

National News

Federal judge curtails RICO use in civil cases

New York Federal District Court Judge Jack B. Weinstein reversed the verdict Feb. 11 in a civil suit brought against Long Island Lighting Co. (LILCO) under the RICO statutes which may curb the use of RICO in civil cases.

Weinstein ruled that the question of whether LILCO had lied to obtain rate increases properly belonged before state utility regulators and should never have been tried under federal law.

"The trial proved that RICO cannot and should not be applied in a case such as this to permit a federal jury in a civil case to second-guess the rate-making authority of the state," the judge said.

"Civil RICO cases provide dangers to defendants in some respects even greater than do criminal cases. . . . There is no inhibition on the commencement of civil RICO action except limits on the imagination of counsel. . . . Because of the extreme dangers of overreaching in civil cases, care must be taken to ensure that the RICO statute is not extended beyond the reach envisaged by Congress."

ACLU attacks RICO as unconstitutional

Ira Glasser, American Civil Liberties Union executive director, attacked the way the racketeering, or RICO, laws passed in 1970 have been systematically expanded in order to violate the Bill of Rights, in a commentary published in the Feb. 17 *Wall Street Journal*. When Lawrence Speiser, legislative director of the ACLU in 1970, forecast these abuses, he was pooh-poohed, Glasser said; now all that he forecast has come true.

"Perhaps the worst abuse is the now widespread practice of seizing the assets of an enterprise merely upon an accusation of a RICO violation, even before there is a trial," which wipes out the constitutional principle of being presumed innocent until

proven guilty, Glasser said. The Supreme Court upheld seizure before trial in a case brought before it in 1974.

"In 1988, RICO began to be used systematically to threaten First Amendment rights, representing another step away from the stated purpose of the legislation," Glasser added, referring to the nationwide seizure and shutdown of bookstores, as a result of the conviction of a couple for selling six pornographic magazines and four videotapes.

Then there is the case of civil RICO, which used to have a prerequisite of a prior criminal conviction, or predicate acts of racketeering. Glasser says, "This restriction and others were swept away by the Supreme Court in 1985 when the court said that Congress had intended the reach of the law to be as broad as possible."

Glasser documents how the use of RICO is gradually being expanded—from drug-users, to pornographers, and now securities firms. People ignore constitutional abuses in these cases, but what about the next victims? He proposes legislative repeal or overhaul of RICO.

Judge grants venue change for Billington

Loudoun County, Virginia Circuit Court Judge Carleton Penn granted a change of venue to Michael Billington on Feb. 21, the next of 14 defendants, all associates of Lyndon LaRouche, scheduled for trial on bogus fraud and security charges. It is impossible, the judge agreed to seat an impartial jury for LaRouche associates in the county.

Both the court and the prosecution rebuffed any implication that the current jury sitting in the prosecution of Rochelle Ascher was "anything but fair," but the prosecution did not oppose the motion for the change. Penn left it up to the Supreme Court of Virginia to determine both a new venue, and a new judge, as Penn indicated that he has no intention to move with the case.

Billington's attorney, Jim Clark, argued that it would be impossible to get a fair jury for his client based upon his sentencing in the Alexandria trial, the publicity around the

Ascher case, and the fact that Billington would be facing the same witnesses and much of the same evidence in the Virginia securities case. Clark also pointed out that the jurors in the Ascher trial were all aware of the publicity around the LaRouche case.

In the Ascher trial, the court heard government witness Wayne Hintz testify that there was never a policy not to repay loans; that it was the policy of the organization to increase the base of its subscriptions and contributions in order to eventually eliminate loans as a form of income; and that financial warfare, including the negative publicity after the 1986 Illinois primary, crippled loan repayment efforts.

Defense attorney John Flannery was able to introduce into evidence a large blow-up of a form used for loan repayments. The government had previously introduced evidence of indebtedness, but had systematically blocked anything dealing with repayment. Flannery was unable to introduce a large stack of copies of checks that were loan repayments, but the jury got the point.

Watkins introduces bill for oil floor price

Oklahoma Congressman Wes Watkins (D) has introduced a bill calling for an \$18 floor on the price of domestic oil and the deregulation of natural gas prices at the wellhead. The bill would also force the Department of Energy to rely on domestic stripper oil (produced mostly by individuals with one or two small wells) to fill the Strategic Petroleum Reserve, if it can be purchased as cheaply as current DoE contracts.

Watkins said crude would have to reach the \$24 to \$26 range to allow for the necessary exploration and investment to ensure long-term growth in domestic oil production.

In January, oil imports of 8.2 million barrels per day exceeded domestic production of 7.9 million bpd for the first time in 10 years, reflecting the long-term decline in domestic production due to the depression in the real economy and the low price of domestic oil.

"What you're seeing is the future," said

American Petroleum Institute president Charles J. DiBona, as the API predicted that imports will soon surpass the all-time record import level of 10 million bpd in February 1977.

The depressed oil price has not only decimated the industry, leaving the U.S. vulnerable to oil blackmail once again, but has been a major factor in the collapse of the southwest savings and loan institutions.

'Get LaRouche' team behind Mo. prosecution

Paul Greenberg, a co-defendant with Lyndon LaRouche in the Alexandria, Va. trial, was notified by his attorney 10 days after he was incarcerated in the Alexandria jail that a Missouri state prosecution brought against him seven months ago for violating the state securities law was to go to trial the week of Feb. 11.

This prosecution has all the fingerprints of the national "Get LaRouche" task force created by former Justice Department Criminal Division chief William Weld, and, occurring before any pre-trial motions have been allowed to be filed, the stench of the old Nixon "political enemies" list. Political pundits in Missouri speculate that Secretary of State Roy Blunt was one of the motivating forces behind the prosecution.

In August of 1988, the St. Louis County Prosecutor's office handed down a grand jury indictment of Greenberg and Caucus Distributors, Inc. for violating Missouri's Securities Act by failing to "register" as a broker, a felony in that state.

After Greenberg was indicted, Blunt stated that the alleged "victim," Steve Stipanovich, the 27-year-old center for the Indiana Pacers basketball team whose uncle had been the Special Agent in Charge of the St. Louis office of the FBI for over 10 years, and who gave his money to fight drugs, "fell victim to a con game." Since Stipanovich could sue in civil court if it were fraud, and since Greenberg was not charged by prosecutors with fraud, the Blunt statement raised eyebrows.

Blunt, a 38-year-old Republican, was carried into office in 1984 as the hand-picked

choice of then Attorney General and now Governor John Ashcroft. Blunt, Ashcroft, and Missouri's current Attorney General, William Webster, are all products of the Republican party machine of the more famous William Webster—former federal judge, FBI director, and current CIA director. Webster and his family have long been a power in Missouri politics. It was to Judge Webster, then FBI director, that Henry Kissinger wrote to initiate investigations into the sources of funding of the LaRouche movement in 1982.

Buchanan attacks Kissinger, Eagleburger

Conservative columnist Pat Buchanan, a White House staffer in the Nixon and Reagan administrations, charged that the emergence of the Kissinger gang in the upper echelons of the Bush administration, and the exposé of James Baker's holdings in Chemical Bank, are ominous indications that under Bush, the Council of Foreign Relations, the Trilateral Commission, and the Manhattan banks will be running U.S. policy, to the detriment of U.S. national interests.

In a column published the week of Feb. 12, Buchanan hit two primary targets, Secretary of State James Baker for authoring the Baker plan, which the columnist described as a scheme to bail out the major debt-holding banks, including Chemical Bank; and the Kissinger appointees to the Bush administration, including Brent Scowcroft and Lawrence Eagleburger.

Buchanan singled out Eagleburger's involvement with the Yugoslavs, including the Ljubljanska Bank, which, he wrote, "Senate aides believe is a Belgrade front for money-laundering and high-tech transfers."

The problem these cases present to George Bush "is not simply another ethics flap," according to Buchanan. "It is the perception that the Republican Party, ripped away from the Rockefellers and the Eastern Establishment" at the 1964 Republican convention, "has been taken back into receivership, that the party no longer represents us, but them."

Briefly

● **SENATOR** Alan Cranston (D-Calif.), a world federalist, proposed that President Bush hold summits with the leaders of Japan, China, and the Pacific Rim nations. "The new forum should also make a deliberate effort to involve the Soviets, as well as their allies, North Korea and Vietnam, in a dialogue about such common concerns as free trade, economic development, and environmental protection."

● **THE BUSH** administration is off to "a dangerous beginning," *Times* of London reporter Michael Binyon complained Feb. 20. Key cabinet members have not been confirmed and there is a "puzzling silence" rather than a flurry of political initiatives usually associated with a new administration.

● **VICE PRESIDENT** Dan Quayle endorsed Peruvian oligarch Hernando de Soto's work to impose drug economies in Ibero-America in a meeting with him on Feb. 14 in Washington, D.C. Quayle promised that the Bush administration would carefully study De Soto's proposals to impose "structural adjustments" that would allow the "informal economies" to flourish.

● **KURT SCHMOKE**, the "pod person" who is the mayor of Baltimore and advocates drug legalization, was bubbling over after attending Prince Charles' Feb. 13 luncheon on environmentalism. "It was unforgettable," the *Baltimore Sun* reported him saying. "He clearly has a prescience."

● **ROBERT MOSBACHER**, the Secretary of Commerce, shamelessly declared that Bush campaign fundraisers and contributors should be rewarded with political posts in Washington and abroad, according to the Feb. 21 *Financial Times* of London. "We're not trying to foist off any second-grade dummies," he said. "In truth, they are the most successful people in their communities."