

former White Weld Securities firm, into what is now known as Merrill Lynch Capital Markets Group.

In 1976, a White Weld securities whiz-kid, 36-year-old Allen Nowick, went to Fort Lauderdale, Florida, to set up ESM Government Securities. One of his colleagues at White Weld during that period was a certain Donald Rundlett.

In the 1980s, as White Weld's private capital group became incorporated into Merrill Lynch, Rundlett became its chief director. One of his known and favored clients was Hugh F. Culverhouse, Sr.

White Weld, under whatever name it might be known, is the key to much of the swindling that goes on in international financial markets. It is virtually coextensive with Switzerland's *Crédit Suisse*, favored bank of Hitler's Nazis and the mafia; through an array of complicated deals in the 1978-81 period, White Weld's European and American operations were incorporated into First Boston and Merrill Lynch, respectively. According to a March 1985 feature in the *London Economist*, Merrill Lynch and *Crédit Suisse* are now riding high financially, having captured the Eurobond market. That market is being increasingly financed in ECUs or European Currency Units, a supranational means of exchange nurtured and encouraged by the Soviet Union as a replacement for the dollar in denominating East-West trade deals, and thus, a vehicle for the financial "decoupling" of Europe from the United States, and the continent's incorporation into the Soviet economic sphere.

The scion of the White Weld group, U.S. Attorney William Weld, is the operative who has been covering up for the First National Bank of Boston, a commercial bank distinct from the First Boston investment house, in the case involving federal authorities' claims that the Bank of Boston was involved in \$1.2 billion in drug-money-laundering, in collusion with nine Swiss banks, naturally including the *Crédit Suisse* into which Weld's family interests have merged.

Completing the circle, the Bank of Boston has been the main bankroller, for almost 30 years, of Carl Lindner's financial empire:

- It is the Bank of Boston which provided a substantial part of the seed money for the launching of Lindner's American Financial Corporation in 1959.
- It is the Bank of Boston, historically and presently, which has the inside track in the financial empire of United Brands (United Fruit); Carl Lindner is United Brands' chairman and majority stockholder.
- And, it is the Bank of Boston which provided Lindner with a two-day, \$319 million loan for a late 1976/early 1977 corporate takeover bid, which was described by *Fortune* magazine in January 1977 as a "bizarre transaction." When the takeover was accomplished, said *Fortune*, "AFC also thanked that friendly bank, the First of Boston, one of two major U.S. banks—the other being Continental Illinois—that have been in AFC's corner a lot over the years."

The criminal empire of Ohio's Carl Lindner

by Mark Burdman

In dismissing a case by Ohio citizens against Carl Lindner's takeover bid of Home State Savings Bank of Cincinnati on June 12, Ohio Judge Niehaus exonerated a man whose compulsive swindling practices are now helping bring the U.S. economy into ruin, and handing the U.S. economy over, dirt cheap, to financier interests committed to the destruction of the United States.

The Cincinnati-based Lindner's multimillion-dollar fortune derives not only from revenues accrued from international trafficking in narcotics, but also from "corporate raiding" ventures which are dismantling the fabric of the U.S. industrial sector.

Using a financial base derived from his American Financial Corporation holding company—which has a complex network of approximately 40 subsidiary companies—and from majority-stockholder control over such giants as the drug-linked United Brands Corporation and Penn Central, Lindner has become one of the chief partners in a racket known as the "junk bonds" market.

This market is controlled by New York's Drexel Burnham investment house. Totaling \$16 billion in 1984 (a large increase) the junk bonds market has reached almost that level in the first six months of 1985, and has propelled Drexel to the number-two position in the U.S. corporate-securities market.

"Junk bonds" usually involve the establishment of shell corporations, which are formed for the sole purpose of organizing "takeover raids" on targeted corporations. The "bonds" offer high yields, but, obviously, at very high risk, since the takeover may fail. Only individuals with enormous sums of money at their immediate disposal are capable of playing the swindle-game in style; the money which is used to syndicate the takeovers is usually derived from dope money which has been laundered overseas.

Lindner is one of the select few who sits atop this swindle market. Others involved include:

- **Armand Hammer**, the KGB-linked billionaire owner of Occidental Petroleum. Hammer is the favored financier not only of the Kremlin, but also of Libya's Muammar Qad-

dafi and Israel's Ariel Sharon. He has recently confessed, in the pages of the *Wall Street Journal*, to financing a narco-terrorist group in Colombia.

- **Victor Posner**, magnate of Sharon Steel in Pennsylvania. Posner is widely reputed to be the inheritor of the late Meyer Lansky's organized-crime empire. Posner has repeatedly been involved in litigation for fraud and other criminal activities, and has been defended by top mobster-lawyers, such as Edward Bennett Williams and Hugh F. Culverhouse, Jr.

- **Meshulam Riklis**, pornography-and-dope merchant, and chief shareholder in New York's Rapid American Corporation. Riklis is the patron of Israel's Ariel Sharon, and is bankrolling Sharon's efforts to turn Israel into a gambling-and-organized-crime haven.

- **Sir Jimmy Goldsmith**, magnate of *L'Express* magazine. Goldsmith is a financial front-man for the British monarchy.

To a man, these "junk bond" dealers are hooked into Swiss-Venetian and/or Soviet financial warfare operations against the United States. The "corporate raids," carried out by front-men with colorful names like T. Boone Pickens and Carl Icahn, are organized either to hand U.S. corporations over to rich European families, or simply to wreck U.S. industry altogether. To defend themselves, corporations are obliged to suck giant sums of liquidity out of their operating budgets and infrastructure to fight the takeover.

In one noteworthy case, Atlantic Richfield (ARCO), targeted by raiders, closed down its East Coast operations altogether, sending several thousand workers onto the unemployment lines. To obscure what had just happened, the Philadelphia-area media praised the shutdown, for ushering the "post-industrial age" into Philadelphia!

Sometime in early April of this year, Lindner and other "junk bond" merchants were guests at a special, posh Beverly Hills party, organized by Drexel "junk bonds" whizkid Michael Milken, to plan new corporate raids.

Alarm bells have begun to ring about what Lindner and company are up to, even among highly placed Wall Street figures, who are terrified about the potential consequences of the raiding. Nicholas Brady, chairman of Dillon, Read and Co. investment bankers, was quoted in the *Washington Post* on May 5, 1985, warning:

"What is happening is similar in some ways to speculative abuses that led to the 1929 crash. These activities represent an abuse of the system that is among the most serious I have seen in 30 years. Speculative, highly leveraged financing techniques involving junk takeover bonds, if unchecked, will leave misery in their wake. . . . Nobody is smart enough to 100-percent leverage a company, and withstand a recession. We're going to see a wave of defaults. Do we wait until there is blood all over the floor to do something about this?"

On June 13, New Mexico Sen. Pete Domenici introduced

legislation in testimony before the Senate Banking Committee to rein in the "junk bond" market: "Bad investments are the most serious problem facing our nation's financial institutions and distressed institutions are more likely to be attracted to investing in the high-yield, high-risk securities known as junk bonds."

A career of crime

The "junk bonds" scam is only the most recent of Lindner's career-long pattern of suspect financial activities.

In the mid-1970s, Lindner's American Financial Corporation fronted for the buyup of United Brands/United Fruit on behalf of Michigan's reputed top mobster Max Fisher. Throughout the early 1980s, Lindner bought up increasing shares of United Brands, to the point that, by 1985, he was controlling at least 56% of the shares of the company. For years, United Brands has been on the watch list of the U.S. Drug Enforcement Administration, for allegedly transshipping 20% of the narcotics trade into the United States from the Caribbean/Central America region.

For several years, Lindner had been the second-largest shareholder in Riklis' crime-linked Rapid American Corporation. Riklis and Lindner have a joint partnership in selling degenerate "modern art."

Lindner's primary financial activities have been years of buyups of insurance companies, including Great American Insurance Company, National General Insurance Company, and many more, making him one of the insiders in the speculative U.S. insurance and reinsurance market. It was his takeover of National General in 1976-77, funded by an extraordinary two-day \$319 million loan from the First National Bank of Boston, which *Fortune* magazine characterized as a "bizarre transaction." Lindner, both personally and through United Brands' ventures, has established an extraordinary "special relationship" with Bank of Boston, the Bank whose involvement in dirty money-laundering deals with Swiss banks has been under federal and congressional investigation since February-March of this year.

In the 1970s, Lindner was at least twice under investigation by the Securities and Exchange Commission, for financial chicanery toward his company's stockholders. (He was dressed down by one stockholder at a corporate meeting for his "un-Christian" behavior.) In May-June 1979, he signed a "consent decree" with the SEC, which obliged him, in the words of one New York lawyer, "to never do anything bad again."

Lindner has hardly lived up to this "consent decree." *Fortune*, on July 13, 1981, said of Lindner: "His business behavior keeps knocking holes in his reputation."

In 1985, there is again a growing interest in Mr. Carl Lindner's dirty activities in more than one law enforcement agency and U.S. government office. This time, the result should knock holes in more than just his "reputation."