

Senate report exposes 'mother of all scandals'

by Mark Burdman

A huge amount of publicity has come out about such scandals as the Iran-Contra affair, and, more recently, the devious pre-Gulf war Bush administration transactions with Iraq through the Atlanta branch of an Italian public bank, Banca Nazionale del Lavoro (BNL), or "Iraqgate." These have tended to appear as discrete affairs, each with its own cast of evil characters. Now, the U.S. Senate subcommittee on Narcotics and International Terrorism headed by Sen. John Kerry (D-Mass.), which has been probing still another seedy affair, the doings of the collapsed Bank of Credit and Commerce International (BCCI), has come up with convincing indications that *all* of these scandals are part of one and the same scandal.

The Kerry investigative team's findings, if read correctly, show how the Anglo-Americans and their friends in Israel have systematically used underhanded intelligence operations and tainted monetary transactions as their *characteristic* (rather than exceptional) means to carry out policies, to the extent that the policy and the means to reach it have become interchangeable. During the past several years, many individuals on several continents have been murdered in order to protect the architects and coordinators, the so-called citizens above suspicion, who have used intelligence agencies, banks, arms merchants, drug traffickers, and terrorist organizations in this way. The victims range from prime ministers, like Sweden's Olof Palme, to scores of intelligence officers in many countries.

A case especially worth mentioning is that of the Italian magistrate Giovanni Falcone, murdered on May 23, 1992 in Palermo, Sicily. Falcone had been one of the world's experts on that complex of activities and individuals which bring together the big organized crime families, shady political deals, intelligence services' operations, money laundering, drug trafficking, terrorism and political-masonic arrangements. While looking into yet another scandal, the mess of corruption in Milan, Falcone had reportedly been honing in on the "Swiss connection" to what Italians call "Milangate." One day after his death, Judge Carlo Palermo, another top investigative magistrate, stated, "Uncovering what is going on in the Swiss banks would bring down the whole system. It is not by chance that Falcone was killed at the moment the Milan inquiry moved to Switzerland."

'Mindboggling network of international crime'

The Kerry report focuses on BCCI, a bank set up some two decades ago by a Pakistani named Agha Hasan Abedi, and used over the years by a number of governments and intelligence services to finance their activities. On July 5, 1991, bank regulators in a dozen countries moved to shut down BCCI's operations, on the basis of audits that showed over \$11 billion in bank assets were missing (the amount was later found to be substantially larger), and that depositors were being robbed blind. Soon after, stories appeared in the international press accusing the bank of drug-money laundering, financing terrorism, and funding shady intelligence activities.

Both before July 1991 and after, various investigators had pointed to BCCI's links to British and Israeli financial institutions, but such trails were covered up by Bush's U.S. Department of Justice, the Bank of England, and related agencies. Some elements of this coverup have been pointed to by the Kerry subcommittee, which criticized the Bank of England and British government's negligence in cracking down on the obvious misdoings, and questioned the nature of the CIA's involvement with the bank.

In most accounts, BCCI has been called an "Arab" bank. New York District Attorney Robert Morgenthau, a well-known Israeli agent-of-influence, has played a key role in shaping this misperception. BCCI was in fact a playground for western intelligence agencies and Israeli interests. Senator Kerry's report contains much evidence of this in its details, but its emphasis is on the more dramatic aspects of the case. Kerry states that his subcommittee's work has uncovered a "mindboggling network of international crime," while the written report talks of a "panoply of financial crimes limited only by the imagination of its officers and customers." Documented crimes involving the bank include, in the words of the authors: "support of terrorism, arms trafficking and the sale of nuclear technologies, management of prostitution, the commission and facilitation of income tax evasion, smuggling and illegal immigration and the illicit purchases of banks and real estate." Moreover, the report identifies 20 areas for further investigation, including the bank's involvement with secret U.S. arms sales to Iran in the 1980s (Iran-gate), and its possible role in the pre-Gulf war arms buildup in Iraq (Iraqgate).

Concretely, the report's investigators have substantiated the close links between BCCI, the Atlanta branch of the BNL, and the flow of Iran-Contra funds. This is highly significant. It was through BNL-Atlanta that sensitive transactions were made between U.S. and Iraqi government agencies, in the period right before the holy war on Iraq conducted by the same Bush administration that had been wheeling and dealing with it. What has emerged in hearings in Atlanta, beyond the transactions themselves, is evidence of massive U.S. government misconduct—ranging from falsifying in-

formation to obstruction of justice—to suppress the truth. The government had originally hoped to scapegoat BNL-Atlanta branch manager Christopher Drogoul, absurdly claiming that he had been solely responsible for the illicit actions, and had arranged with Drogoul that the case against him would be dropped as part of a “plea bargain.” But this deal has fallen apart; Drogoul’s defense lawyer and the judge (who since removed himself from the case) both raised the issue of U.S. misconduct. Drogoul’s lawyer insists that it was U.S. and Italian agencies or influential personalities who had concocted the scheme of financial transactions with the Iraqis. Even with U.S. government obstruction, it has always been impossible to cover up the international dimensions of the scandal: Leading BNL figures in Rome have been fingered, and one senior Italian defense official killed himself, as the story began to surface. Here, too, a reopened “Falcone dossier” might shed some light on this operation.

The case of Switzerland’s Alfred Hartmann

According to the Kerry report, BCCI and BNL-Atlanta are closely linked, engaging in what the authors call “interlocking activities” and both involved in “criminality.” Subcommittee investigators claim that transactions between BCCI and BNL-Atlanta “amounted to billions of dollars a year,” with BCCI regularly moving funds from its overseas branches into BNL-Atlanta. The report further asserts that “BNL also maintained half a dozen or more accounts at BCCI’s offices in Miami.”

Where matters get truly intriguing is in the report’s identification of a key individual who was with both banks, the Swiss banker Alfred Hartmann. Hartmann, says the report, “was on the board of directors of both banks, [and was] the head of BCCI’s secretly controlled Swiss affiliate, Banque de Commerce et Placements.”

This is only the tip of the iceberg. Hartmann would appear to *embody* the overlap of financial-intelligence operations and important banking operations. Indeed, he has been the president of the Swiss branch of BNL—Lavoro Bank AG—and has been not only the head of BCCI’s Swiss subsidiary, but reportedly also the chairman of the BCCI Holdings, SA, the Luxembourg-based holding company of the BCCI banking octopus. Hartmann sits on the board of no less than five Rothschild family banks, and maintains his central office, down to this day, at the Rothschild Bank in Zurich. He is on the board of the Banque Privée Edmond de Rothschild, SA, in Geneva; Rothschild Holding AG in Zurich; Rothschild Concordia AG in Zurich; and Rothschilds Continuation Holdings AG in Zug. This, of course, places Hartmann right in the middle of some of the most sensitive banking operations worldwide. Recently, there was a big shakeup of senior personnel at Rothschild Bank in Zurich; it is not known, at this point, if this is in any way related to Hartmann’s implication in the BCCI-BNL spiderweb.

Hartmann is also the vice chairman of an entity known as Bank of New York-Inter Maritime Bank, in Geneva, a post he was appointed to by the Swiss-based operative Bruce Rappaport. Rappaport is a story unto himself, with impeccable ties into the Swiss, American, and Israeli elites, and vast operations in shipping, banking, trade, and other activities, many of them not exactly “kosher.” Rappaport, say numerous sources, controlled the accounts which received \$10 million in Iran-Contra funds for the Col. Oliver North-Gen. Richard Secord “Enterprise” operation, funds arranged by former U.S. Assistant Secretary of State Elliott Abrams to be provided by the Sultan of Brunei.

One section of the Kerry report reads: “Bruce Rappaport, an Israeli-born Swiss businessman who was investigated in 1987 by Independent Counsel Robert McKay for certain activities he engaged in on behalf of former CIA director [William] Casey, had several connections to important participants in the BCCI affair. For example, he placed one of BCCI’s key ‘rent-a-faces,’ Alfred Hartmann, who headed BCCI’s secretly held Swiss affiliate . . . on the board of his Inter Maritime Bank of Geneva and New York.”

Closing the circle, Hartmann is on the board of the Banca del Gottardo, based in Lugano. According to reliable sources, Banca del Gottardo was at the center of Judge Falcone’s investigations into the “Swiss connection” into Italy’s “Milagate” scandal.

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