

Justice Department 'Reign of Terror'

by Webster G. Tarpley

Concomitantly with the illegal jailing of opposition political leader Lyndon LaRouche, the U.S. Justice Department has launched a judicial reign of terror, an orgy of political prosecutions designed to facilitate the totalitarian reorganization of American society through the suppression of political dissent and the concentration of economic power in the hands of a small number of international cartels. In the Chicago commodities markets investigation in particular, lawless federal prosecutors are using the infamous Racketeer Influenced and Corrupt Organization (RICO) statute with such wild abandon as to frighten the *Wall Street Journal* and even the usually pro-regime *Washington Post*.

Last October, Attorney General Thornburgh, who has given the press instructions to call him "Dick," made a speech in which he theorized the role of the Department of Justice as a separate branch of government, independent of the President and enjoying its own autonomy of mission. Thornburgh at that time described Justice as "the agent of the American people in federal criminal prosecutions and civil suits." Such sentiments amount to an assault on the Constitution, which places the Attorney General and the Justice Department directly under the authority of the President, with no mandate whatever from the people except through him. But Thornburgh did accurately reflect the mentality that motivates many of the "dictators of virtue" in his department.

As the *Wall Street Journal* pointed out on Jan. 26, most of the 93 United States Attorneys have failed to obey the order issued by President Reagan some months ago to tender their resignations in order to give President Bush the decision of whether or not to accept them. The one exception that proves the rule was New York City's aspiring Robespierre, Rudolph Giuliani, who did quit his post, but attempted to name his own successor, one Benito Romano. As the paper commented, the U.S. Attorneys evidently "feel allegiance

not to election outcomes but to whatever individual vision they each hold of justice and progress." One need only add that the vision is likely to be a totalitarian one, dictated by giant international cartel interests. The *Wall Street Journal* concluded that "a new President's authority is under attack."

'Crime in the suites'

Although Bush had declared the war on drugs to be the leading law-enforcement priority, Thornburgh was unimpressed. Flanked by Anton R. Valukas of Chicago and by Giuliani as acolytes, he called a press conference to announce the creation of six special task forces in New York City, Chicago, Los Angeles, San Francisco, Kansas City, and Denver to combat "the kind of criminal activity that's carried out under the guise of respectability in the financial and securities markets"—or, as he also phrased it, "crime in the suites." Thornburgh said he was singling out securities and commodities fraud to give "further evidence of the commitment of the Department of Justice to focus on those offenses that tend to undermine the integrity of our institutions."

Giuliani, serving his last day in office before leaving for what some speculate may be an attempt to become mayor of New York City (a career move that recalls Thomas E. Dewey), gloated that "this is exactly what we need." Giuliani is supposed to be a fan of Italian opera, and if this is so, there is no doubt that his favorite role must be that of Barone Scarpia in Puccini's *Tosca*.

Thornburgh also announced that almost \$90 billion of taxes remain unpaid to the Internal Revenue Service, and that he will see to it that all this be collected. It is interesting to note that this proposal was the election campaign stock in trade of one Michael Dukakis, but was rejected by President Bush as a call to put an IRS agent into every citizen's home. Bush would seem to have won the election, but elections, as

the papers are noting, mean nothing to the totalitarians at Justice.

What Thornburgh is promising with his crusade against white collar crime is visible in Chicago, where Valukas's myrmidons are engaged in hideous excesses of police-state intimidation and extortion. The context is Valukas's sting operation against the futures traders of the Chicago Board of Trade and the Chicago Mercantile Exchange. This operation, as it turns out, was invited and solicited by Dwayne Andreas's Archer-Daniels-Midland, a very nasty component of the international grain cartel enjoying an excellent relationship with the Soviet government, to which it is an imperial purveyor of grain. FBI agents, wired for sound, disguised themselves as futures traders in the Chicago pits, ostensibly to ferret out wrongdoing. Some 300 subpoenas have been issued to traders.

Valuka's myrmidons have been terrorizing their victims with the threatened application of that feature of the criminal RICO statute which allows the government to confiscate, in effect, all the assets of those indicted under criminal RICO. (Naturally, the presumption of innocence until guilt is proven does not fare well under this police-state law.) Standard procedure is to bring the subpoena to the home of the target of the squeeze play. According to the *Wall Street Journal*, the FBI agent then says something like the following to elicit cooperation: "You like your house, you like your car? Your wife likes her jewels? Well, they're ours now." Or, as the *Washington Post* quotes one defense attorney: "They can be very heavy-handed. These are not dispassionate conversations about possible prosecutions. These are sometimes direct threats—we're going to take your home, ruin you—and an abuse of power."

The *New York Times*, for its part, quotes a reported threat by Chicago Assistant United States Attorney Ira H. Raphaelson to one defense counsel: "Your guys are in a lot of trouble. Those who were trading were bagging trades." As another defense lawyer commented, "They continue to try to establish a stable of witnesses."

Valukas vowed on appointment that white-collar criminals would be the main targets of his office. "I believe in prosecuting not only corrupt public officials, but also the businessmen who pay the officials." "Chicago has had a long and grand history of corruption and a certain tolerance for it," says Valukas. Valukas began his service to the finance oligarchy at the National Defender's Project, a program of the Ford Foundation to provide lawyers for indigents. He was later a part of Jim Thompson's "kiddie corps," a task force of young lawyers who prosecuted white collar defendants for fraud and corruption. He likes the *Nacht und Nebel* tactic of sending his heavies to the homes of defendants late at night to request "cooperation," and he boasts that he has indicted 327 persons on corruption charges and has obtained convictions in 97% of the much smaller number of cases actually brought to trial. Friends of Valukas quoted by the *Washington Post* indicate that he thinks he is fighting "the members of a

privileged class."

The interesting questions raised by the Valukas police-state exercise include: Was it the taxpayers' money that was used by the FBI traders in their trading activity? Did they get to keep their profits? Did they, as seems to have been the case, profit from the resale of their seats in the futures markets? And, as the *Wall Street Journal* asked, "Since when does a U.S. prosecutor's office strike a secret alliance with a politically connected private market competitor like Archer-Daniels-Midland?" There is also the question of flagrant violation by the Department of Justice of its own 398-page handbook of guidelines for prosecutions under the RICO statute, which explicitly rules out the use of RICO as blackmail in plea bargaining, as a club with which to coerce testimony, and the like.

Cartels benefit

Why is it happening? Representatives of the European financial oligarchy around the Bank for International Settlements have announced that by the beginning of the next century there will be not thousands of banks in the world, but little more than a dozen. That means cartelization and conglomeration, with thousands of little fish and even large losing cartels to be swallowed up by the winners. The "crime in the suites" program is clearly designed to enforce and facilitate the triage choices of who will live and who will die, made by the Eastern Liberal Establishment and its international cartel partners.

The Giuliani "insider trading" cases in New York evidently serve the same goal. Drexel Burnham Lambert, which has agreed to plead guilty on charges that include conniving with Ivan Boesky, is going to be a loser in the coming second crash. The "deal" stipulated between Giuliani's office and Drexel Burnham Lambert stands in any case as a monument to illegality and prosecutorial caprice. The target of the deal turns out to be Michael Milken, the yuppie junk bond king, and politically anathema to this publication. But the law has to be there for all persons. Giuliani's office concocted an arrangement by which Drexel pled guilty and agreed to pay \$650 million to the government. The same settlement binds Drexel to fire Milken, and to refuse to pay him the funds he is owed by the firm under his contract of employment—approximately \$200 million. Milken has not been charged with any crime, and maintains that he has committed none.

Even the *Washington Post* found that this was "a highly peculiar deal," reflecting the "ferocious power" which the RICO law "bestows on federal prosecutors." The seizure of the defendant's assets here meant the confiscation of Drexel Burnham Lambert, which responded by expropriating Milken. The *Washington Post* commented: "Now the prosecutors are going further and imposing punishment on people whom they view as accomplices, before even charging them. It's time for Congress to take another look at RICO, and ask itself whether this law is not distorting the fundamental principles of justice."