

EIR Feature

Who in Washington is sabotaging the War on Drugs?

by an EIR Investigative Team

Elliot Israel Greenspan, a leading spokesman for the National Democratic Policy Committee, and candidate for U.S. Congress from the state of New Jersey, told an assembly of international press at the airport in Mexico City on Oct. 31: "One of my chief purposes in coming here is to strengthen collaboration between Mexican and U.S. anti-drug fighters. . . . When elected to the U.S. Congress, I will put through legislation to stop drug-money laundering. The situation where a bank, such as the Bank of Boston, can admit to illegally laundering \$1.2 billion of probably drug-related money to Swiss banks, and be let off with no criminal prosecution and just a token fine, must end."

Greenspan is no ordinary congressional candidate. He is one of the leading fighters against international drug trafficking in the United States, and a political associate of U.S. economist and just-announced 1988 U.S. presidential candidate Lyndon H. LaRouche, Jr. But on Oct. 22, Greenspan was illegally sent to jail in Boston, Massachusetts, for an alleged "contempt of court" which never happened. Greenspan is the target of a political witchhunt by U.S. Attorney William Weld—the same corrupt official whom Greenspan had exposed, along with Federal Judge A. David Mazzone, for covering up the money-laundering crimes of the Bank of Boston.

The jailing of Greenspan by U.S. Attorney Weld, and the more than one-year fruitless grand jury investigation of the 1984 presidential campaigns of Lyndon H. LaRouche, Jr.—involving millions of law enforcement dollars, and thousands of days of investigation—demonstrate that the Justice Department and the Reagan administration, as they are currently constituted, are incapable of winning the war on drugs. By allowing a witchhunt against LaRouche—who in 1978 commissioned the publication of *Dope, Inc.*, the breakthrough study on international drug traffic—while allowing those linked to drug-money laundering, such as Weld and White House Chief of Staff Donald Regan, to serve in high government positions, the Reagan administration sends an unmistakable message to the world: The U.S. is not serious about the war on drugs.

In the pages that follow, we will identify the corrupt elements in the Reagan



From left: William Weld, the U.S. Attorney who let the dope-money-laundering Bank of Boston off the hook; White House Chief of Staff Donald Regan, whose firm Merrill, Lynch laundered millions for the "Pizza Connection" heroin smugglers; FBI agent Francis "Bud" Mullen, the former DEA head who sabotaged the War on Drugs.

administration that are sabotaging the war against the drug traffickers. In other nations, evidence of this nature has been sufficient to clean out corruption, and even bring down entire corrupt governments. But in the United States, the evidence points to the horrifying situation that Attorney General Edwin Meese, and perhaps even the President himself, are hostage to the international drug interests encysted in the Justice Department and the FBI.

Corruption at the highest levels

The saboteurs of the war on drugs are led by the same White House "palace guard" around Chief of Staff Don Regan that is undermining all of President Reagan's key policies, including the Strategic Defense Initiative. Before he became treasury secretary in 1981, Regan spent more than 14 years as chief executive officer of Merrill, Lynch, Pierce Fenner and Smith, the securities firm that laundered millions to Cr dit Suisse bank for the "Pizza Connection" heroin traffickers.

It is Don Regan's cronies in the Trilateral Commission, the Wall Street banks, and the International Monetary Fund who rank among the leading drug-money launderers in the United States; the same institutions that are using the debt crisis to destabilize governments like that of Peru, that attempt to wipe out the drug trade. Regan's Trilateral Commission cronies, such as Henry Kissinger, deploy private networks inside the Justice Department to target and oust their enemies in the Reagan administration.

It is no accident that one of the main targets of this dirty network has been Attorney General Edwin Meese himself,

who was the subject of a special prosecutor's investigation and a campaign of media vilification before his confirmation as attorney general.

It is private networks of this circle, such as the Anti-Defamation League (ADL), whose top officials have enjoyed a close and profitable relationship with Cuban-based cocaine kingpin Robert Vesco, who have deployed a media smear campaign against LaRouche, to give cover to the corrupt FBI and Justice Department operations.

But the operation against LaRouche is not just an internal U.S. matter. According to highly informed U.S. sources, it was Regan and Kissinger's friends at the highest levels of the State Department who ordered the Justice Department to jail Greenspan, as a "signal" to the Soviet Union, to be delivered before the November summit meeting between Regan and Gorbachov.

The signal was intended to show that the influence of LaRouche (who is identified by Soviet publications as the "deadly" architect of the President's Strategic Defense Initiative) upon the Reagan administration had been broken. On March 12, 1984, following a television broadcast attacking LaRouche by the National Broadcasting Company (NBC)—the same TV network that, in tandem with the ADL's dope lobby, instigated Weld's witchhunt—the Soviet government newspaper *Izvestia* demanded that the White House break any connection with LaRouche. For more than one year, every Soviet asset in the United States, including the dope lobby, Edgar Bronfman, and the Office of Special Investigations of the Justice Department, which collaborates directly with the KGB, have been deployed to attempt to force the

Justice Department to "shut down LaRouche operations."

Meese's toleration of this corruption in Justice Department and the FBI demonstrates that he is unwilling—or possibly unable—to take on the "citizens above suspicion" who run the international drug trade from the top. With that compromise, the Reagan administration is making catastrophic mistakes that leave allies in the war against drugs questioning the reliability of the United States. These blunders include:

- failure to act against the estimated \$200 billion a year in drug-money laundering, and the banks which finance international drug trade;

- refusal to provide sufficient American financial and political aid to Ibero-American nations, particularly to Peru, the Western Hemisphere's leader of the war on drugs;

- lack of action to wipe out domestic U.S. production of marijuana and cocaine, which are now major industries.

Nowhere is the compromise with the international drug traffickers more obvious than in the collapse of Attorney General Meese's promise to combat money laundering.

In October 1984, an explosive report to the President and attorney general by the President's Commission on Organized Crime stated, "In spite of the elaborate recordkeeping . . . required by law, no one has yet calculated precisely how much money is laundered. All of the methods available to the Federal Government for measuring the scale and scope of concealing illegal . . . profits are indirect." The report called for a law against money laundering, and warned, "By corrupting officials and employees of financial institutions in furtherance of laundering schemes, money launderers undermine the integrity of those institutions."

In February 1985, a scandal broke out when William Weld imposed a mere \$500,000 fine on the Bank of Boston, which had just been caught in the biggest single money laundering case ever prosecuted in the United States—\$1.2 billion in unreported cash transactions over three years, in direct violation of federal reporting laws.

By March 1985, no fewer than 10 investigative bodies in the United States were examining Weld's handling of the case. Among them were: the Senate Permanent Investigating Subcommittee, the Securities and Exchange Commission, the President's Commission on Organized Crime, the House Banking Committee, and the Justice Department's Office of Professional Responsibility. But after several weeks of fanfare, all of these investigations ended in a whitewash—no further sanctions against the bank, and *commendations* for Weld.

By June 1985, it was revealed that the U.S. Treasury Department had 140 active investigations ongoing into banks, securities firms, and commodities companies for money-laundering crimes. Dirty money was taking over the U.S. banking system! Indeed, there is hardly a leading U.S. financial institution which has not been involved in dope profits. The list already includes: Chase Manhattan Bank, Chemical

Bank, Crocker National Bank, the Bank of Boston, the Bank of New England, Irving Trust Company, Manufacturers Hanover Trust Company, the Bank of America, First National Bank of Chicago, Republic Bank of Texas, Merrill, Lynch, E. F. Hutton, and Shearson/Amex. This does not even count the "fly-by-night" banks such as Marvin Warner's Great American Bank of Florida, which laundered \$500 million for Colombia-based Isaac Kattin, a Syrian Jew linked to Henry Kissinger's business partner Edmond Safra. But not one director of a U.S. corporation or bank which has laundered drug money has been individually prosecuted.

On June 13, 1985, Attorney General Meese presented legislation to Vice-President George Bush on money laundering, calling it "without question one of the biggest challenges facing law enforcement today." Citing the case of the Bank of Boston as "one of the nation's largest banks," Meese said that the nation needs legislation that "would directly prohibit the laundering of money." For six months, nothing has come of that bill, while Meese's Justice Department closed down the investigation into Weld's coverup of the Bank of Boston case.

The consumption and production of drugs in the United States is higher than at any time in history. Cocaine-processing has become a major industry, as traffickers, coming under pressure from government anti-drug efforts in Peru and Colombia, have moved their processing plants to U.S. locations. Marijuana has become the largest cash crop money-maker in the United States and the dope lobby ridicules the efforts of the U.S. government to counter their environmentalist legal suits that have blocked the use of the herbicide paraquat in some states. The latest figures released by the government indicate that cocaine consumption is the highest ever, at 50-61 metric tons per year; marijuana consumption follows the same trend at 14,000 metric tons per year, and domestic production of marijuana was 11% of the U.S. marijuana supply in 1983, and has steadily risen.

But the worst failure has been President Reagan's lack of response to the requests by allied governments to aid them in the war on drugs. The administration has launched financial warfare against Peruvian President Alan García (see article, page 4), whose war on drugs, in the State Department's own words, in less than 30 days seized "more than 2,400 kilos of cocaine base and paste [more than 2.5 tons—ed.]; . . . dismissed 37 police generals and . . . more than 200 colonels and other officers" in an anti-corruption campaign. In response to this extraordinary effort, the Reagan administration offered to *loan* Peru a mere \$1 million for law enforcement purposes—the amount of money that the narco-traffickers could make in one small cocaine shipment to the United States.

The dossiers provided here give ample basis for Attorney General Meese to clean the dope lobby out of the Justice Department. What remains is a question of morality—and guts.