

## EIR Investigation

# FBI dirty tricks target NASA with phony scandals

by Marsha Freeman and Jeffrey Steinberg

In December 1991, the FBI began an operation it dubbed "Lightning Strike," supposedly to investigate complaints of fraud and corruption at the NASA Johnson Space Center in Houston. However, although this operation was said to be warranted because the NASA inspector general had received anonymous tips on corruption there, it was *not* carried out to investigate crimes being committed by NASA employees or industry contractors, but to see whether the FBI could entrap people into committing crimes.

"Lightning Strike" officially ended in December 1993. Astronaut David Wolf, who had been targeted in the sting, appeared on the NBC Nightly News and revealed that while there was no predisposition to crime, or suspicion of such, on his part, FBI undercover agent James H. ("Hal") Francis called him up nearly 20 times to try to get him to accept a favor for influence peddling.

In June of last year, the first indictment was announced by the Department of Justice (DOJ), and eventually two lower-level NASA employees and seven industry contractors were indicted on bribery and kickback charges. Most of the alleged infractions were minor, and all were a result of the attempts made by the FBI to lure people into committing crimes.

Even though "Lightning Strike" was supposedly terminated, there are still reported to be ongoing investigations of individuals at the Johnson Space Center. A prominent role in hyping up media allegations of wrongdoing is being played by ABC-News reporter Brian Ross, a man very well known to this news service for his mid-1980s role in the slander, frameup, and unjust imprisonment of Lyndon LaRouche and several of his associates. In the dossier below, we shall document just what sort of "journalist" Ross is, and what master he is actually serving.

But first, the story of "Lightning Strike":

The FBI had sent undercover FBI agent Francis to Houston to set up a fictitious company to try to entice NASA employees in the life sciences division at Johnson Space Center, and their industry contractors, into illegal activities. In addition to rookie astronaut David Wolf, former NASA Administrator James Beggs was targeted in this sting operation. As one manager targeted by the probe, but not indicted, remarked, the FBI did not find or expose crime, but "manufactured" it. Seasoned observers insist that the DOJ has "had it in for Beggs," since the bogus case against him had to be dropped (see box).

FBI agent Francis went to Houston posing as an executive of the fictitious Southern Technologies Diversified company. He told NASA employees that his company had developed a miniaturized ultrasound imaging system able to detect and crush kidney stones, which it wanted tested on the Space Shuttle. The company was seeking funding from NASA to do so, he said.

Judging from the accusations that have been made of fraud and abuse, one would assume that this bogus medical device *did* fly on the Shuttle or has been used in medical practice in harmful ways. But the fact is, as Johnson Space Center director Dr. Carolyn Huntoon stated when the indictments were announced, the nonexistent device was rejected by NASA when it got to the second in a complex system of 19 steps required for such equipment to be selected for flight.

### Just like the Nazis

Last year, Beggs told *Houston Press* reporter Steve McVicker what he thought of Operation Lightning Strike: "I think the whole idea of the government running stings in which you [use] government employees who lie and offer bribes with impunity, I think that's outrageous. I don't see

any difference in that from what the Nazis did. What *really* disturbs me about them doing this kind of thing to NASA is that you sow the seeds of distrust among the people in the agency who are responsible for running a very difficult and exceedingly hazardous program. To sow the seeds of distrust, deliberately, in that program is about as despicable and disgusting and rotten a thing to do as I can imagine.”

John Crenshaw, who has worked in the aerospace industry for 40 years and was targeted, although not trapped, by the FBI, wrote a letter to Attorney General Janet Reno on June 15, 1994, protesting the entire FBI operation. He pointed out that Lightning Strike was not even correctly described as a “sting,” where known criminals are allowed to implicate themselves. “To my knowledge, there was no prior criminal activity unearthed in this operation on the part of those charged. It was nothing but a fishing expedition.”

On Aug. 17, Crenshaw received a reply to his complaint from the Office of the Deputy Attorney General. “The Office of Professional Responsibility in the FBI has initiated an inquiry into the matter,” the letter stated.

So far, no results from this internal investigation have been revealed. No action to investigate the FBI’s activities has yet been taken by either the Senate or House Judiciary Committees, which have oversight of the actions of the Department of Justice.

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## Brian Ross: up to the same old tricks

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On Feb. 6, ABC News reporter Brian Ross disrupted NASA Administrator Dan Goldin’s briefing for the press on the newly released fiscal year 1996 budget for the space agency. Ross fired a series of “do you still beat your wife” questions at the NASA director, focusing not on the agency’s budget, but on “Operation Lightning Strike.” As the following excerpts from that exchange suggest, Ross had more detailed “inside” information on the FBI sting than did NASA chief Goldin:

**Ross:** You did not mention in your presentation the fact that in the last year and a half NASA had been the target of an FBI undercover investigation into contracting procedures that FBI agents say uncovered a system and a pattern of fraud and abuse. What, if anything, did you learn from Operation Lightning Strike?

**Goldin:** I think Operation Lightning Strike was conducted by the FBI and other government agencies. We have not yet seen the final results. I think it’s inappropriate for the NASA administrator to comment on the efficiency or the approach of another government agency until we see the final results.

**Ross:** Did you learn anything from what’s come out so far?

**Goldin:** We had a few minor contracting actions and inappropriate actions by employees at NASA Johnson. We have a workforce of 22,000 employees. In a workforce of 22,000 employees there will always be those who might have the tendency to do wrong things. We support investigations and we support open looks into the agency to make sure that the American public gets value for its money.

**Ross:** But just minor infractions?

**Goldin:** We don’t have all the results yet and we’re waiting to see what the final results are going to be.

**Ross:** In light of the FBI investigation, do you still have full confidence in Carolyn Huntoon [director of the Johnson Space Center]?

**Goldin:** Carolyn Huntoon is an outstanding leader. We have no reason to believe that she is not conducting herself with the highest ethical standards.

After repeated efforts by Ross to draw Goldin into an on-camera confrontation over the FBI probe, the NASA press coordinator was forced to shut down the press conference, characterizing Ross’s badgering questions as inappropriate.

Ross, who for years was with the NBC Nightly News, is now working for ABC’s “Day One” news magazine show. The staged confrontation in front of the cameras was apparently designed by Ross to obtain footage giving the impression that the NASA administrator was dodging the question of NASA corruption and the FBI probe.

The incident was vintage Brian Ross. His stock in trade, revealed through his role in the “Get LaRouche” task force, is this kind of attack-smear journalism, and he has a very particular political apparatus on whose behalf he operates.

## The railroad against LaRouche

In October 1983, NBC Nightly News reporter Ross and his producer, Ira Silverman, launched an “investigation” into the political activities of Lyndon LaRouche. According to a deposition that Ross gave a number of months later, the decision to produce the story that eventually appeared on the NBC Nightly News on Jan. 30, 1984 was motivated by LaRouche’s recent political successes—thousands of candidates were running for local, state, and federal office in support of LaRouche’s platform—and by news stories in *EIR* exposing former Vice President Walter Mondale’s ties to the Soviet KGB. Ross told attorneys representing LaRouche in a 1984 libel suit against NBC and the Anti-Defamation League of B’nai B’rith (ADL), triggered in part by Ross’s January 1984 smear, that he considered the exposé of Mondale a political libel that warranted investigation.

Ross’s sworn testimony skirted the edge of perjury. While LaRouche’s political successes and his plan to run for the Democratic presidential nomination against Mondale in 1984 were certainly disturbing to Ross and his ilk, the mo-

tives surrounding the launching of a full media smear campaign against LaRouche—coordinated with a federal and state effort to put him behind bars—went far deeper than the issues cited by Ross.

From February 1982 through the spring of 1983, LaRouche had conducted sensitive back-channel negotiations on behalf of the Reagan White House with the Soviet government. The fruits of those talks had been unveiled publicly on March 23, 1983, when President Ronald Reagan, in a nationwide television address, announced the Strategic Defense Initiative, a program he adopted from LaRouche. Senior figures in the Eastern Establishment, including Henry Kissinger and “moles” inside the Reagan cabinet, had assured Moscow that President Reagan would never adopt LaRouche’s SDI program, according to official messages delivered directly to LaRouche by his Soviet back-channel interlocutor.

The March 23 speech by the President was a shocking refutation of that promise. If LaRouche could “get to” President Reagan on the SDI, despite the best containment efforts of White House Chief of Staff James Baker III and a small army of neo-conservative and “Bush league” assets in and around the White House, then similar LaRouche policy “coups” on other vital issues could not be ruled out. LaRouche’s ideas were too close to the ears in power.

Within weeks of Reagan’s March 23 speech, Wall Street broker John Train, a pivotal figure in Anglo-American intelligence circles, convened the first of a series of war councils to map out a coordinated media smear campaign against LaRouche, to create the public climate for a frameup against him.

The selection of Train to spearhead the propaganda effort showed the importance that senior British circles placed on the “Get LaRouche” drive. Train’s cousin Russell Train was the American director of Prince Philip’s World Wide Fund for Nature (WWF), one of the most important British Crown resources; John Train’s investment counseling firm, Train Smith Counsellors, was about to be bought out by the British Rothschild interests; and Train was personally an intimate collaborator of Sir Jimmy Goldsmith and his brother Edward (a leader of the radical wing of Prince Philip’s worldwide environmentalist apparatus), dating back to Paris in the early 1950s.

The “salon” assembled by Train included two dozen editors and senior reporters from *Business Week*, *Readers Digest*, *New Republic*, and NBC-TV. The ADL, already a major component of the “Get LaRouche” efforts since 1978, was represented by Fact-Finding Division operator Mira Lansky Boland. An ADL paid retainer, Dennis King, who had been assigned to crank out anti-LaRouche propaganda in such publications as the pro-drug-legalization *High Times* magazine since 1979, was assigned the task of preparing charts and briefing papers for the gatherings.

At least one official of the National Security Council, Roy Godson, attended the events under the auspices of CIA

official Walter Raymond, then heading a White House covert operations unit attached to George Bush and Oliver North’s Special Situation Group (SSG), the unit in charge of all Reagan administration covert operations and the center of anti-LaRouche efforts inside the Executive branch. At least two federal law enforcement officials, apparently from the FBI and the Internal Revenue Service, also were present at the Train sessions, according to one report.

An April 1983 Train salon meeting was followed by a second meeting in October 1983—just prior to the launching of the Ross-Silverman “investigation.”

### **NBC producer commits perjury**

The Ross-Silverman slander of LaRouche was aired on the NBC Nightly News on Jan. 30, 1984, just days before the Federal Election Commission was scheduled to announce its decision on whether it would grant matching funds to LaRouche’s presidential primary campaign. Ross privately boasted before the show that the FEC would not grant the funds.

Two months later, NBC struck again, airing a 20-minute slander against LaRouche on its “First Camera” news magazine.

LaRouche promptly sued the network and the ADL, which had provided on-the-air interviews by two top officials, Abbott Rosen and Irwin Suall.

During the pre-trial discovery, NBC producer Pat Lynch, who had done the “First Camera” segment, drawing upon some of the same sources used by Ross and Silverman, committed perjury by concealing her participation in the Train salon sessions. Lynch had attended the April 1983 meeting, and had maintained contact with several key participants, including King and Mira Lansky Boland of the ADL. In her deposition, she was asked where she had obtained a chart detailing the structure of “the LaRouche organization.” The chart had been handed out at the Train salon meeting which she had attended—a fact she never admitted.

Lynch’s perjury, compounded by similar false statements under oath by Dennis King, had a profound impact on events. The Train salon sessions were never presented to the jury in the libel case, and as a result, NBC and the ADL were found not guilty of libel. The verdict constituted a green light for the Justice Department to go forward with the railroading of LaRouche. Had the truth about the Train “Get LaRouche” salon come out at the NBC civil trial, the entire railroad would have been thwarted.

In his own deposition in the libel case, Brian Ross admitted that he had relied heavily on King and the ADL for the material he aired. He also admitted that he had been in touch with federal law enforcement sources in New York and Washington, D.C., who had also provided material. Again, the influence of the Train salon was present, but the truth never came before a jury.

In short, the NBC slanders against LaRouche were all part of the John Train effort, which was the propaganda

## The case of NASA administrator James Beggs

The current FBI “corruption” investigation against officials of NASA’s Johnson Space Center is not a new political tactic. The 1980s prosecution of NASA Administrator James Beggs—which was eventually dropped—took a tragic toll in human life, as the chain of events which led to the loss of the Space Shuttle *Challenger*, and the death of seven astronauts, can be traced directly to the witch-hunt against Beggs.

On Dec. 2, 1985, then-NASA head James Beggs was indicted by the Department of Justice for violations of and conspiracy to violate federal procurement regulations. On June 19, 1987, all of the charges were dropped, when William Weld, currently governor of Massachusetts and then head of the Criminal Division of the DOJ, could not explain why 82 boxes of documents that had been obtained by the defense under the Freedom of Information Act had been “overlooked” by the prosecution. The defendants were exonerated.

In between these events, Beggs was forced to resign as NASA administrator. One month after he did so, under an incompetent temporary replacement, William Graham, the *Challenger* was launched in freezing weather, resulting in the explosion of the orbiter.

Although no longer in an official position, Beggs was at NASA headquarters in Washington on the morning of Jan. 28, 1986, when the *Challenger* was launched. Had he been administrator, he would have been down at Cape Canaveral, as he or his deputy had been for every Shuttle

launch since his assuming the top position at NASA. Asked that morning whether the Shuttle would fly that day, Beggs replied, “Brrrrr. It’s too cold.”

In an interview with this news service on July 2, 1987, Beggs explained, “It was a cold morning and it had been below freezing through the night, and what you don’t know with that vehicle, is whether you’ve got internal ice.” Morton Thiokol, Inc. engineer Alan McDonald, Beggs stated, voiced objections to the launch on a number of counts, “and there were several good reasons why we wouldn’t [have] launched that morning.” McDonald was “worried about several things that morning,” including ice on the gantry, and the effect of the cold on a number of components in addition to the booster seals, Beggs stated, “which is what I would have been worried about had I been down there.”

At a press conference following the announcement that the case against him had been dropped, Beggs stated that the indictments brought by the Department of Justice were “politically motivated.” There was ample evidence the defendants were not guilty when the case was brought.

In leading the space agency, Beggs had clearly annunciated his political views. “More than a century and a half ago, there were the Luddites. More recently, there was the Club of Rome,” he stated at a lecture in 1984. “The fundamental error made by the Luddites, the Club of Rome, indeed by the malthusians and others who have shared their philosophy, is one of forgetfulness. They forget to remember that the human imagination is not finite.” He held this view, and fought for increased funding for the space program, in opposition to the free marketers and budget slashers in the Reagan-Bush administration.—*Marsha Freeman*

component of an even larger private sector-government illegal joint strike force.

### The role of the Heritage Foundation

Although the “Get LaRouche” effort escalated dramatically around the NBC libel trial, the campaign had begun earlier. In the summer of 1982, simultaneous broadsides against LaRouche had been issued by the Mont Pelerin Society-captured Heritage Foundation and the ADL. During this period, Canon Edward West of the Episcopal Archdiocese of New York had candidly told visitors that the Anglican apparatus would let their “Jewish friends at the ADL” take care of LaRouche.

Although the ADL did take on a particularly significant and vicious role in the ensuing slander and frameup drive, the fact that the Heritage Foundation launched a nearly identical and simultaneous attack was of great significance. The Heritage Foundation has been the hub of the British-spon-

sored Conservative Revolution assault against the U.S. Constitution and the American economy since 1978 (see last week’s *EIR* for a comprehensive report on this). In recent months, Heritage Foundation literature has formalized the alliance with the ADL. A recently published Heritage policy guide for new Republican members of Congress lists the ADL’s Washington “fact-finder” Mira Lansky Boland as their “expert” on terrorism. It was on behalf of this apparatus, spawned by the British and the Mont Pelerin Society of free-market fanatics, that Brian Ross undertook the slander against Lyndon LaRouche and associates.

It is not from FBI headquarters that Ross takes his orders, in his current deployment against NASA. He is one of the media “hit-men” at the disposal of the Mont Pelerin Conservative Revolutionists. His current targeting of NASA is taken right out of the Mont Pelerin Society’s blueprint for the complete destruction of what remains of America’s preeminent science and technology driver, the national space program.