourism and gambling, the indictment said.

The beginning of the end for Perdue came when he tried to charter a boat. He went to the docks of New Orleans, asked around and was directed to Capt. Mike Howell, a bubbly, 33-year-old disabled veteran who owned an aging 52-foot research vessel, the *Manana*, frequently chartered by oil companies.

On Feb. 23 Perdue came to Howell on his ship. In an interview last week, Howell — described in federal documents as a "confidential informant" — said Perdue said he wanted to charter the vessel "to do some research on marinas in the Caribbean."

"I looked at him and said, don't bull--- me," Howell recalled. "He then said, 'What I really want to do is take 10 men and 60 weapons to the Caribbean and overthrow the country.' He had never met me and was telling me the whole plot." Howell was also puzzled he was chosen because his boat displayed a Coast Guard auxiliary decal.

Perdue said he was a CIA man and dropped the names of several American politicians, Howell said. "I couldn't believe what I was hearing," he said. When Perdue left, Howell called the feds.

"We had a hard time taking this seriously at first," one ATF agent later said. But the agency assigned agent John L. Osburg, a lanky Louisiana native and fisherman who knew his way around boats, to pose as a seaman when Perdue returned two weeks later on March 5.

Each time Perdue visited or called Howell or Osburg, the conversation was recorded and his picture taken by an agent across the dock with a telephoto lens. Once he showed up early as agents were installing recording equipment and Perdue picked up and examined a tapping device on a telephone. But he apparently failed to understand what it was for.

Perdue traveled extensively during this time, apparently pulling together his crew and smoothing out details. He visited Canada at least twice, Canadian authorities believe.

The Charles government arrested John and other military men under a state of emergency that had been declared in February when a small, violent band of Rastafarians, a marijuana-smoking cult that worships the late Ethiopian leader Haile Selassie and is believed to be aligned with John, kidnaped the father of Lennox Honeychurch, the official government spokesman.

But Perdue's planning went forward although the coup attempt had become public knowledge in Dominica.

During several meetings with the agents, Perdue said he would provide the weapons. Federal authorities stressed that they provided no guns or the money for them. "Perdue just kept paying us money," one agent said.

Agents said the whole investigation took on a surrealistic aura. "We sometimes had trouble suppressing our laughter during meetings with Perdue," one ATF source said.

Additional hilarity was generated by the rinky-dink equipment Perdue

gathered, including a flimsy rubber raft, shoulder straps made of poor material and guns that fell apart when picked up.

The week before the arrest Perdue traveled to Canada. Alexander McQuirter, the head of the Canadian Klan, admitted to the Toronto Globe and Mail that he met with Perdue but disclaimed any knowledge of the plot.

Perdue told his band of mercenaries to gather in Baton Rouge on Sunday, April 26. They stayed at a motel and were briefed by Perdue. Perdue said he would be the captain — his uniform, confiscated after the arrest, had two metal bars on it — and Droegge would be first lieutenant.

There were no dry runs or practice maneuvers. The only thing they did was test their walkie-talkies — under the watchful eye of federal agents who recorded the scene with video cameras.

Federal agents wanted to avoid the possibility of injury to bystanders in the crowded New Orleans port during an arrest. Perdue accepted undercover agent Osburg's suggestion that the

mercenaries rendezvous with the boat under cover of darkness at Ft. Pike State Monument, an isolated park 31 miles north of downtown New Orleans on a narrow waterway connecting Lake Pontchartrain with the Gulf of Mexico. Osburg said he would provide a truck to take them across the bridge to a marina where a fully stocked boat would be waiting.

Monday, April 27, at 10 p.m. two vehicles full of eager adventurers pulled up to Ft. Pike. Osburg was waiting with the rented truck and a van. He told the 10 to put their weapons in the van and climb into the truck. When they did, the door was closed. All the mercenaries, except Perdue who rode in the front with Osburg, were now without their weapons in the back of a locked truck driven by a federal agent.

"We could have taken them to the jail," one ATF agent later chortled.

Instead, Osburg drove the vehicle a mile across the bridge to the marina where a heavily armed SWAT team of 40 agents waited in the glow of floodlights.