MEDELLIN, Colombia -- Gen. Mario Montoya has for years been a trusted caretaker of the sizable aid package Washington provides Colombia's army, leading helicopter-and-commando teams that eradicated drug crops and helping orchestrate this summer's dramatic rescue of hostage Ingrid Betancourt and three captured U.S. defense contractors from Marxist rebels.

With his cinematic bluster and take-charge nature, he impressed visiting American congressional delegations and military officials as an effective, no-nonsense commander who produced results.

But now, a former paramilitary fighter has said in special judicial proceedings that Montoya, who heads Colombia's army, collaborated with death squads that took control of this city's poor neighborhoods from the guerrillas a few years ago. His testimony, along with that of at least four paramilitary commanders, is illuminating the links between Colombia's potent, U.S.-backed military and its brutal paramilitary proxies.

The allegations, if proved, could be highly damaging for the government of President Álvaro Uribe, a strong ally of the Bush administration who has staunchly supported the general in the face of past allegations. Investigations into the ties between illegal paramilitary groups and the Colombian state have already implicated numerous allies of the president, including dozens of lawmakers and the former head of the secret police.

Videotaped testimony by Luis Adrián Palacio, made during two days of closed-door hearings in August and viewed by The Washington Post, has prompted the attorney general's office in Bogota to open a preliminary criminal investigation of the allegations against Montoya, senior investigative officials said.

In a separate jailhouse interview this month, Palacio recounted an April 2002 episode in which he says Montoya funneled weapons to a potent paramilitary militia commanded in this important northern city by Carlos Mauricio García, better known by his alias, Rodrigo 00.

"Montoya is under investigation," said an official in the attorney general's office in Bogota who is familiar with the case. "He has not been charged, but that is the next step."
Another official familiar with the case added that Palacio "has a high degree of credibility."

In an interview, Montoya vigorously denied the allegations and called Palacio "a bandit" who is testifying against him to secure an early release from jail. The general also said that Palacio's specific claim that Montoya personally delivered a vehicle loaded with six assault rifles and a grenade launcher was absurd.

"He is lying; he is lying out of all sides of his mouth," Montoya, accompanied by two aides, said in his office. "I am a fighter. I am a warrior. That is why I have enemies. I defend Colombian democracy."

Palacio's testimony comes after several jailed paramilitary commanders, recounting their crimes as part of a government-supervised disarmament of militias, have implicated 30 military officers and police officials. Taken together, testimony by the former fighters shows how some commanders of an army that has for years received U.S. military hardware and training may have collaborated more closely than previously thought with death squads in the 1990s and the early part of this decade.

The testimony against Montoya, well known in Washington because of his early role in managing the large U.S. military-aid package, is particularly embarrassing as the Uribe administration lobbies the U.S. Congress for a free-trade agreement, a debate closely watched by international human rights organizations.

Colombian officials say Palacio may actually receive additional jail time for testifying against Montoya because, by agreeing to cooperate in special hearings for paramilitary fighters, he also has to admit to killings and other crimes he committed. Already, Uribe's administration has been shaken by the arrest this month of a friend and ally of the president, retired Gen. Rito Alejo del Río, on murder charges. Investigators say del Río built a brutally effective counterinsurgency force with paramilitary militias and often planned joint operations with the top paramilitary leader of the late 1990s and early part of this decade, Carlos Castaño. Del Río denies ties to paramilitary groups.

Until its fighters began a disarmament process in 2003, the paramilitary United Self-Defense Forces of Colombia, or AUC, massacred thousands of villagers, carried out assassinations of political leaders and union members, and funded its operations through cocaine smuggling and support from wealthy Colombians and the Colombian security forces. Despite their brutal tactics, the paramilitaries became an effective proxy force against rebels for a then-ineffective army.

Sen. Patrick J. Leahy (D-Vt.), chairman of the Senate subcommittee that oversees funds to the Colombian army, expressed concern over Palacio's allegations. Leahy is holding up $72 million in funding because of reports that the army has killed hundreds of peasants in recent years and presented the bodies as those of rebels killed in combat. Montoya is considered a leading proponent of compiling combat kills to measure success, a policy
that human rights groups and some Colombian officials say fuels the slaying of civilians. Montoya also denies that his policies have led to the deaths of civilians.

"There have been continuing concerns with reports linking General Montoya and troops under his command to paramilitaries," Leahy said in a statement. "These allegations should be thoroughly investigated to assure that the chief of the Colombian Army -- an institution that receives hundreds of millions of dollars in U.S. aid each year -- is of unimpeachable integrity."

In Washington, the Bush administration has seen Montoya as an effective commander, particularly in developing strategies against the largest rebel group, the Revolutionary Armed Forces of Colombia, or FARC. The army, under Montoya's command, has in recent months struck major blows against the FARC, including the July rescue of American and Colombian hostages in a daring operation.

"Our experience with Montoya is a good one," Thomas A. Shannon Jr., assistant secretary of state for Western Hemisphere affairs, said by telephone from Washington. "He is a great field commander. He's done very well with the FARC."

Shannon said U.S. officials were aware of past allegations against Montoya but "found nothing to support them." Shannon said the current accusations are serious and should be investigated.

In interviews, residents of a hillside neighborhood here called Comuna 13 said the army's 4th Brigade, under Montoya's command, teamed up with paramilitary fighters in Operation Orion in October of 2002 to dislodge well-entrenched guerrillas. Though many residents welcomed the operation, reports surfaced later that paramilitary fighters killed guerrilla collaborators and buried their bodies in unmarked graves.

"No paramilitary commander operates alone," said Sister Rosa Cadavid, a Catholic nun in the neighborhood who has publicly denounced Operation Orion. "They operate with the military, and the man in charge then was General Montoya."

The allegations are also contained in a CIA report, disclosed by the Los Angeles Times in 2007, that said Montoya conducted operations with the AUC in Comuna 13. Colombian authorities have said the document was based on unproven intelligence, and Montoya said in the interview that Orion also was directed at paramilitary fighters.

But officials in the attorney general's office said the CIA report is considered important evidence for investigators untangling the role of the military and paramilitary militias in Medellin. Montoya called the CIA report inaccurate.

"It's an issue that has to be cleared up," said one senior Colombian official in the attorney general's office, who, like other investigators interviewed, asked to remain unnamed because the case is still being probed. "In that operation, irregular things happened."
Montoya's trajectory through the army has included intelligence work in the Charry Solano Battalion -- which was implicated in assassinations and bombings in the 1970s and '80s -- to leading Colombian forces in U.S.-funded counter-drug efforts in southern Colombia earlier this decade.

Paramilitarism expanded dramatically in many of the regions of the country where he has been a top commander -- from here in Antioquia state to northeastern Santa Marta, where court documents have shown close links between the state security apparatus and paramilitary commanders. Montoya said he has always battled death squads as vigorously as he fought against guerrillas.

"In this job, you always have people accusing, but never have these accusations had legal repercussions," he said. "People know that by making accusations you can get a lower sentence."

In testimony Aug. 11 and 12 in a Medellin courtroom, Palacio said Montoya was known as "the cousin" for his close relationship with paramilitary units.

In the interview in jail, Palacio explained how he had joined the paramilitary movement in 1998 and was sent by García, the commander known as Rodrigo 00, into the army the following year, enlisting so he could steal weapons, provide intelligence on troop movements and, eventually, form ties with corrupt officers.

By November 2001, Palacio said, he was participating in counter-guerrilla operations with Medellin's Granaderos Battalion, along with paramilitary fighters. Montoya headed Medellin's 4th Brigade from December 2001 to December 2003.

"They collaborated with us, and we collaborated with them," Palacio said. "They came with us, to patrol the neighborhoods."

Palacio was ousted from the army in April 2002 and rejoined the AUC as a foot soldier. In May of 2003, he was arrested on extortion, arms smuggling and other charges and, in 2005, pleaded guilty.

A judge sentenced him to a 14 years in prison, according to court documents.

Palacio could have been released within a year, having won credit for time served and good behavior. But joining the demobilization process, and testifying against Montoya while admitting to more than 20 homicides, could mean two to three additional years in jail, authorities say.

Palacio said he did it to start anew, with no fear that his past crimes would haunt him and lead to charges in the future.