

# EIR Investigation

## U.S. attorney Weld: tool of dope banks

by Nancy Spannaus

Will the U.S. Justice Department permit one of its representatives to use its police powers to carry out a political vendetta on behalf of the international dope banks? That is the issue which was put before Attorney-General Edwin Meese on April 16, 1985, when Campaigner Publications, a publishing house run by associates of Lyndon LaRouche, presented documentation of Massachusetts U.S. Attorney William Weld's violations of ethical standards in his ongoing grand-jury investigation of a whole array of organizations run by LaRouche associates.

The material presented with the Campaigner complaint substantiates the following charges against the Boston Brahmin Republican Weld:

"In summary, we believe that Mr. Weld has lost complete independence and impartiality in initiating and pursuing the investigation of the LaRouche campaign and other organizations. Not only are his actions based upon personal, family, business, and political considerations, but they drastically undermine the confidence that the public has in the integrity of the United States government. His continued participation in this case, at a minimum, creates a clear appearance of impropriety. The facts overwhelmingly indicate that Weld has:

- substantial personal and financial ties with parties who have participated in the grand-jury investigation, who will benefit from its successful conclusion, and who have benefited from Mr. Weld's actions in the past.

- significant political differences with the LaRouche organizations which have motivated his actions to selectively choose them for investigation and to, in fact, fabricate an alleged charge of credit-card fraud against them.

- initiated this investigation solely in bad faith and in an effort to harass the LaRouche organizations because of his political differences with them and in retaliation for their exercise of their First Amendment rights in publishing information critical of Mr. Weld and his cohorts.

"With all of this in mind, we respectfully request that you order the immediate removal of William Weld from any further participation in the above-mentioned grand-jury investigation and that you order an immediate investigation into the factual allegations of misconduct that we have alleged."



*The family of U.S. Attorney William Weld (above) is in business with Crédit Suisse, which was just caught laundering dirty money for the Boston Brahmins. Behind Weld's crusade against Lyndon LaRouche lurks such figures as Seagrams Corp.'s Edgar Bronfman (below), a contributor to Weld's political campaigns who was exposed by LaRouche and associates in 1978 as a financier of the drug traffic.*

In the following pages, we review the leading evidence against the Massachusetts U.S. Attorney, evidence which demonstrates that Weld's conduct can only be explained if he is understood to be a political tool of the international dope banks who want to eliminate their political enemy, Lyndon LaRouche. We rely almost entirely on the public-record material which was presented by Campaigner Publications to Attorney-General Meese.

### **A dope banker's boy**

William Weld is the young scion of a leading Boston Brahmin family, which made its money in the international securities business in the firm of White Weld and Company. By both family connections and business connections, the Weld family heir is a representative of a nexus of international bankers who have been increasingly exposed in the recent period to be dope bankers.

White Weld and Company was founded in Boston in 1890 in order to handle "old" money for East Coast families, i.e., the Brahmins. Among its major centers were Canton and Shanghai, which suggests a continuing interest in the China trade (i.e., opium) through into the modern days. Just before the Communists took over mainland China in 1949, however, White Weld withdrew its money through Hong Kong to Uruguay, and then to the modern-day center of dirty money, Switzerland. Weld is married into the Teddy Roosevelt family, which has been identified by American historian Anton Chaitkin as involved in treasonous activity against the United States, including amassing fortunes from the China opium trade.

The White Weld firm itself has much more recent links with the dope business. The firm entered a partnership with the third largest bank in Switzerland, Crédit Suisse, in the 1950s. In fact, the European subsidiary of White Weld, White Weld AG, was transferred in toto to Crédit Suisse. According to Paul Ferris in an article written for *Fortune* magazine in November 1984, the impetus for the transfer was the fact that U.S. politicians were beginning to threaten to interfere with the mafia's stashing away its cash in secret Swiss bank accounts, and, as the only Wall Street firm to own a finance company in Switzerland, White Weld was a prime target for investigation.

In 1974, the connection between Crédit Suisse and White Weld became closer, with the formation of Crédit Suisse White Weld. Soon afterwards, the firm decided to discard the White Weld name altogether. White Weld in New York was sold to Merrill Lynch, and exists as an independent entity only on paper. Then, Crédit Suisse White Weld merged with a new American corporation, First Boston, in 1978. Dropping the White Weld name, the new corporation became Crédit Suisse First Boston.

Crédit Suisse First Boston, the firm in which the Weld family fortune is still tied up, currently controls 22% of the Eurobond market. This extraordinarily strong market position gives it the leverage to launder as much dope money as it might please.

To the knowledge of *EIR* investigators, Crédit Suisse First Boston has been implicated in dope-money laundering in at least four major instances:

- 1) Crédit Suisse of Zurich led the list of Swiss banks that

participated in bank-to-bank transactions which involved the shipment of unusually large amounts of \$5, \$10, \$20 bills to the Bank of Boston in exchange for \$100 bills—an action which led to investigation by the Justice Department and characterization by Treasury Enforcement head John Walker as “laundering drug money” (see *The Wall Street Journal*, March 6, 1985; this is also covered in the second to the last paragraph of a *Boston Globe* article, dated Feb. 8, 1985, titled “Bank of Boston Guilty in Cash-Transfer Case.”)

2) Crédit Suisse’s branch in Miami, Florida was the first bank to be targeted by the Reagan administration’s campaign against drug-money laundering, called Operation Greenback, which began in 1981. Crédit Suisse had to provide three “currency transaction reports” before the investigation was closed.

3) Crédit Suisse has been documented by New York U.S. Attorney Rudolph Giuliani to have provided the banking services for the mobsters involved in the “Pizza Connection.” A total of \$4,724,300 in cash was deposited at the Bellinzona branch of Crédit Suisse by the gang’s couriers in less than two years time, according to the bill of indictment presented to the U.S. District Court, Southern District of New York. Giuliani is quoted as saying that Crédit Suisse was at the center of the \$1.65 billion in narcotics-money laundering.

4) Crédit Suisse was the main banker for the notorious drug-money launderer, Bernie Cornfeld, when he set up the Investors’ Overseas Services corporation, until special Swiss legislation forced it to turn IOS over to the Overseas Development Bank in Luxembourg. When Cornfeld set up his scam, he solicited Switzerland’s “Big Three” banks, and it was Crédit Suisse that signed on the dotted line. The bank not only made itself legally responsible for IOS and put its Dutch affiliate in charge of managing its securities, but had its officers act as salesmen for IOS paper. The current Havana-based banking services for Ibero-American dope money run by Robert Vesco, who bought IOS from Meshulam Riklis, who bought it from Cornfeld, are probably still facilitated by Crédit Suisse.

Should a lawyer related to Crédit Suisse be trusted in a dope-money investigation?

### **The Bank of Boston case**

When you look at William Weld’s handling of the recent case of the Bank of Boston, it is clear that the answer is, obviously not.

As U.S. Attorney for Massachusetts, it was William Weld’s responsibility to investigate the suspiciously large number of cash transactions which were being carried out primarily between Switzerland and New York at the Bank of Boston. The total amount of unreported cash transactions amount to \$1.2 billion, carried out with nine foreign banks (cf. *Boston Globe*, Friday, Feb. 6, 1985).

Yet, rather than pursue the case to uncover why the Bank of Boston was covering up, U.S. Attorney Weld allowed the Bank of Boston to plead guilty to a felony charge of “knowing

and willful failure to file cash transaction reports,” and to stop further investigation. The deal negotiated between Weld’s office and the Bank resulted in a fine of \$500,000—and a burying of the drug laundering issue. In U.S. law, this is called a “plea bargain”—in which more serious charges are dismissed in exchange for a plea of guilty to a lesser offense.

Weld’s action protected both his family connections at Crédit Suisse, one of the nine banks carrying out the transactions, and his friends at Bank of Boston. At least two prominent officials of the Bank of Boston were close enough to Weld to contribute to his political campaign for State Attorney-General in 1978: William C. Mercer, honorary director of the Bank of Boston; and Peter M. Whitman, senior vice-president of the Bank of Boston.

One could easily come to the conclusion that at least some members of the banking community of Boston thought they had William Weld in their hip pocket. Dope banks against LaRouche

Why would the banks of Boston or Crédit Suisse want to deploy William Weld against Lyndon LaRouche? The reason is clearly evident by looking at the history of LaRouche’s attacks on the banks, and the fact that the operations against the financial side of dope-running by the Reagan administration were bearing out LaRouche’s charges to a tee.

LaRouche initiated a high-profile campaign against illegal drug-trafficking in 1977, putting special emphasis on the “respectable” financial institutions without which the circulation of hundreds of billions of dollars in drug traffic would be impossible. LaRouche commissioned the book *Dope, Inc.*, published in 1978. *Dope, Inc.* named the names of many major financial institutions involved in drug-trafficking, including Crédit Suisse of Canada.

Two of the prominent culprits named by *Dope, Inc.* were Edgar Bronfman of the Seagrams Corporation; and United Brands, formerly known as United Fruit. *Dope, Inc.* went into great historical detail on the mob-connections of both corporations, as well as their present-day operations.

Naive bystanders were sure that the individuals named would sue—but they didn’t. *Dope, Inc.* sold 50,000 copies, becoming a trade bestseller and an international legend. Still the prominent financial institutions didn’t sue.

One of the individuals whom *EIR* spoke to about the dope lobby’s response to *Dope, Inc.* was a business associate of Edgar Bronfman, who also ran Crédit Suisse of Canada up into the early 1980s—Major Louis Mortimer Bloomfield. Major Bloomfield expressed his displeasure at having been put under the microscope. He told *EIR* that the organization which had produced *Dope, Inc.* would not remain a political problem for long, because “Edgar Bronfman will take care of them.”

It was in that same year, 1978, that Edgar Bronfman contributed to William Weld’s campaign for State Attorney-General. Could it be that Weld, by going after LaRouche today, is belatedly returning Bronfman’s favor?

Weld’s friends at the Bank of Boston were also touched

by *Dope, Inc.* One of the members of the board of directors at United Brands was Richard D. Hill, the same Richard D. Hill who was the chairman of the board at the Bank of Boston up through December of 1984.

LaRouche's campaign against the nexus of financiers behind dope-pushing did not end with the publication of *Dope, Inc.* *EIR* proceeded to uncover the prominent role being played by the International Monetary Fund in turning Third World countries into drug-producers, on the excuse that the highly profitable cash-crop could help them pay their debt.

This exposé again hit the Boston elite. The Bank of Boston happens to be the official bank for the International Monetary Fund in the United States. And Richard D. Hill, board chairman of the Bank of Boston, has functioned as the head of the IMF's adjunct institution, called the Ditchley Group, during the debt crisis of the early 1980s.

Then, in 1983, one Michael Gelber took up the information in *Dope, Inc.* for his mayoral campaign in Boston. Gelber concentrated his attack on the ruling powers in Boston, centered in the Chamber of Commerce and the informal bankers' ruling body, "The Vault." Singled out for political attack was Richard Hill, chairman of the Bank of Boston, both for his role with the bank and his relationship to *Dope, Inc.* founding-firm United Brands. Also exposed in campaign leaflets which called for a revival of heavy industry, and a war on drugs, was Bank of Boston Executive Vice-President Kenneth Rossano.

The Bank of Boston became known throughout the city as one of the major powers involved in deindustrializing Boston, and in standing in the way of the War on Drugs.

### **Did the Dope Banks deploy Weld?**

Simply the circumstantial evidence of Weld's political connections to the dope banks should create at least a reasonable doubt that Weld would launch an "objective" investigation against the dope banks' major political enemy, LaRouche. But the evidence is even greater.

It was on Oct. 29, 1984, right before the presidential election, that William Weld announced he was launching an investigation into supposed "credit-card irregularities" by the campaign organizations of Democrat Lyndon LaRouche, The LaRouche Campaign and Independent Democrats for LaRouche. As cited in an affidavit submitted to Attorney-General Meese by LaRouche security director Jeffrey Steinberg, at least five confidential sources told him that there were plans by the FBI and private institutions, including major banks involved in international drug-money laundering, to launch a "massive intervention" against LaRouche immediately after the election.

This is precisely what happened.

The primary excuse for the Weld investigation was the existence of a number of "chargebacks" of credit-card contributions against the campaign committees. Upon investigation, it has become clear that these "chargebacks" were

created by two sources: first, by the massive wave of television and radio publicity against the LaRouche campaign; and second, by the Bank of Boston itself.

As cited in an affidavit submitted to Meese by Criton Zoakos, the editor-in-chief of *EIR*, who conducted an investigation of the Weld campaign against LaRouche, "Approximately 16 of the credit-card chargebacks that I am aware of in the Boston area, to one of the campaign committees, Independent Democrats for LaRouche, came from customers of the Bank of Boston. At least 9 of these individuals were contacted by the FBI or the Secret Service. The identities of those individuals were provided by the Bank of Boston."

In other words, it was the Bank of Boston which suggested to certain individuals that they would lose their credit-card privileges, or used some other inducement or threat, in order to get individuals to charge back against the LaRouche campaign.

The Zoakos affidavit continues:

"At least one contributor, Paul Corkery, was told by a Bank of Boston official that the bank would remove two \$500 charges against his account related to the LaRouche campaign if he would agree to testify that the charges were unauthorized. Another, Virginia Powers, was told that, if she did not agree to claim that her charge was unauthorized, the bank would 'tear up her card.' Both instances took place prior to Oct. 31, 1984, the date on which WBZ announced the start of the investigation."

Thus, on the word of a bank for whom he had carried out a major coverup, William Weld proceeded to carry out a witchhunt against any organization that could conceivably be connected to LaRouche. The FBI was put to work for Weld to contact contributors, and to contact other banks involved. As a result over \$200,000 of LaRouche campaign funds, and over \$140,000 of funds belonging to Campaigner Publications, were seized.

Not surprisingly, the banks which froze (or should we say stole) the largest amount of money, were documentably involved in shady financial dealings, or laundering of drug money, as well. The President's last report on organized crime cited New York's Chemical Bank for drug-money laundering. And it was Chemical that "froze" \$140,000 of Campaigner's money.

Less nationally notorious, but stuck like glue to the casino interests who have proven relations with organized crime, was the First Fidelity Bank of New Jersey, which took the occasion of a call from Weld-deployed FBI agent Richard Egan to take over \$200,000 of LaRouche campaign funds.

Weld then proceeded to try to force six other corporate entities to appear before the grand jury. Despite the fact that he failed to subpoena them legally, he relied on U.S. District Judge Mazzone, the same judge who had presided over his deal with the Bank of Boston, to find Campaigner Publications, Caucus Distributors, the National Democratic Policy Committee, and the Fusion Energy Foundation in contempt of court, and fine them \$10,000 dollars a day.