

have been tainted because of financial or family tie to one of several organizations, White Weld & Co., Crédit Suisse . . . , Clarendon Bank, Merrill Lynch, Crédit Suisse First Boston, and/or Bank of Boston. I investigated this matter when it first came out . . . Neither I nor any member of my immediate family nor of my siblings or my mother, who is since deceased, has any financial interest in White Weld & Co., Credit Suisse, Clarendon bank, Merrill Lynch, Crédit Suisse First Boston or Bank of Boston. And I did with both financial advisors and legal counsel. . . .

My father, the late David Weld of Smithtown, New York was a general partner of the firm White Weld & Co. till his death in 1972. Since my father's death, my family has had no financial interest in . . . White Weld. That investment house in fact was acquired by Merrill Lynch in 1978, and has since ceased to exist. . . . So, I guess the short answer to the . . . question is that there is no tie personal, or financial, of myself or my family.

**Grassley:** Another allegation against you concerns an ongoing grand jury investigation of the NDPC . . . [of which] Mr. LaRouche is the chairman emeritus. This investigation has been described by the NDPC as a fishing expedition . . . comment on that matter, if you can.

**Weld:** I can understand how supporters of Mr. LaRouche might experience some frustration about the grand jury investigation, which as a matter of public record for almost two years now, has not come to a conclusion . . . that's understandable, and I assure you, and I assure them, that the matter has my full intention, uh, attention, and there is no intent on our part to have there be any delay in that grand jury investigation.

As I mentioned, *however*, there was ample predication for that grand jury investigation at the time the grand jury began to hear evidence in late 1984. . . .

And the way, as the senator knows, that a grand jury investigation works is that a grand jury can subpoena either witnesses or documents, and in this particular case, because the allegation involved alleged fraud, *much of which would be reflected in financial, credit card, election campaign type records, that the subject of the investigation, the LaRouche organizations would keep*. . . . *No documents*—no ability for the grand jury to return a true bill, or a no bill based on all the evidence. And it's been those documents, and refusal to comply with . . . subpoenas for those documents, that all the shooting's been about for the last year and a half. That's the case which was fully briefed and argued before the district Judge David Mazzone, appealed to the first circuit, with a full argument in the first circuit, which Judge Mazzone affirmed. Petition for re-hearing, petition denied. That has finally wound its course, and a week or two ago with the denial of a petition for re-hearing. So as I said I am hopeful that at this point, we can get on with it. But a fishing expedition, *no!*

## The case against

*The following is the "Testimony in Opposition to the Nomination of William Weld for Assistant Attorney General for the Criminal Division of the United States Department of Justice," submitted by Warren J. Hamerman, chairman of the National Democratic Policy Committee, to the U.S. Senate Committee on the Judiciary, Aug. 13, 1986.*

My name is Warren J. Hamerman, and I have been the chairman of the National Democratic Policy Committee since its founding in August 1980. The National Democratic Policy Committee is a multi-candidate political action committee which has advocated and campaigned for a policy of an all-out War on Drugs since its inception; I therefore feel historically compelled to testify against the nomination of Mr. William Weld, currently the U.S. Attorney of Boston, to the fourth-highest position in the U.S. Department of Justice.

The President of the United States, in cooperation with other forces nationally, and allied governments internationally, has launched a major military war on drug trafficking. The War on Drugs is rightly seen by the President as a combined major strategic, national security, and domestic initiative. The same drug problem which is the target of our nation's war mobilization, is also a chief source of street crime inside the United States, a criminal problem which reaches to the highest levels of our society. In this context, high government officials with responsibility for the investigation and enforcement of all federal criminal statutes, relevant to the War on Drugs and to eradicating street crime, must be dedicated individuals who are completely beyond any personal suspicion.

Therefore, our citizens must be assured of the *impeccable* commitment of Department of Justice officials, particularly the Assistant Attorney General in charge of the Criminal Division, to carry out the War on Drugs with vigor, and with highest regard for principles of law and justice. The *impeccable* commitment of the head of the Criminal Division is the issue before us today.

By this standard, Mr. William Weld of Boston is *eminently unqualified* to serve as head of the Justice Department's Criminal Division.

The position to which Mr. Weld aspires is of such importance that its occupant could personally determine the course of the President's War on Drugs.

Mr. Weld's disqualifications are demonstrated by his poor

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performance in Boston on drug-related matters and by his possibly questionable private business links.

To appoint Mr. Weld would send a wrong signal to the international and domestic law-enforcement and military community whose soldiers are heroically placing their lives on the line to fight the War on Drugs.

I believe that a full investigation of the following major areas of Mr. Weld's record and person must be thoroughly conducted *before* the Senate Judiciary Committee can vote on his appointment: his conduct with regard to drug-related and other criminal matters in Boston; his personal background; his private business affairs; and his methods of prosecution, which the First Circuit Court of Appeals, in reviewing Mr. Weld's conduct, on July 1, 1985 characterized as bordering on the "Soviet legal principle" of "crimes by analogy."

## Mr. Weld and the Bank of Boston drug-money-laundering cover-up

A serious misrepresentation of fact was created in February of 1985, when the public was led to believe that the felony conviction of the Bank of Boston for currency reporting violations represented a serious attack on money laundering. What actually took place was a monumental cover-up, orchestrated by William Weld.

Over a four-year period, the Bank of Boston ignored the law not once or twice, but 1,163 times, failing on each of those 1,163 occasions, to report cash transactions over \$10,000. Former Assistant Treasury Secretary for Enforcement John M. Walker, testifying before a congressional committee at the time, said, "There is every indication that the \$600 million of small bills that the bank took in was the laundering of 'drug money'. . . . Why else would the money be in \$20 bills?"

The Bank of Boston's violations could have cost it over \$1 billion in fines and forfeitures. Instead, the deal struck by Mr. Weld fined the bank for a one-count felony, and protected any bank officials from prosecution. Sen. Al D'Amato (R-N.Y.) described the fine against the Bank of Boston as "a pittance," an absurd "four ten-thousandths" of the money laundered. The Bank's own annual report boasted that the prosecution would not have any serious effect on its profits.

Contrary to common belief, Mr. Weld never prosecuted the Bank of Boston for violations of the law that pertained to

money laundering by the Angiulo organized-crime family. Kept out of the indictment was the fact that, between 1979 and 1983, the bank sold \$7.3 million in cashiers' checks to various members of the Angiulo family, among them 163 checks for \$2.2 million in cash.

According to Weld's own financial disclosures, he is tied to *both* sides of the bank transfers willfully concealed by the Bank of Boston. In his 1978 unsuccessful bid for Massachusetts Attorney-General, he received campaign contributions from two Bank of Boston officials: William C. Mercer, an honorary director, and Peter M. Whitman, senior vice-president. The other side is Cr dit Suisse, with which Weld has a direct family interest.

Among the most important of the Swiss banks involved in the Bank of Boston case is Cr dit Suisse of Zurich, Switzerland. A survey taken of law-enforcement agencies of several Western countries by the journal *Executive Intelligence Review*, confirms that Cr dit Suisse may well be the "king" of Swiss laundromats. The bank was a recipient of the take from the famous "Pizza Connection" heroin-trafficking ring; Operation Greenback, the first major multi-agency federal investigation of drug-money laundering, nailed Cr dit Suisse's Miami branch in repeated currency reporting violations; Cr dit Suisse was Robert Vesco's major bank in the days of Investors Overseas Services.

Cr dit Suisse has been the Weld family bank since at least the time when Mr. Weld's father, David Weld, was a general partner of the investment house known as White Weld, in 1948. White Weld Securities is the basis of the Weld family fortune. The Weld family fortune's biggest venture at this time in the international markets is an outfit in London called White Weld Securities, the Eurobond syndication subsidiary of Cr dit Suisse First Boston, Ltd. Until 1978 it was known as Cr dit Suisse White Weld. During the summer of 1978, a baffling sequence of transactions took place among White Weld, Cr dit Suisse, Merrill Lynch, First Boston, Inc., and others. Merrill Lynch appeared to have purchased White Weld for the sum of \$50 million. Subsequently, Cr dit Suisse purchased from Merrill Lynch, White Weld's stockholders' "stake" for \$25 million. Afterward, Cr dit Suisse bought into First Boston, Inc. and First Boston bought into White Weld Securities of London. By the time the transactions were completed, the tangle became impenetrable.

Estimates of investigators, among them the President's Commission on Organized Crime, are that annual revenues from the international drug trade are approximately \$400 billion. Much of it is leveraged four-to-five-fold and is invested into purchase of options in the Eurobond market. This is a world market, 85% of whose activities are controlled by three financial institutions:

1) **Credit Suisse/White Weld** of London; 2) **First Boston Corporation** of New York, and 3) **Merrill Lynch** of New York and London.

This evidence was brought before the Senate Permanent

Investigations Subcommittee at the time of the Bank of Boston hearings last year, yet no action was taken. Similarly, in February of 1985, the Caracas, Venezuela, daily *El Mundo* detailed how \$12 billion of flight capital, much of it going through the Bank of Boston, had been identified. William Weld is reported to have a file of evidence presented in the *El Mundo* article. Yet nothing has been done. These are just a few of the cases.

### Mr. Weld's questionable judicial methods

William Weld has a history of abuse of office and selective prosecution against political enemies, with which the residents of Massachusetts are all too familiar. He is a proponent of the school of prosecution that targets the *individual* rather than the crime.

The most celebrated case was the judicial murder of the political machine of former Boston Mayor Kevin White; the goal and end result—to prevent White from running for reelection. The sacrificial lamb in this series of indictments was White's chief fundraiser, Theodore Anzalone, who was initially convicted of extortion and, ironically enough, violating currency-reporting requirements. Anzalone was acquitted on appeal. In its July 1, 1985 opinion, the Appeals court issued a sharp rebuke to Weld, stating:

In contrast to what is permitted under other legal systems, the Constitution of the United States mandates that, before any person is held responsible for violation of the criminal laws of this country, the conduct for which he is accountable be prohibited with sufficient specificity to forewarn of the proscription of said conduct.

The court pointed to the principle of "crimes by analogy" in the Soviet legal system, and quoted from Article 16 of the Soviet Criminal Code which states:

If any socially dangerous act has not been directly provided for in the present Code, the basis and extent of liability for it is determined by applying to it those articles of the Code which deal with the offenses most similar in nature.

*In other words, make the crime fit the would-be criminal.* The government (i.e., Weld's office) was trying to "test the limits of statutory interpretation," said the court, and it should not expect the courts to "stretch statutory interpretation past the breaking point to accommodate the government's interpretation."

On June 13, 1983, long before the appeals court decision was made, the *National Law Journal* published an article describing William Weld's actions as a "textbook example of a prosecutor misusing his powers to bully witnesses and manipulate the political process."

It is exactly this method which has been used in the almost-two-year-long fishing expedition targeting my as-

sociate, Lyndon H. LaRouche, Jr., through an alleged investigation of his 1984 campaign committees, and also the NDPC and other organizations Weld regards as "LaRouche-related."

As with other cases, the "sting" and the corrupt witness, are the food which feeds the beast. In fact, most recently, Mr. Weld has chosen to use hardened criminals as his key witnesses.

The latest witness brought to testify against Mr. LaRouche and his associates is Mordechai Levi, a suspected terrorist and member of the Jewish Defense League who has personally threatened the life of Mr. LaRouche. Earlier this year, the FBI issued a report of terrorist incidents in the U.S., identifying "Jewish extremists" as the major domestic terrorist operation. One of the incidents named in the report was the murder of Arab-American Anti-Discrimination Committee leader Alex Odeh, who was blown up in a booby-trapped bomb, wired to his office door, in October 1985.

Two other incidents, the August 1985 bombing of Tscherim Soobzokov, which caused his death, and the September 1985 bombing of the home of Elmar Sporgis, both involved Mordechai Levi, who held public meetings calling for the two men's deaths shortly before the bombings. A special report issued by *Executive Intelligence Review* in March 1986 documents how Levi has served as a paid agent of the Anti-Defamation League, the American Jewish Committee, and the FBI. In August 1985, two associates of Mr. LaRouche petitioned Attorney-General Edwin Meese to appoint a special prosecutor to investigate the terrorist attack on Soobzokov, stating that since Levi was an FBI informant, there would not be an objective investigation of his role in these assassinations. I wonder now whether Levi will be given immunity from prosecution in the Soobzokov, Sporgis, and Odeh cases, in exchange for his perjured testimony against LaRouche?

Levi and the JDL are also suspected of planting a bomb that maimed for life a Boston police officer last year. But this is not the only complaint the city's officers have with Mr. Weld. He has been on a rampage against so-called "police corruption," using as his star witness one Jesse Waters, a convicted drug-dealer and tax evader who shot and seriously wounded a Boston police officer who was attempting to stop Waters in a drug sale. Waters, now in the Federal Witness Protection Program, is providing evidence on bribery charges against Boston police officers.

Attached to my testimony is a seven-page document which lists the kinds of questions which need to be asked of Mr. Weld. If this committee upholds its responsibility and investigates these facts, *prior* to voting on this nomination, I am confident that not only will you deny the position to William Weld, but the results of the investigation will provide major new leads that will contribute to the rapid advance of the War on Drugs.