
Interview: Wilmer Parker

Prosecutor takes aim at higher levels of drug money laundering

Wilmer "Buddy" Parker is chief of the Drug Division of the U.S. Attorney's Office in Atlanta, Georgia. A specialist in prosecuting international drug money-laundering organizations, Parker was one of the Assistant U.S. Attorneys responsible for prosecuting Operation Polar Cap, the government's largest drug money-laundering case involving the Colombian Medellín Cartel laundering over \$1 billion. Recently, he helped set up Operation Dinero, a money-laundering operation that successfully stung the highest levels of the Cali Cartel. Operation Dinero was a precedent-setting case. For the first time, U.S. officials obtained permission from the British government to set up a "bank" on British Commonwealth territory to trap cartel money launderers. He was interviewed by Joyce Fredman and Jeffrey Steinberg on Jan. 16.

EIR: What do you consider the most significant aspect of Operation Dinero?

Parker: The most significant aspect of the investigation, first, is the linkage that was discovered with the Italian Mafia. We were investigating members of the Cali cocaine drug cartel, and we were principally focusing at first on domestic activities in the United States. The undercover investigation led us to Europe, and we were in communication with Italian as well as Spanish and other law enforcement authorities; it was through that working relationship that the Italians, with some information that we provided them, were able to develop what is identified as the Locatelli investigation.

EIR: That seemed to be an unexpected development, is that correct?

Parker: From what I gather from the Italians' perspective, they were surprised at the magnitude of what they have accused him of doing, in terms of his criminal conduct. Clearly, he has a substantial pedigree of criminality, breaking out of French jails, utilizing helicopters. His involvement in the weapons that were destined for Croatia, his involvement in running arms past the embargo of the U.N., and his involvement in trafficking in tons, literally tons, of hashish and cocaine—unquestionably, from the Italians' perspective,

this was a tremendously significant investigation and prosecution.

Likewise, another significant development was the eventual authorization by the British government of our proposal to open an undercover bank under a British license, and that, never having been done before, was very significant.

EIR: Is that the first instance of two governments working jointly on something of this magnitude?

Parker: To our knowledge. That is the way it has been represented at least, and we haven't heard to the contrary. I know that is the way DEA [Drug Enforcement Administration] headquarters in Washington has represented it. Clearly, as far as the British government is concerned, I know this to be a fact, it certainly is their position.

This is primarily a result of recent enactments of a mutual legal assistance treaty between the United Kingdom and the United States, and then, of course, the involvement of the United Kingdom as well as the United States in the financial action task force that is part of the United Nations—created by the Group of Seven nations five or six years ago. The heads of state of the G-7 nations created a financial action task force and tasked it with the responsibility of coordinating the development and implementation of money-laundering legislation and enforcement.

In that regard, I know that in discussions with British officials, they certainly viewed the request of the U.S. government to allow the license to be issued to be within the framework of the financial action task force, and as a member of it, they felt that it would be appropriate on their country's behalf to authorize it, other factors being equal; that is, they felt comfortable with the way the operation would be run, and they were also concerned about the ability to audit the activities. We satisfied them on that by offering them the opportunity to review our books and our activities at any time.

EIR: They took a little heat from a Frontline documentary in January over the fact that so many of the British Commonwealth and Crown colonies in the Caribbean are notorious as

big money-laundering centers. Is that why they were being so cooperative?

Parker: Well, you need to talk with them, obviously, to get their perspective. But I am aware of that documentary, and candidly, the cooperation of the British government in the Dinero operation happened before that documentary, and certainly the creation of the undercover bank happened well before that.

But I would think, and if you could find one of the officials in the British Embassy there in Washington you might be able to confirm it, I have heard their willingness to publicize their involvement in Dinero; and, more importantly, their willingness to publicize the particular country [involved], Anguilla, in which the license had been issued, might have been prompted by the adverse publicity they received through that documentary.

EIR: It seems that going after money laundering as a way to go after drug trafficking has come more to the fore, is that correct?

Parker: It has been an investigative avenue that has been developed more so since 1988 than ever before, at least by the Justice Department agencies, particularly the DEA. The Treasury agencies—IRS and U.S. Customs—have utilized money laundering, but the narcotic traffickers they have principally focused on are domestic narcotics traffickers.

There is nothing wrong in that. Candidly, the U.S. agencies are responsible for the enforcement of the laws of the United States, and by and large, those laws are enforced against inhabitants within the jurisdiction of the United States. The effort of enforcing laws against people who may be physically located outside the United States is not something that is universally recognized as being an appropriate expenditure of taxpayers' money.

Two, it is not something that has really been capable of successful accomplishments until very recently, because of the difficulty in sharing evidence and the difficulty in obtaining cooperation from law enforcement agencies of foreign governments. For example, you just can't go into Italy as a DEA agent and start doing undercover work. For all intents and purposes, you're violating Italian law, subjecting yourself to being arrested. It's Italy, it's not the United States. We would no more appreciate that if an Italian law enforcement officer were coming into New York or Washington and, in the name of the government of Italy, committing conduct that for all intents and purposes, viewing it, you would say, "Gee, that's a crime."

So you have to get your foreign counterpart's authorization—you're not authorized, you're a law enforcement officer of the United States, you don't have the same authority, Congress didn't grant you the authority to investigate criminal activity outside the United States.

So, this is really a phenomenon of law enforcement coop-

eration and judicial cooperation (that is, in the prosecutive area), that has occurred since the Vienna Convention of the United Nations in 1988, in which the 120-plus states of the United Nations entered into a convention promoting the creation of money-laundering legislation. Then, of course, promoting international cooperation therein—money laundering being principally drug-money laundering. Most states of the United Nations do not have a money-laundering statute like the United States which covers activities other than drug trafficking, such as your fraud activities, or other activities, the motivation of which is greed, primarily. So, to the extent that a lot of the nations, particularly western European nations, have money-laundering statutes, it's principally limited to drugs, and not to other criminal predicate conduct. . . .

The most obvious significant seizure in my opinion were the masterpieces. . . . We believe the three works of art that were seized were significant. And the reason for that is not because it's a Picasso, it's a Rubens, it's a Reynolds.

There has been a concerted effort of narcotics traffickers of great wealth to take their proceeds of drug dealing and to make investments, including in works of art. And as they make investments in works of art, because of their untaxed, unregulated capital—i.e., drug dollars. They are able to competitively bid up prices of matters that have an adverse impact upon those who are having to draw on wealth that may be derived from legitimate means. That is just a point about how proceeds from the underground economy are surfaced into the aboveground economy. That is the essence of money laundering.

EIR: In Operation Polar Cap, some of the bank accounts in New York City that you had traced were the identical accounts that were used by some of the Middle Eastern drug-running networks, working through a company in Switzerland called the Shakarchi Trading Co.

Parker: As you look at the international level of money laundering, what we have found over these years clearly, is a network of accounts that have been established and are constantly being established by various individuals who are offering a service to facilitate the movement of wealth via electronic fund transfers, through a series of accounts such as the Sakarchi Trading Co. accounts, that help layer the ability of tracing monies. What you are in essence doing is further obfuscating the ability of anyone to have any idea of where the wealth has been derived, and where it is heading to.

The government may freeze an account or seize money from a particular account and litigate that, but what we have discovered since the Polar Cap days is that, after having done that, the account may lie dormant, it's not closed, and they pay a service fee to the bank. It will lie dormant for four or five months, or six months, or eight months, or nine months and, even if the government prevailed in seizing and freezing

the money, once the government gets paid its money after a court decision—all of a sudden, bang! Here comes another million to the account and it's regenerated.

So, it was astounding for us to realize that even when we have effectively frozen money in an account and prevailed, that account may surface two years down the road and still be utilized to move illicit proceeds.

The point is that it is indicative of the fact that there is, in essence—you talk about the information network—a network of bank accounts in nominee names that are established for the sole purpose of facilitating the international movement of wealth from the underground economy, whatever may have been the income-producing activity: drug dealing, arms trading, kidnapping, fraud, or whatever. And there is a sophisticated group of individuals at such a high level in the various strata of the societies they live in, that they offer these kinds of services at obviously a very substantial fee and are well paid for it, and the movement of this wealth at that level is done through wire transfer, electronic fund transfer, which moves as electricity does, at the speed of light.

So, you can move wealth from Hongkong all the way to, say, Buenos Aires in about seven minutes. . . .

So, you have to infiltrate, you have to get in the middle, you have to be involved with human resources. Human resources are the only resources that unlock the keys to an effective and accomplished money-laundering organization. I have often lectured at classes at the Federal Law Enforcement Training Center in Brunswick, Georgia, and many members of the intelligence community are now being trained down there, members of the CIA, NSA [National Security Agency], DOD [Department of Defense] officials, and I am constantly informing them, that I don't care what equipment they have, I don't care what the satellites can help them do, I don't care what their artificial intelligence systems say, it doesn't prove anything; a human resource is the only way anyone has any idea about anything going on at that level of finance. . . . The only way you find out is by a human being talking to those who control the accounts. That's what undercover conduct is all about.

EIR: At what level inside the international banking community is this operation functioning?

Parker: That's a very interesting question, and quite candidly, that's a very political question. And when you are aware that every time there is a meeting by the World Bank, in Washington, which happens about every other year in September, that one or more international financial concerns, the equivalent of a BCCI [Bank of Credit and Commerce International]-type institution, will host a gala reception and entertain at such a lavish level—lobster that was caught off the coast of Portugal, or salmon caught just the day before in a fiord in Norway, with string orchestra, and everybody dressed in tie and tails and lovely gowns. Does that mean

there is power at the international level of the financial community? Well, I think there might be.

EIR: Is there increasing support for your idea that you have to run human operations, penetration, to really start to crack the money-laundering organizations?

Parker: I think there is a healthy debate about the effectiveness of the taxpayers' dollars that are being spent in this way. Obviously, you can assume what side of the debate I'm on, but not all officials within our country are . . .

EIR: . . . reading from the same script?

Parker: Right. And to be fair to them, they have a legitimate argument. There is a legitimate argument that people in our public could care less about this when there are drive-by shootings and car-jackings, and kids are carrying guns in school; I accept all that, and I, certainly, as a parent, am just as concerned about children in school having guns, and I am just as concerned about the violence that's on our street, and I definitely, as a citizen, want everything to be done to make it stop.

But I am also equally concerned professionally that we also maintain a certain commitment of resources at a level that we now have reached through these years, of investigating and prosecuting these individuals who are in this service industry, as you have described it, facilitating the movement of illegal wealth at the highest levels.

EIR: Otherwise there's an uneven playing field where the bad guys have a leg up.

Parker: They have more than a leg up, they don't have to worry about anything. . . . One thing is clear in the banking industry now, and any individual banker knows this: Their institution is going to stick them way out on a limb, and they're going to saw it off so fast it will make their head spin, because the institution is not going to help defend that banker's conduct. In fact, they're going to do everything to make sure that the government prevails in taking that banker and prosecuting him, and then they're going to say, "We had no idea, this was a rogue element, so-and-so was on a lark and detour, bang, please don't prosecute us as an institution." There's nothing wrong in that, we need all the help in this matter, but that is the way the game is played now.

So, I think there is a greater area for deterrence, than, say, you take a drug dealer, a crack dealer, or whomever, off the street—it doesn't deter anybody else out there, they could care less. They're not afraid of the fact that they get picked up and are looking at 50 years. That deterrence is not there. People do not think, "If I get caught carrying this gun and I'm selling this coke, I'm going to spend the rest of my life in jail"; they don't think like that. And if it happens to one of them, even with the publicity—these kids don't even read the paper, so they don't even know.