

CIA banking comes under scrutiny

by Herbert Quinde

Recent revelations of widespread infiltration of the U.S. banking system by the Central Intelligence Agency for the purpose of carrying out covert operations have sufficiently caught the attention of Congress, that sources say high-profile congressional hearings seem to be imminent. Congressional investigators for the House Permanent Select Committee on Intelligence are conducting a preliminary probe. The prospect of such a development has the White House and CIA director William Webster less than pleased, since some of the revelations have implicated members of President Bush's own family.

On March 20, added interest in the scandal was generated by a Washington, D.C. press conference given by Robert Maxwell, a former executive of the First National Bank of Maryland, announcing his multimillion-dollar suit for damages against his former employer and the CIA. Maxwell exposed the CIA's illegal trade in international covert purchases of weapons during the period of 1983 to 1985. His refusal to carry out illegal CIA transactions while head of the letters of credit division of the bank led to harassment, threats against himself and his family, a forced resignation, and a nervous breakdown. Maxwell said his once promising banking career was destroyed.

David MacMichael, Washington director of the Association of National Security Alumni (ANSA) and a former CIA officer who is supporting Maxwell's effort, said that government pressure on Maxwell continues in an effort to discredit him. "We have evidence that confidential documents are being circulated to cast doubt on Mr. Maxwell's emotional stability." ANSA is an organization of former intelligence officers who oppose the CIA's involvement in clandestine operations. MacMichael directs ANSA's "Shadow Justice" project, which developed out of investigating the Iran-Contra affair. The project monitors and publicizes cases in which individual rights and civil liberties are trampled, as well as when the judicial system is abused under the guise of protecting national security. MacMichael says the Maxwell case is a typical example of CIA "asset development," and the human tragedy which results from involuntary recruitment of American civilians impressed into covert operations.

Maxwell's lawsuit alleges that First National Bank of Maryland handled banking transactions for Associated Traders Corporation (ATC), a Vienna, Virginia-based CIA proprietary, in purchasing millions of dollars worth of arms.

CIA officers and bank officials ordered Maxwell to handle ATC's accounts in a manner contrary to accepted banking practices, in apparent violation of the law. The lawsuit also names as defendants 10 "John Does"—officers of the CIA, FBI, and the Department of Justice—who threatened Maxwell's former lawyer in an effort to silence him and derail the lawsuit. Maxwell's former attorney was threatened with disbarment and was told by some of these officers that CIA director Webster was "actively monitoring" the case. "I was trying to perform my job," explains Maxwell, "as an officer of the bank in a conscientious manner. When I questioned the legality of carrying out transactions for Associated Traders . . . I was harassed, threatened, and ultimately forced out of the bank."

The Silverado story

Meanwhile, the *Houston Post's* exposé of CIA and organized crime involvement in the collapse of several savings and loan institutions has reached the front door of the White House, via the President's son Neil Bush. On March 11, the *Post* published another in its continuing series on the S&L scandal, highlighting the case of the failed Colorado-based Silverado S&L. The paper reported that Silverado, "whose board of directors included a son of President Bush, was part of an intricate web of federally insured financial institutions that had business links to organized crime figures and CIA operatives." The article reported that four of the largest borrowers at Silverado, which went bankrupt in December 1988 at an estimated cost to the government of \$1 billion, "had connections to convicted Louisiana mob associate Herman K. Beebe, Sr., or to Robert L. Corson, a Houston developer and alleged CIA operative." Three of the four also had independent business relations with Neil Bush, who was a member of the Silverado board from 1985 until August 1988.

Ken Good, a Dallas, Denver, and Florida real estate developer, was one of Silverado's largest borrowers. In 1986, Good sold \$14 million worth of Silverado stock to Silverado's chairman, Michael Wise, for \$4 million. He then received \$37.4 million in loans from Silverado. Good invested \$10,000 into JNB Exploration, a company initiated by Neil Bush, and placed the President's son on the board of Good's Florida company, Gulfstream Holding Co. In 1985, Good bought Gulfstream with a \$86 million loan from Beebe's Western Savings. Western Savings also made a series of loans to Robert Corson, who sources say was a CIA asset.

The link to Neil Bush has led investigators to take a fresh look at Florida-based Jeb Bush, the President's most energetic pro-Contra activist son. Jeb was a business partner of Camilo Padreda, indicted in the early 1980s on charges of embezzling funds from Jefferson S&L in McAllen, Texas. Padreda was a business associate of Guillermo Hernandez Cartaya, a Bay of Pigs veteran and founder of World Finance Corp., a drug money-laundering outfit, according to some sources, which was used by the CIA for covert operations.