

Senate dupes applaud drug-pusher William Weld

by Martha Quinde

Now that everyone, including the President's Commission on Organized Crime and the U.S. Treasury Department, is pointing the finger at Crédit Suisse as the bank of the world narcotics Mafia, why has Congress not caught on?

At hearings on Capitol Hill on March 12, the Senate Permanent Investigations Subcommittee (SPIS) of the Committee on Government Affairs declined the chance to expose the coverup of the connection between Crédit Suisse and Boston U.S. Attorney William Weld in the investigation of Bank of Boston. The focus was on currency transfer reporting violations of the Bank of Boston and other banks as an administrative problem of enforcing proper auditing procedures.

Weld, who allowed Bank of Boston to "plea-bargain" for a mere \$500,000 fine when it was indicted in February for \$1.2 billion in illegal money laundering, testified that it was merely "lower level" officials of the indicted bank who had encouraged the massive flow of illegal transactions. Yet, Senators D'Amato, Roth, and Rudman praised Weld for his role in bringing the Bank of Boston to justice despite alleged lack of cooperation from the office of the Comptroller of the Currency, the agency which audits the national banks.

As *EIR* has previously reported (March 5, 1985, pp. 52-55), under "conflict of interest" statutes Weld had no business handling the Bank of Boston case at all. The Weld family funds were accrued by the White, Weld securities empire under Weld's father David Weld, in association with Crédit Suisse from the 1930s up through the early 1980s, when White, Weld was dissolved into numerous pieces under the overall control of First Boston, Crédit Suisse, and New York's Merrill Lynch.

The 1978 divestiture of the Weld family fortune was done for one reason: to protect William Weld from legally oblig-

atory financial disclosures about his connection to drug pushing, when he was first running for public office. The issue is Crédit Suisse and William Weld's partnership with Crédit Suisse.

Informed European sources told *EIR* that Crédit Suisse has been, since at least the 1960s, the most cited European bank in investigations of organized crime. Following Castro's closing of Havana gambling, drugs, and prostitution after 1959, the Meyer Lansky mob moved its center to Las Vegas through a complicated courier system moving funds from there to Switzerland. "The bank most frequently mentioned as the recipient of Mafia funds was Crédit Suisse," the sources said.

In 1980, Crédit Suisse was named as a prime suspect in "Operation Greenback" launched in Florida by the Drug Enforcement Agency, the IRS and the FBI. Florida was targeted as the entry point for Latin American cocaine, estimated to be worth \$35 billion to U.S. dealers, mainly the Mafia. The Miami branch of Crédit Suisse in the first week of Operation Greenback was subjected to no fewer than three rounds of currency transfer checks by U.S. officials.

SPIS skirts the issue

Although SPIS staffers had access to the information of Weld's background and ties, only three of the 13 senators on the committee were present, and none asked about the apparent conflict of interest in Weld's taking the case, or why he let the bank off with so small a fine. Weld himself used the March 12 hearings to call for new guidelines which include allowing federal prosecutors to bypass certain Internal Revenue Service and Treasury regulations for the protection of financial information about individuals and institutions.

Weld told the committee that "in all fairness to the banks, speculation of a possible connection between the \$1.2 billion in international transactions that were not reported and organized crime has been overdone." Weld even said that he had heard that lower level bank officials, "and I emphasize lower level," say that the best way to drum up business is to put out the word that a branch is not stringent about complying with federal regulations.

Nonetheless, the opening statement presented by committee chairman William Roth indicated the potential for a serious inquiry. The Delaware Democrat said, "There is no question in our minds that the Bank Secrecy Act is an indispensable link in the prosecution chain of crimes; particularly those involving organized crime, drug traffickers, and major frauds." He pointed out that the IRS has 188 ongoing Title 31 (Bank Secrecy Act) investigations involving 41 banks. Fifty-three of the 188 cases are located in the Northeast.

"These are very disturbing statistics," Roth said, "more so because of the types of banks represented."

William L. Brown, chairman of the board of the Bank of Boston, simply said that his bank did not know the regulations. He seemed perplexed when Sen. Warren Rudman (R-N.H.) said, "Mr. Brown, how could it be that someone comes into your bank with, literally, bags of money and no one takes note?" "I've been asking myself that same question, Senator," Brown said, "I just don't know!"

Swiss banking exposed

On March 12, the same day as the hearings, the *Wall Street Journal* reported on the study of the President's Commission on Organized Crime, quoting Rudolph Giuliani, U.S. Attorney for the Southern District of New York, saying that the Cr dit Suisse bank of Zurich, Switzerland was at the center of the \$1.65 billion in narcotics money-laundering operations of the "pizza connection" drug networks broken up in New York last year. *This is the same Swiss bank named as one of the major recipients of laundered money from the Bank of Boston.*

"A key bank of the network's operations was Cr dit Suisse. . . . They point to a number of accounts there, including 'Wall Street 651' and 'estate 386' used at various times by defendants in the pizza case. . . . A Cr dit Suisse spokesman declined to comment because the matter is still under investigation by Swiss authorities."

The President's Commission named the following financial institutions under suspicion in the "pizza connection" story: E.F. Hutton; Merrill Lynch & Co.; Cr dit Suisse's Bellinzona branch near the Italian border; the Bank of Butterfield in Bermuda; and Banca della Svizzera Italiana in Nassau. "In addition to Hutton," financial institutions alleged by a presidential commission to have been used for laundering include Chase Manhattan Bank, Irving Trust Company, Great American Bank of Dade County, Florida, and the foreign exchange and precious-metals dealer Deak & Co."

Judge rules against bank, for LaRouche

by Suzanne Rose

Judge Harold Ackerman ruled in federal court in Newark, New Jersey on March 11 that First Fidelity Bank of New Jersey had illegally seized \$170,000 of Lyndon H. LaRouche's presidential campaign funds just before the November 1984 election. The loss of the funds prevented LaRouche from making an Election Eve broadcast on CBS national television, part of a scheduled three-network blitz that night to educate voters on the crucial issues of strategic defense and monetary reform.

Judge Ackerman's decision is the first ruling on the merits of one of three cases stemming from an outbreak of financial warfare during the closing days of the 1984 election, when the campaign and organizations connected to Lyndon LaRouche were targeted by some of the country's largest drug-connected banks for destruction.

- William Weld, U.S. Attorney from Boston and scion of the White Weld investment banking family, announced an investigation into LaRouche's campaign committees for credit card fraud on the heels of "expos s" provided by Boston's NBC affiliate, WBZ. Weld's family bank is in a partnership with the notorious Cr dit Suisse in London and Paris, and Weld himself was recently caught covering up for his family interests by refusing to prosecute Bank of Boston officials found laundering drug money to Cr dit Suisse.

- First Fidelity Bank in New Jersey shut down LaRouche's campaign accounts, wreaking havoc on the campaign's ability to pay its debt to contributors and vendors alike. First Fidelity, led by "civic leader" Robert Ferguson, made New Jersey the second state to bring drug-money laundering capabilities onshore in the United States in a big way by legalizing casino gambling. First Fidelity not only used its clout to promote legalization against strong opposition in the state, but it provided Resorts International, founded as a front for mobsters Vesco and Lansky, with \$11 million to fund their casino.

- The third bank to jump into the "shut down LaRouche campaign" was New York's Chemical Bank, which followed First Fidelity's lead in seizing the funds of organizations connected to Lyndon LaRouche. One branch of Chemical Bank has been cited for drug-money laundering in the President's Task Force Report on Organized Crime. It was also