

## JOHN DELOREAN ARRESTED IN \$24 MILLION DRUG CASE

Detroit Free Press (MI) - Wednesday, October 20, 1982

Author: JAMES RISEN Free Press Automotive Writer

**John Z. DeLorean**, the flamboyant former vice-president of General Motors Corp., was arrested in Los Angeles Tuesday afternoon and charged with conspiring to distribute 220.5 pounds of cocaine worth about \$24 million, the FBI said.

The FBI said **DeLorean** hoped that the drug deal would provide the money he needed to help save his struggling auto company. Ironically, **DeLorean**'s arrest came hours after the British government announced that it is closing his auto assembly plant outside Belfast, Northern Ireland, because of long-term financial problems. This, in effect, killed **DeLorean**'s gull-winged, stainless-steel sports car.

FBI OFFICIALS in Los Angeles said the arrest of **DeLorean** and two others followed a five-month investigation.

They said **DeLorean**, 57, was arrested about 3 p.m. (6 p.m. Detroit time) at a hotel at Los Angeles International Airport after he arrived on a flight from New York. He and the other men - William M. Hetrick, 50, an aviation executive from Mojave, Calif., and Stephen L. Arrington, 34, of San Diego, a Hetrick associate, both arrested Monday -- were charged with conspiring to distribute cocaine and possessing cocaine with intent to distribute.

RICHARD BRETZING, FBI special agent in charge of the Los Angeles office, said **DeLorean** had several pounds of cocaine in his possession when he was arrested.

An FBI statement said Hetrick had arranged to sell 220 pounds of cocaine to **DeLorean**, who would then distribute it in Southern California. The FBI seized 60 pounds of the drug, worth \$6.5 million, near the Van Nuys, Calif., airport Monday night. Bretzing said the cocaine found with **DeLorean** came from the same batch. He didn't account for the rest of the 220 pounds, but he said the investigation is continuing.

All three men are expected to be arraigned today in U.S. District Court in Los Angeles, the FBI said. They face maximum sentences of 15 years in prison and fines of \$25,000 if convicted, according to the FBI.

FBI OFFICIALS said the investigation was conducted by a joint task force of the bureau and the Drug Enforcement Administration. They said undercover agents were used in the Los Angeles and San Francisco areas. The Ventura, Calif., Police Department and "numerous federal agencies" also were involved in the case, the FBI said.

Internal Revenue Service agents were trying to locate and seize property owned by Hetrick, according to the FBI. Hetrick owns Morgan Aviation, an aircraft service company.

Bretzing said Tuesday that **DeLorean** had "expressed interest in financing something that would produce quickly large sums of money in return for the investments . . . His company (has) severe financial problems, and he feared the possibility of his company being closed down by the (British) government, which had extended loans to him."

**DeLOREAN** had hoped his sports car company, subsidized by the British government, would prove to Detroit that producing an innovative, safe automobile could become a profitable venture.

But the experiment died Tuesday, the victim of recession, sticker shock and **DeLorean** 's shaky financial base.

The much-publicized DMC12 model passed into auto history little more than a year after its inception and after only slightly more than 5,000 U.S. sales.

After months of frantic attempts to keep **DeLorean** 's Northern Ireland assembly plant open, the British government said the plant will close, probably within 10 days, bringing an end to **DeLorean** 's self-proclaimed attempt to show Detroit how to make innovative cars the right way.

Most of the plant's remaining 200 workers will be laid off Friday. At its peak soon after the start of production last year, the plant had 2,600 employees building 80 cars a day.

IN FEBRUARY, the British government, with a huge investment in the project, declared the Belfast plant insolvent and placed it in receivership.

With more than 80 million pounds (about \$137 million at current exchange rates) invested, the British government wanted to keep the plant operating and preserve jobs. But with **DeLorean** unable to come up with money to refinance the plant, and with the British government apparently unwilling to throw good money after bad, the receivers decided to shut down the plant.

**DeLorean** , who quit GM in 1973, started the Northern Ireland project with the help of the British in 1978.

He started selling his cars last year in the face of enormous obstacles. When first introduced, the cars retailed for \$25,000 in the midst of a worsening economic climate . Many customers, expecting price tags in the \$12,000 to \$15,000 range, asked dealers for refunds on their deposits when they were told what the price actually would be.

Later, the cars suffered mechanical problems, and buyers quickly complained of problems with their gull-winged doors and their stainless-steel finish. A recall of 2,000 DeLoreans in November to fix a front suspension problem brought more bad publicity.

Ultimately, poor sales worsened **DeLorean** 's financial problems, forcing the British government to step in to try to protect its investment in the plant, although there had been predictions that with government help, **DeLorean** could eventually provide more than 4,000 jobs in hard-pressed Belfast.

\*\*\*

Caption: Pix AP

Memo: SEE ALSO STATE

Edition: METRO FINAL

Section: NWS

Page: 1A

Index Terms: MISTORY ; AUTOMOBILES ; INDUSTRY ; PROFILE ; FAILURE ; BIOG-DELOREAN

Record Number: 8301160390

Copyright (c) 1982 Detroit Free Press