

U.S. war on drugs: 'When going got tough, administration cut and ran'

by Marilyn Kay

In the wake of his landslide election victory, President Reagan declared war against organized crime and narcotics trafficking. It was believed by many, including the President, that once his close personal adviser, Edwin Meese, was successfully placed at the helm of the Justice Department, the American war on drugs would take off. That, however, was simply not the case.

The administration, in the end, dared not buck the Eastern Establishment on this issue, any more than on other issues. Eastern banking institutions were not seriously prosecuted for money-laundering (see the listing on money-laundering incidents). Meese did not clean corrupt elements out of the Justice Department itself. Instead, with at least his implicit approval, associates of Lyndon LaRouche, among the most effective international force fighting against drug trafficking, were subjected to a grand jury fishing expedition by the drug-linked U.S. Attorney in Massachusetts, William Weld, patently aimed at destroying the finances of organizations associated with LaRouche.

Ibero-Americans were astonished to see the U.S. "war on drugs" attacking those most opposed to the drug-traffickers, while leaving major drug-money laundries on Wall Street untouched. This was only one example of the U.S. administration demanding that our allies take actions that the administration lacked the guts to take at home.

In 1985, the American people managed to purchase and consume tons of heroin, cocaine, and marijuana, along with such dangerous drugs as PCP, amphetamines, angel dust, and LSD. Our failing agriculture industry turned more and more to drug cultivation as a viable way out of the depression; offshore money-laundering havens moved onshore to prestigious addresses in Lower Manhattan, and even the drug refineries moved onshore: Of the 21 cocaine refining labs found in the United States in fiscal 1985, 15 were found in Florida.

At the outset, dedicated law-enforcement agents took the administration at its word effective anti-drug offensive. Their heroic actions to stem the flow of drugs into the United States and domestic cultivation and manufacture were marked by stunning seizures and record-breaking indictments in 1985. Yet, those accomplishments only touched the proverbial "tip of the iceberg."

The key to the administration's failure is money laundering. Official estimates of the underground economy in the United States range anywhere between \$222 billion to \$600 billion. So-called respectable banks, run by "citizens above suspicion," were caught red handed in gross violations of the Bank Secrecy Act. The Bank of Boston was the first, indicted for violating the law on 1,162 separate occasions involving \$1.2 billion in dirty money laundered through to nine very accommodating Swiss banks. But Attorney-General Ed Meese allowed William Weld, U.S. Attorney for Massachusetts—despite a clear conflict of interest because of family and political connections to the bank—to cut a deal. A token guilty plea to one felony count and a mere \$500,000 fine was all that was needed to balance the scales of justice. Other banks and prestigious Wall Street institutions quickly announced themselves also guilty, and the outcome was essentially the same.

The saboteurs of the war on drugs within the administration start at the top, with Don Regan, chief of staff. A full investigation of his corporate actions as head of Merrill Lynch is in order, considering the frequency with which this firm has been cited for Bank Secrecy Act violations, e.g., including laundering the profits of New York's "Pizza Connection" heroin ring, which imported \$1.65 billion in heroin into the United States while Regan headed Merrill Lynch.

On Dec. 5 in Zurich, Switzerland, Meese stated: "Because of the highly integrated nature of drug trafficking syndicates, major financial operations are often part and parcel of one large criminal enterprise. Tremendous sums of cash are created by drug sales, and the viability of a syndicate depends in large measure on its ability to process them. If it cannot turn countless 'dirty' bills into untraceable, readily usable forms, such as cashier checks, the syndicate will, figuratively speaking, choke on its own money. Consequently, by striking at money laundering, law-enforcement officials can shake an entire criminal enterprise."

Strides have been made in the U.S. war against drugs, but either Meese acts as he speaks, shutting down the money-laundries, or the war on drugs in 1986 will be as it was in 1985: When the going got tough, the administration cut and ran.

The LaRouche proposal in Mexico City in March for a

declared war against the narcotics insurgency was followed in June by a statement by Adm. James Watkins, chief of operations for the U.S. Navy, that the Joint Chiefs of Staff had unanimously endorsed a resolution that would commit the full military resources of the nation to combat the narcotics trade. The plan described by Watkins, and formally submitted to Defense Secretary Weinberger, was to include an international division of labor.

On Nov. 11, Vice-President Bush, in response to press leaks, announced the second phase of just such a multinational drug-enforcement operation, Operation Hat Trick, which began on Nov. 1, and involved the utilization of federal narcotics agencies along with all five branches of the U.S. military to run air and maritime surveillance and interdiction operations while their counterparts in cooperating countries conducted raids on the ground. Both Hat Trick I and II were timed to intersect the fall marijuana harvest in Colombia, the largest supplier to the U.S. market. In the

1984 effort, Colombian military forces alone were able to destroy half of the fall marijuana harvest and 30 cocaine refineries.

Domestic crackdown

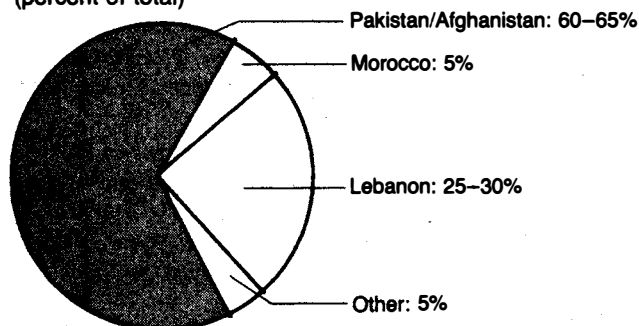
Domestic law enforcement also made progress. There are 13 regional Organized Crime and Drug Enforcement Task Forces, staffed by approximately 1,200 agents and 270 Assistant U.S. Attorneys. Initiated in 1983, by mid-November 1985, they were credited with over 1,900 indictments that named some 7,213 defendants, resulting thus far in just under 3,000 convictions. There are also financial investigative task forces modeled on Operation Greenback operating in 35 cities across the nation.

During the week of Aug. 5, federal agents, in coordination with state and local officials in all 50 states of the union, located over 3,000 marijuana plots, manually eradicated 405,000 marijuana plants, nearly 5,000 opium poppy plants, and arrested 225 people. This operation, dubbed "Delta-9," was hailed as a major success, and was quickly followed by an attempt—still in negotiation—to reinstate the use of the herbicide paraquat as a more effective and efficient means of eradicating domestic cultivation. The reinstatement of paraquat's use would be a major victory over the pro-drug lobby headed by the U.S.-based National Organization for Reform of Marijuana Laws (NORML), which successfully halted the spraying program with a court suit that argued the herbicide posed a threat to the health of pot smokers. It would also signal our allies that we are serious: The United States has encouraged paraquat use in other countries, while refusing its domestic use. Domestic cultivation accounts for 12% of the 14,000 tons of marijuana sold in the United States.

There were also record seizures made by U.S. Customs. In the Southeast region (Florida, Georgia, North Carolina, and South Carolina) 25 pounds of heroin, 42,462 pounds of cocaine, 357 pounds of hashish, and 1.7 million pounds of marijuana were seized. In the New York area, 344 pounds of heroin, 545 pounds of cocaine, 16,537 pounds of hashish and 78,551 pounds of marijuana were seized in fiscal 1985. To put these seizures in perspective, according to the most recent report by the National Narcotics Intelligence Consumers Committee, in 1984 the American people consumed 55-76 tons of cocaine, 7,800 to 9,200 tons of marijuana, and nearly 6 tons of heroin.

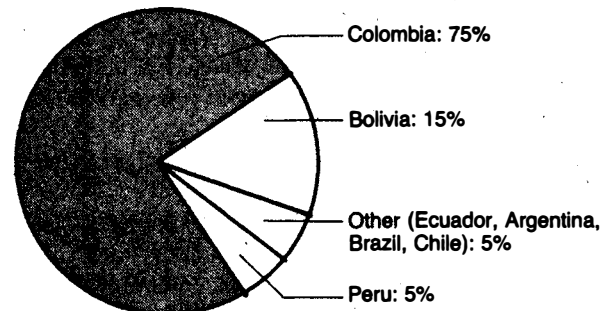
In light of the sacrifices made by individual law-enforcement agents, such as Enrique Camarena and his pilot-informant who were brutally murdered by the drug trafficking network headed by Rafael Caro Quintero, perhaps the most inspiring developments came with the seizure of Caro Quintero's assets held or laundered by several Texas banks, the indictment of "citizen above suspicion" Marvin Warner and his associates for their role in the ESM financial scam and money-laundering operation, and the continuation of Operation Hat Trick.

FIGURE 1
Probable sources of hashish available in the United States, 1984
 (percent of total)



Source: Drug Enforcement Administration

FIGURE 2
Probable sources of cocaine available in the United States, 1984
 (percent of total)



Source: Drug Enforcement Administration