

\$20 MILLION DELOREAN BOND SOUGHT ARREST 'SURPRISE,' INVESTIGATOR SAYS

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LOS ANGELES -- **John Z. DeLorean**, former General Motors Corp. vice-president, was to be charged late Wednesday in federal court with conspiring to possess and distribute 220.5 pounds of cocaine valued at \$24 million to try to save his auto company in Northern Ireland from collapsing, the U.S. attorney's office here said.

DeLorean, 57, was arrested Tuesday and spent the night in a second-floor cell of the Parker Center Jail.

Alexander H. Williams 3d, chief assistant U.S. attorney, said the government would ask for a \$20 million bond on **DeLorean**. The case is expected to go to a grand jury within 10 days.

In a frantic -- and unsuccessful -- attempt to save his troubled **DeLorean** Motor Co. by allegedly becoming involved in a major cocaine deal, **DeLorean** "wandered into" an investigation being conducted of another man charged in the case, William M. Hetrick, according to federal law enforcement sources.

"Hetrick's been the target of this thing from the start," said a Los Angeles federal law enforcement official involved in the five-month investigation who asked not to be identified. "He's the big fish. Then, along came **DeLorean**. We knew about him, but we were more surprised than he was when we arrested him the other night. He just stumbled into the deal."

DeLorean was arrested Tuesday afternoon in a hotel near Los Angeles International Airport, according to federal authorities. Richard Bretzing, FBI special agent in charge of the Los Angeles office, said **DeLorean** had several pounds of cocaine when he was arrested.

The total amount of cocaine actually confiscated by federal authorities was about 60 pounds -- including the amount found in **DeLorean**'s possession -- an FBI spokesman said. Investigators believe the rest was to be provided to **DeLorean** later. They gave no estimate of what **DeLorean** was supposed to pay for the drugs wholesale, but they put the total street-sale value of the cocaine at \$24 million.

DURING THE five-month investigation, according to a federal official, **DeLorean**'s name kept "coming up and coming up . . . it was mentioned that **DeLorean** had some involvement, but it was unclear exactly what the involvement was."

Federal authorities declined comment when asked how long **DeLorean** allegedly had been involved.

Asked how **DeLorean** and Hetrick might have met, the federal official said, "We're not quite sure, except they did travel in some of the same circles. Hetrick gets around all over the place, but it's unclear how they became associates."

Hetrick, 54, the owner of Morgan Aviation, an aircraft service company in Mojave, Calif., was "almost penniless in 1977-78," said another federal law enforcement official. "But today, you couldn't begin to spend the interest on his assets. And you don't make the kind of money we're talking about here legally. Not in three or four years, anyway."

In March, according to Capt. Paul Lydick of the suburban Ventura Police Department, the names of Hetrick "and a number of his associates" began turning up in an investigation being conducted by Ventura police into an operation "that was laundering large amounts of U.S. currency."

Simply put, laundering money involves taking cash from one source -- usually an illegal enterprise -- and moving it into other, legitimate, sources to make it appear as if the money were not obtained by criminal means.

Asked if the money being laundered came from drug sales, Lydick said, "I can't comment on that. But when you're making money illegally, such as in a drug operation, the money has to go someplace."

ACCORDING TO his surveillance reports, Lydick said, money was being moved "from here to L.A. and then to other U.S. locations and then, obviously, out of this country." Lydick declined to specify which other U.S. cities might be involved.

As their investigation continued, Lydick said, his investigators "didn't really know what we had . . . except that it involved extremely large amounts of money." Lydick then turned his information over to federal investigators who "jelled it with a drug case they were working on."

Asked how much was involved in the laundry operation, Lydick said, "I can't comment on that." However, he did say that IRS investigators have placed tax liens on "about 12 bank accounts, two yachts, seven airplanes and just an awful lot of real (estate) property" belonging to Hetrick.

When a reporter called the office of Hetrick's firm, Morgan Aviation, the man who answered identified himself as an IRS agent.

Hetrick and an associate, Stephen L. Arrington, 34, of San Diego, were arrested Monday with almost 60 pounds of cocaine, according to federal authorities.

Bretzing said the FBI found that **DeLorean** "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."

IN FACT, **DeLorean** 's arrest came only hours after the British government announced it was closing his auto assembly plant outside Belfast, Northern Ireland. In effect, this move killed **DeLorean** 's stainless-steel, gull-winged sports car.

DeLorean , who stunned the American automotive industry when he quit GM in 1973, started the Northern Ireland project in 1978. He had hoped his sports car company, subsidized by the British government, would prove to Detroit that producing an innovative, safe auto could become a profitable venture.

But Tuesday, **DeLorean** 's 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.

If convicted of the charges, **DeLorean** and the two other men could face maximum sentences of 15 years in prison and a \$25,000 fine.

"When you look at the bottom line on this," said Capt. Lydick, "they can get some prison time and the \$25,000 fine. With these people, that kind of fine is like going to lunch and picking up the tab."

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Caption: Pix (c) 1982 by ARTHUR SCHATZ, AP and UPI

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Edition: STATE EDITION

Section: NWS

Page: 1A

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