

Eye on Washington by Nicholas F. Benton

Congress gets earful on U.S. banks and drugs

In one of the most remarkable open testimonies given to the U.S. Congress in recent years, a man now serving a 43-year prison sentence for drug-money laundering told the Senate Foreign Relations Subcommittee on Narcotics Feb. 11 of his personal experience with major U.S. commercial banks who sought to have billions in illicit drug money deposited with them.

You didn't read about it in your daily newspaper, or see it on the nightly news. Only those who were sitting in the hearing room, or who happened to be watching the cable C-Span network, which replayed a video tape of the entire hearing late that night, would know it.

A pretty amazing cover-up, given the superficial concern for the drug plague in the United States that leaders of government and the media have been showing recently.

The witness was Ramón Milian Rodríguez, a Cuban-born American, who described in detail how he worked for years as the top drug-money laundering expert for the Medellín Cartel of Colombia, the leading cocaine pushers in the world.

Milian was brought in for the purpose of throwing more mud on Panamanian Gen. Manuel Noriega, who was the sole intended target of the week-long hearings. However, Milian gave committee chairman Sen. John F. Kerry (D-Mass.) and minority leader Sen. Alfonse D'Amato (R-N.Y.) far more than they bargained for.

Milian did attack Noriega, but admitted that his motive was revenge; Noriega had arrested him. But Milian then proceeded to detail what *EIR* has long reported. He indicted U.S. banks, and the U.S. government for allowing these banks to get away with money-laundering.

Milian, whose \$2 million a month salary was itself a small hint of the kind of money the Medellín Cartel threw around, described to the subcommittee how he was courted by leading U.S. banks, who knew he was in the business of money laundering.

He told them how he would be met at the airport by stretch limousines and anonymous representatives of the banks, who he came to know well by their faces, but never by their names.

"They knew they had to be very discreet because they were breaking the law," he said. "They told me so." He named Citicorp, Bank of America, and the First Bank of Boston as among the banks he dealt with.

He added, "They were not stupid. After all, I am now serving 43 years in prison and they got off with only a slap on the wrist."

The "slap on the wrist" he referred to was the minuscule fines these banks, and a half-dozen other leading U.S. banks, received from the U.S. government in 1985 when they were discovered to be in massive violation of the law by failing to report billions in cash transactions of \$10,000 or more each.

At the time the violations were revealed, Treasury Department official John Walker III said the pattern of unreported cash transactions included massive drug-money laundering. In the case of the Crocker National Bank of San Francisco, which received billions in such transactions from Hong Kong, Walker said outright that it was heroin proceeds.

However, no bank received a fine

of more than \$500,000—a fraction of a single day's profits—and not a word has been forthcoming from the U.S. government since.

So much for the "War on Drugs" of the Reagan administration and the cruel hoax of Nancy's "Just Say No" campaign. The administration has winked at the bankers, and focused its "anti-drug" efforts on the consumer, with Nancy's hypocritical campaign.

As long as there is 25% unemployment in the inner cities of America, who will "just say no" to a drug dealer who comes along and tells a kid he can make \$20,000 a month peddling drugs? The dealer tells the kid how to give the drugs away like candy to vulnerable youth until they are hooked. Then, he is taught to begin to raise the price of the drug, and how to tell those he's hooked how to steal or otherwise get money to buy more.

Nancy Reagan would have us believe it's easy to "just say no" to this, while her banker friends murder thousands of youth in the cities of America every year by their cheerful willingness to legitimize billions in drug proceeds.

Milian not only told the Senate committee that drug money was used to finance the Nicaraguan Contras, but also described the growing Soviet-Cuban influence over the drug trade.

He described a negotiation that took place between leaders of the Medellín Cartel and the Cuban-backed M-19 terrorists in Colombia. The M-19 man came to the meeting strapped with explosives, prepared to kill himself and the drug kingpins with him if they did not agree to a working relationship. They agreed, he said, and since then, the Soviets have increased their role in the trade massively.

Milian added that with millions of drug users in the United States, the Soviets could wreak havoc there at will.