

Did Meese foist Rappaport upon Switzerland?

by Joseph Brewda

Shocking new revelations show that U.S. Attorney General Edwin Meese may have been involved in a scheme to bribe Israeli Foreign Minister Shimon Peres. Well placed European sources report that the main beneficiary of this scheme, the Geneva-based, Israeli businessman, Bruce Rappaport, has operated under the protection of Meese and the U.S. government. These sources also specify that Rappaport, despite his self-portrayal as a high-level, unofficial representative of the Israeli government, is primarily a Soviet agent-of-influence. Reports that Rappaport was up to his neck in the U.S.-Israeli Irangate deals, through his personal connection to former CIA director William Casey, are also under intense scrutiny.

This is not the first time that the Reagan administration has been demonstrated to have been duped by Soviet operatives functioning under Israeli government cover. Convicted Israeli spy Jonathan Pollard, a former U.S. Naval Intelligence analyst; and the recently arrested KGB operative, Shabtai Kalmanowich, who also worked for Israel, are just two of the more publicized instances of this phenomenon.

The *Los Angeles Times* of Jan. 31 reported that Attorney General Meese was being investigated by Special Counsel James McKay, regarding his role in a 1985 plan to bribe Peres, then Israel's prime minister. The plan was conceived by E. Robert Wallach, an attorney for both Meese and Rappaport, who has also served as the Attorney General's formal liaison to the Zionist lobby and Israel. Wallach and Meese have been close friends since college.

The scheme apparently involved U.S. government support for a bribe of Peres. In return for the bribe, the Israeli government would pledge not to bomb a planned \$1 billion Iraqi oil pipeline project. Fears of Israeli aggression had stymied an apparently reasonable Bechtel construction program, for which Rappaport was the middle-man and wheeler-

dealer. A copy of the memo outlining the Wallach-authored conspiracy was found in Meese's office.

According to *Washington Post* sources, Wallach also utilized his well known relationship with Meese to obtain a meeting with National Security Adviser Robert McFarlane in 1985 to lobby for the Rappaport pipeline plan. Still later, Wallach used Meese's name to meet with the Overseas Private Investment Corporation (OPIC) in an effort to help insure the proposed pipeline, citing alleged national security considerations.

Well placed Swiss sources report that the fact that Meese and Wallach have now been publicly demonstrated to have ties to Rappaport has explosive implications.

According to these sources, Bruce Rappaport, and his Geneva-based, Inter-maritime bank are "very dubious," and the Swiss government may soon begin formal investigations of the Wallach client. This source reports that even the Swiss banking community, which "lives on flight capital," is concerned about being associated with Rappaport's outrageous activities.

Because of such considerations, this Swiss official emphasized that Israeli emigré Rappaport is "someone who should never even have gotten a residence permit, given his past, and I think that there would have to have been pressures from someone" to have allowed Rappaport to establish and operate a Geneva bank. Asked what forces would be powerful enough to protect Rappaport, this source speculated, "The American government," and, in the recent period, "specifically Attorney General Meese, Reagan, and Wallach." He went on to report, "You know, there was a very right-wing ambassador here in Bern [Faith Whittlesey], and she protected him."

Whittlesey was exposed last year for her role in aiding the U.S. National Security Council, and the CIA, in launder-

ing the Iranian gun-running proceeds later revealed in the Irangate scandal. The Meese Justice Department had earlier quashed investigations into alleged financial improprieties committed during Whittlesey's tenure at the embassy.

It has since been confirmed that Special Counsel James McKay is investigating Meese in connection with the Rappaport conspiracy, specifically his failure to report the bribery scheme. The failure of a citizen to report a planned felony is in itself a crime. Not to mention the ramifications when the citizen is the Attorney General.

Not the first time

This is not the first time that Meese's relationship with Wallach has gotten him in trouble. In fact, U.S. Special Counsel McKay was appointed last year after it was shown that the Attorney General had successfully lobbied the federal government to accept a no-bid contract from Wedtech, a Bronx, N.Y. defense firm, of which Wallach was a principal. Wallach, who also helped set up Meese's "blind trust," had invested much of the Attorney General's life savings in the firm—much to Meese's financial advantage. Wedtech's admitted bribery of federal officials to secure these no-bid contracts, has already led to the federal indictment of Congressmen Mario Biaggi and Robert Garcia of New York, and two brothers of former Maryland Congressman Parren Mitchell. Wallach is himself under indictment for accepting bribes to obtain Wedtech federal government contracts.

Interestingly, Wedtech had been formed by Jacob Neuberger, a life-long friend of former Israeli Prime Minister Menachem Begin. Wedtech was deeply involved in the same arms trade to Iran that Ambassador Whittlesey aided, according to reports. One of Wedtech's principal attorneys, Howard Squadron, formerly chairman of the American Jewish Congress, is also a U.S. attorney for top Israeli arms merchant, and ambitious politician, Gen. Ariel Sharon. It was Squadron who introduced Meese's crony Wallach to Wedtech. This introduction to what soon became a lucrative relationship, occurred at the same time as Wallach's designation as Meese's liaison to the Zionist lobby.

Faced with the evidence against him, Rappaport has admitted discussing the proposed pipeline with Shimon Peres in 1985, but has naturally denied any wrongdoing. "I have never bribed anyone and I think it's foolish to think that a man like Peres, whom I have known for 45 years and whose hands are so clean, would have responded to a bribe," he insists. Peres, reportedly with Rappaport, was a key overseer of the Israeli-Reagan administration project of selling arms to Khomeini, and laundering the profits through Switzerland, during the period of the Rappaport-Peres meetings.

Peres and Meese have also hotly denied any wrongdoing in the bribery conspiracy, just as both of them had earlier insisted that there was no criminality on their part in the Irangate affair.

Despite Rappaport, Peres, and Meese's denials, it has since come out that Meese had written directly to the former

Israeli prime minister supporting the Rappaport pipeline deal. Meese's involvement in the scheme dates back to 1984, according to some U.S. sources.

No mere Mossad agent

Bruce Rappaport first came under *EIR* investigation in 1986, after French intelligence sources reported that he was closely associated with Soviet intelligence operations, despite the widely held belief that he worked solely for Israel. These sources stressed that Rappaport's close, and highly public association with the Israeli Labor Party and the Israeli Mossad, had enabled him to successfully portray himself as just one more high-rolling Mossad financial operative willing to deal with U.S. intelligence.

This common, but simplistic, perception of Rappaport by some Swiss insiders was recently expressed this way: "Rappaport is the *longa manus* of the Israeli government. He cannot be distinguished from the Israeli government. All he is here is a front for activities on behalf of the Israeli government." Such views miss the Soviet dimension, more careful analysts report.

According to French sources, one of the more public instances of Rappaport's ties to Moscow is his highly unusual business dealings with the Soviet merchant marine. It turns out that Rappaport's Intermarine bank, and his other firms, hold an exclusive worldwide servicing and maintenance contract for the Russian merchant fleet—an obvious extension of the Soviet Navy.

Reached by *EIR* for comment on these accusations, Rappaport could only bluster, "Yes, I have been in contact with the Soviets. I have been to Moscow. I was in Moscow to offer computer systems, computer accounting in cash, for ships."

Despite such overt Soviet connections, Rappaport has been allowed to become the largest private stockholder in the Bank of New York, and has run successful Indonesia oil ventures with former California Gov. Edmund Brown.

In 1979, Rappaport's business associate, Ronald Sprague, helped negotiate a Libyan government "loan" to Billy Carter, the notorious brother of the former President. The loan was part of a broader deal to obtain Libyan oil for Charter Oil company, then part of the mob complex tied to the Carter White House, and also for Rappaport's oil refineries in Antigua.

Rappaport's shady dealings with the Carter White House apparently set the stage for his later infiltration of the Reagan administration. One apparent victim of Rappaport, outside of Meese, was former CIA director William Casey, who reportedly was involved in a series of lucrative deals with the Israeli-Soviet agent, both within and without government. Rappaport has also been reportedly associated with another Casey sidekick, Maurice Greenberg of the American Insurance Group. Greenberg, and perhaps Rappaport, was instrumental in the disastrous CIA-run overthrow of Philippines President Ferdinand Marcos in 1986.