

## COUNTERINTELLIGENCE

# Scotiabank, NSA wage finance war

*Canada banking networks caught stealing from organizations' bank*

*The following Counterintelligence report was submitted by Warren Hamerman, Director of Organization of the National Caucus of Labor Committees. It consists of four sections: a report by Hamerman detailing financial warfare operations against organizations associated with U.S. Labor Party Chairman Lyndon H. LaRouche, Jr.; a release issued by the USLP on the operation; a letter by Hamerman to Attorney General Griffin Bell demanding an investigation; and a list of government agencies that have been asked to participate in the case.*

Through comparing clues and various cross-checked patterns of information in catching the Canadian Imperial Bank of Commerce redhanded in stealing \$25,000 from the account of the National Caucus of Labor Committees (NCLC), the NCLC has conclusively pieced together a financial warfare, larceny and assassination operation against the organizations associated with Lyndon H. LaRouche, Jr.

Over the past three to four years the worldwide terrorism command and international drug-pushing ring has stolen hundreds of thousands of dollars from the Labor Committees, not including the \$110,000 robbed from the Committee to Elect Lyndon H. LaRouche and the U.S. Labor Party by the Federal Elections Commission (FEC) in 1976. The operation has been coordinated through the Bank of Nova Scotia, the special privileges of the National Security Council (NSC) to direct the National Security Agency (NSA) to open and reroute selected, targeted mail in the postal system, and other "specialists" in organized crime networks.

In order to launder the accounts of this magnitude of "hot money" into the international banking system special technical tricks perfected by the unregulated Canadian banking system to transform "dirty" drug money into apparently "clean" liquidity were employed. Officials of the U.S. Federal Reserve, U.S. Customs Service, and appropriate law enforcement and intelligence agencies who have been brought into the investigation have corroborated and confirmed the outlines of the illegal laundering features of the operation used against LaRouche.

There are four basic facts which describe the

picture of this financial warfare operation against LaRouche.

1. Nine incidents have occurred over the past four years in which large-scale single deposits have appeared in NCLC accounts. In most cases, the amounts were well rounded figures totaling \$1 million. In virtually all the instances the banks involved were either directly among the largest of Canadian banks, such as the Bank of Nova Scotia, or closely affiliated politically with them.

2. The officers of these banks are the most well-advertised mortal political enemies of Lyndon H. LaRouche, Jr. Many of these men or their associates have threatened to kill LaRouche or, variously, crush his organizing efforts. Five members of the board of the Bank of Nova Scotia and three members of the board of directors of the Canadian Imperial Bank of Commerce are members of the Most Venerable Order of St. John of Jerusalem (the Black Maltese Order). Individuals at the head of each bank are directly associated with the Bronfman organized crime empire. LaRouche is the most outspoken proponent in the Western Hemisphere for the replacement of the old International Monetary Fund-dominated world monetary system with a new world economic order based upon the European Monetary Fund. The officials who head these banks are the most outspoken opponents to the EMF policy.

3. These very same banks are in the center of worldwide drug-running and money-laundering operations that are addicting millions of U.S. youth on drugs and waging financial warfare for the British and Dutch monarchies against the United States dollar with the proceeds of their laundered opium sales. These facts will soon be released in a book commissioned by Lyndon H. LaRouche, Jr. entitled *DOPE, Inc.: The World's Biggest Business*.

4. Ongoing heists of funds from the organizations associated with LaRouche over the past three to four years correspond in magnitude to the accounting figures which suddenly show up and then disappear from Labor Committee accounts under the banks' claims that these sums were "clerical errors." The three principal sources from which funds are stolen are: heists of checks in the postal system; thefts of

# on LaRouche

## accounts

anonymous contributions; and fraudulent solicitations by phony or imposter LaRouche representatives.

### How Kissinger and Brzezinski steal mail

Officials closely involved in the American postal system have been fully informed on the magnitude of postal thefts which LaRouche's organizations experience internationally. Many checks and letters known to have been sent to national or regional headquarters vanish from the face of the earth after they are posted, others take weeks to arrive; others come completely opened; and most significantly, studies show that checks of low denomination amounts got through while checks of several hundreds of dollars disappeared.

Who is stealing the mail? It is well known that Maoist drug-running cells exist in strategically located and important post offices. However, the sort of operations being run against LaRouche need top-down organization and reliability which the terrorist Maoists could not supervise (though we leave open for investigation their direct implication).

Many Americans will recall that the notorious James Angleton, who headed the Israel, terrorism, and counterintelligence "desks" for the CIA was ousted over a scandal involving mail tampering.

Most Americans, however, do not realize that both Henry Kissinger and now Zbigniew Brzezinski, in their capacity as National Security Council head, have the specific authority to direct the National Security Agency (NSA) to open and reroute targeted mail. It is well-known among insiders, that during the period that Watergate was being run to destabilize the Nixon Administration, none other than Alexander Haig was coordinating the postal theft and monitoring operation for Henry Kissinger. Similarly, during the Koreagate and ITT investigations the NSC-NSA apparatus made extensive use of mail swiping under the claims of "national security matters."

One official of the U.S. Justice Department has pointed out that the nature of an operation in which the National Security Agency (NSA) would be coordinating systematic stealing and rerouting of mails — or "flaps and seals" operations as they are known in the intelligence trade — are highly likely given the fact

## British Monarchy and the Bank of Nova Scotia



### Eagle Star Insurance

Bd. of Directors with interests including:

MONARCHY  
BARING  
MONTAGUE  
ROTHSCHILD  
HAMBROS

### Bank of Nova Scotia

Dennis Mountain

Sir Kenneth Keith

(Asst. Dir. Political Intelligence.  
British Foreign Office. WW II)

Sir Kenneth Strong

(British Intelligence. WWII)

Worked with Sir William Stephenson  
psychological and economic  
warfare. British Intelligence.  
WW II. founded **Permindex**.  
Cover Corp. for drugs and  
assassination  
owns 25%

### Bank of Nova Scotia (Bahamas)

Sir Kenneth Keith  
Director

### English Property Corp.

Real Estate Subsidiary  
of Eagle Star

### Trizec

owned jointly with  
Charles Bronfman

### Seagrams

owned jointly with  
Edgar Bronfman  
Family Investment Co.

that the NSA is the "dark area" of the U.S. intelligence community. In addition to its more well-known functions of monitoring communications globally, the NSA also has a "special" chain of command.

The Director of the National Security Council with the President's permission can invoke the pretext of "national security" to launch special "flaps and seals" and other operations through the NSA.

The NSA's special capability to conduct financial warfare can be traced back to the methods and networks of Walter Sheridan, former head of the counterintelligence section of the Security Division of the NSA. Sheridan, widely known for his coordination of attacks on the Teamsters Union, was Robert Kennedy's de facto chief of staff in running phony investigations of organized crime as a way of protecting the top levels of the syndicates: the very same British intelligence officers, Canadian Banking officials and Black Knights of Malta networks who run the opium and dope business as well as coordinating the financial warfare operation against LaRouche.

The fraud accounting side of the operation, to cover the stolen funds, involves such dirty tricks of the trade as "dummy" and "parallel accounts" for siphoning real deposits in one account off into a similarly named phony account. A close look at some of the methods employed by the Bank of Nova Scotia prompts the observation that in Canada they don't have banks, they just have Chinese laundries.

It is for this reason that a corrupted judge in the New York state court system recently granted the Bank of Nova Scotia a "Summary Judgment" against the National Caucus of Labor Committees, ruling that the appearance of a sum of \$90,000 in an NCLC account at the bank in December, 1976 was a "clerical error." The significance of the summary judgment, which was won for the Canadian bank by the intimidation of the judge by Citibank's law firm Sherman and Sterling, is that a summary judgment cuts off all chances of the NCLC to ask of Bank of Nova Scotia detailed interrogatories establishing the chain of evidence to uncover the fraud accounting tricks.

At least three different investigators with expertise in tracking through the financial "laundering" operations in drug trafficking, have *independently* had the same reaction after being briefed in detail on the evidence: "Such a financial warfare operation against the LaRouche organizations would be fully corroborated and represent existing capabilities by the networks you describe if two *technical* criteria were met: (a) A grouping of top bankers, no level lower than the Board of Directors in institutions such as Nova Scotia Bank, would have to be coordinating the operation; (b) The conspiracy against LaRouche would have to know in most minute detail the entire day-by-day cash flow patterns of the organization — including vendor situations, wiring methods and expected incomes."

Both of these criteria are already known to have

been proven in minute evidentiary detail. This is the admitted conclusion of various officials in the intelligence and administrative community of this nation, as well as the corroborative assessment of various government and intelligence officials of several Western European nations.

For example, in August, 1977 networks in one of America's best-known intelligence agencies "leaked" to the leadership of the Labor Committees a detailed memorandum describing a financial warfare and assassination operation under the code names "FIST and SWEEP." The operation described conforms in every detail to the ongoing nature of the Bank of Nova Scotia-led larceny ring against LaRouche. Specifically, the memorandum identified the financial warfare operations as emanating from the networks established by Sir William "Intrepid" Stephenson during World War II and later employed by the aforementioned Walter Sheridan against the Teamsters Union.

### The SOE and Nova Scotia Bank

The board of directors of the Bank of Nova Scotia — and the other Canadian drug banks involved in the financial warfare and assassination operation against LaRouche — is a North American command and operations section for the political intelligence networks deployed by the British monarchy through such "umbrella" institutions as the Most Venerable Order of St. John of Jerusalem, the Mont Pelerin Society and the Jerusalem Foundation. Within the past months top leaders of these organizations have threatened to "kill LaRouche" or "crush his organization" to various investigators.

The North American command and operations center of Her Majesty's Britannic government can be traced *directly* back to the dirty tricks networks run by Max Aitkin (Lord Beaverbrook), MacKenzie King and Sir William "Intrepid" Stephenson who was Operations warfare officer for Winston Churchill in the Western Hemisphere. Churchill's Special Operations Executive (SOE) branch in North America was headed by Stephenson who in turn controlled the notorious Division Five of the FBI under Louis Bloomfield.

### Eagle Star Connection

Bloomfield, a personal agent for the Montefiore family of London and Montreal, later became the essential chief of staff for the Bronfman empire of drug running and assassination. Bloomfield himself was the founder and director of Permindex, the Swiss-based assassination syndicate specifically identified by Charles de Gaulle as deploying at least two assassination operations against him.

It was the Bronfman-linked Permindex, in closest conspiracy with Mossad agent Tibor Rosenbaum, who ran the Kennedy assassination. New Orleans D.A. Jim Garrison's investigative trail led directly to the

## How the theft works

U.S. Labor Party special investigations of fraud practiced against the organization by the Bank of Nova Scotia, have uncovered a large-scale several years long "milking" and theft operation against the party. The proof of the operation was established as a result of simultaneous maturing of several separate lines of investigation.

The front end of the "milking" operation is composed at present of two principal elements of theft and fraud.

Element 1: there is proof of a massive mail theft operation within the U.S. Post Office, through which the majority of all substantial denomination checks are stolen from the mails.

Element 2: dummy groups fraudulently representing themselves as affiliated with the U.S. Labor Party, the National Caucus of Labor Committees, or the Fusion Energy Foundation, solicit funds in the name of the organization fraudulently represented.

This combination of theft and fraud is represented chiefly in collections of checks. The next step in the operation is the clearing of checks.

### Where the Bank of Nova Scotia enters

The checks are initially laundered through bank accounts in the USA, dummy accounts of the U.S. Labor Party, National Caucus of Labor Committees, or Fusion Energy Foundation. This leaves the thieves the problem of laundering this money into the desired target accounts through which the stolen and fraudulently secured sums can

be withdrawn under the cover of legality.

The aspect of the laundering operation presently uncovered by Labor Party investigations is as follows:

Substantial accumulations of such sums are routed through the Canadian banking system, and then transmitted on wire drafts to regular accounts of the U.S. Labor Party, or the National Caucus of Labor Committees. These show up in multi-thousand dollar deposit amounts, appearing as "anonymous contributions" made through wire draft. Once the money has been successfully "laundered" through the appearance of such deposits in Labor Party or Labor Committee accounts, the bank which has wired the transfer acts to recover the deposit by claiming an error. A deposit of the identical amount is created in another account held with the bank which made the disputed wire transfer, and the funds stolen from the Labor Party or Labor Committees are thus laundered into legal forms of payment.

The peculiarity of this complex operation is that the principal objective of the combined fraud and theft is not greed. The principal objective of the operation — which has been in operation since 1974 — is British-Canadian "Special Operations Executive" type financial warfare against the U.S. Labor Party.

That is the nature of the fraud and theft which the Bank of Nova Scotia has perpetrated against the U.S. Labor Party.

Permindex network before a massive coverup, assassination of witnesses, and intimidation operation was launched to "silence" his investigation.

The Bronfman, Permindex, old SOE network is *specifically* part and parcel of the apparatus which controls the Bank of Nova Scotia and Canada's other drug banks. Until his recent death Brian Mountain, a director of the Bank of Nova Scotia, was chairman of Eagle Star Insurance, Ltd. His brother Dennis Mortimer Mountain is still on Nova Scotia Bank's board. Two other Scotiabank directors, Sir Kenneth Keith and E. Jacques Courtois, are also directors of Eagle Star.

Eagle Star is London's largest insurance company whose board of directors encompasses a healthy cross section of British crown networks, including representatives of the monarchy, the venerable Knights of St. John of Jerusalem, together with representatives of the Rothschilds, Samuel Montagu, Baring and

Hambro's merchant banking interests, and representatives of the British political intelligence departments.

Eagle Star's direct subsidiary, English Property Corporation, is a major shareholder in the principal vehicle of the Bronfman empire: the real estate corporation Trizec, which in turn is administered by the legal firm of E. Jacques Courtois, himself a member of the board of directors of the Bank of Nova Scotia. In addition Eagle Star Insurance owns outright 25 percent of the capital of the Bank of Nova Scotia's major income-generating subsidiary — the Bank of Nova Scotia Bahamas — on whose board Sir Kenneth Keith also sits.

Kenneth Keith, from Scotiabank's board of directors, is also chairman of Hill Samuel Group Ltd. Back in 1945-46 he directly worked for Churchill's SOE when he was assistant to the Director-General of the Political Intelligence Department of Her Majesty's Foreign Office.

## Fixing the books

All of the government experts working together with the Labor Party team preparing the book *DOPE, Inc.: The World's Biggest Business*, have confirmed that the large Canadian banks such as the Bank of Nova Scotia are "technical specialists" in accounting tricks to be able to transform dirty drug and crime money into apparently clean liquidity. Not unrelated to this capability is the fact that R.M. MacIntosh, executive vice president of the Bank of Nova Scotia, presently chairs the Canadian Banking Act revision committee or the fact that Arthur Hollins Crockett, deputy chairman of Scotiabank, was president of the Canadian Bankers Association (1969-1970).

In the two recent cases where Bank of Nova Scotia and the Canadian Imperial Bank of Commerce used accounting fraud to steal money from NCLC accounts, the special services of Walter Lockhart Gordon's activities are in the center of the operation (see *New Solidarity*, Nov. 7, 1978).

Walter Lockhart Gordon's auditing firm, Clarkson and Gordon, is listed as the auditor for both the Bank of Nova Scotia and the Canadian Imperial Bank of Commerce. From 1940 to 1945 Gordon was in the Canadian Finance Ministry where as part of Churchill's SOE he helped in the relocation of British banking to Canada. Gordon is a major spokesman for British "limited growth" economic policies in the postwar period, and was a key "godfather" to the Canadian environmentalist and Maoist movements. Gordon is a member of the Canadian Privy Council and therefore in direct chain of command to the British monarchy.

Therefore, the Bank of Nova Scotia and NSA financial warfare operation against LaRouche is controlled and deployed by the very forces who are desperately trying to force a recession upon the United States as a tactic to impede the creation of a new world economic order based upon the European Monetary Fund. LaRouche, acknowledged to be one of the principal architects of the EMF concept to link the economies of the European community, Japan, the Middle East, United States and Comecon into one global network for economic development, is the primary target for the financial warfare and assassination operations outlined above.

The names of the individuals described above are the very same as those who are on public record opposed to the EMF. These are the networks who killed Kennedy and Mattei, and tried to assassinate de Gaulle. These are the individuals who control the world's multinational drug trade from the top down as well as international terrorism. These are the backers of the International Monetary Fund genocide and austerity programs. All this LaRouche knows how to rid the world of, if he is given the public means to do so. Therefore, they are out to assassinate him and crush his organizations.

— Warren Hamerman

## Massive probe sought

*The NCLC has sent evidence on the Canadian bank fraud scandal to the following government agencies seeking their participation in the investigation:*

### Administrative and regulatory agencies

Board of Governors, Federal Reserve System, attn.  
Division of Banking Supervision and Regulation  
Office of the Comptroller of the Currency, Department  
of the Treasury

### Justice Department

Attorney General Griffin Bell  
Criminal Division, attn. Fraud section  
Federal Bureau of Investigation,  
attn. Bank Fraud Section  
Office of Professional Responsibility  
Public Integrity Section

### House Committees

Banking, Finance and Urban Affairs; Subcommittees on  
Financial Institutions; Supervision; Regulation;  
Insurance  
Government Operations: Subcommittees on Legislation  
and National Security; Commerce; Consumer Money-  
ary Affairs; Government Information and Individual  
Rights  
Interstate and Foreign Commerce: Subcommittees on  
Oversight and Investigation; Consumer Protection  
and Finance  
Permanent Select Committee on Intelligence  
Judiciary: Subcommittees on Civil and Constitutional  
Rights; Criminal Justice

### Senate Committees

Banking, Housing, Urban Affairs: Subcommittees on  
Financial Institutions; International Finance  
Select Committee on Intelligence: Subcommittees on  
Special Investigations; Intelligence and Rights of  
Americans  
Judiciary

### State and regional agencies

All regional Federal Reserve banks  
State banking commissions and banking regulatory  
agencies in 20 states in which the NCLC maintains  
bank accounts

## NCLC leader requests federal investigation

*The following letter was sent by Warren Hamerman, Director of Organization of the National Caucus of Labor Committees, to Attorney General Griffin Bell on Nov. 6. Copies were sent to the Department of Justice Criminal Division, Fraud Section; the Office of Professional Responsibility; the Public Integrity Section; and the FBI Bank Fraud Section. The letter was forwarded with documentation, which is outlined for EIR readers in Hamerman's lead report in this section.*

This is a request that the Department of Justice, through its appropriate Divisions and offices, initiate an investigation of banking fraud and mail theft being directed against the National Caucus of Labor Committees and the U.S. Labor Party.

We have reason to believe that a large-scale, sophisticated operation is being conducted which involves the following elements:

1. Systematic mail theft and interception of monies flowing into accounts of the NCLC and U.S. Labor Party.
2. Creation and maintenance of parallel or "dummy" NCLC bank accounts into which stolen and diverted monies are deposited.
3. Deliberate and/ or accidental conduiting of these stolen funds through the regular NCLC

accounts, resulting in a pattern of large, unexplained amounts of money appearing and then disappearing from NCLC accounts.

4. Illegal surveillance and financial-warfare operations conducted by agencies of the United States Government, in particular the National Security Council and the National Security Agency.

The enclosed attachment, summarizing the incidents leading up to this complaint, will explain in more detail the pattern of events which prompts us to ask for this investigation. Suffice it to say that we believe that the operations we are describing involve violations of numerous Federal statutes, including statutes governing banking and bank fraud, mail fraud, theft, interference in political campaigns, and also violations of the guidelines governing the authority and practices of intelligence agencies.

The Legal, Security and Financial Intelligence staffs of the NCLC and the USLP have accumulated a great deal of detailed information which we will be happy to make available to you at the request of you or your investigators.

I will also be available to meet personally with you or your representative to discuss this matter further.

Thank you for your cooperation.

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