

# The world's biggest drug-pushers: a profile of the Anti-Defamation League

The Anti-Defamation League of B'nai B'rith (ADL) has put together for itself an utterly undeserved reputation as a public-spirited quasi-charity whose chief concern is to combat racism and anti-Semitism.

Nothing could be further from the truth.

The ADL is a public-relations front for the branch of American organized crime founded by Meyer Lansky during the early decades of this century, under the sponsorship and patronage of leading Anglo-American financial interests. For this reason, ADL officials were reportedly deeply dismayed when Lyndon LaRouche and *Executive Intelligence Review* dubbed the ADL the "American Drug Lobby," and documented its ties to the highest levels of drug money laundering operations internationally. Here, we present an up-to-date version of that documentation.

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## 1. Organizational structure and key personnel

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In repeated flagrant violation of Section 501(c)3 of the Internal Revenue Service Codes, the ADL operates as a tax-exempt public interest organization, while in reality it engages in a wide range of activities that are inherently criminal in nature, including interference in the judicial and law enforcement process, support for domestic and international terrorist organizations, instigation of "hate crimes," espionage, support for suspected international narcotics traffickers, unregistered political activities, and covert activities on behalf of both hostile foreign governments and U.S. government agencies generally linked to the international social democracy. (It is a matter of historical record that before, during and immediately after World War II, the ADL functioned as a "covert action" arm of the British Special Operations Executive under its North American chief Sir William Stephenson, in close liaison with the FBI's Division Five.)

Through its 151-member National Commission and its paid staff maintaining regional offices in 31 cities in the United States and a number of locations in Europe, the Middle East, Ibero-America, and the Soviet Union, the ADL operates as a covert strike force whose corrupting influence extends into the pores of the financial community, the legal establishment, the media, and the U.S. government at the

federal, state, and local level.

The ADL, according to its bylaws, is run by a National Commission (NC), which currently consists of 151 members. It is chaired by a national chairman, currently Burton Levinson, an attorney from Beverly Hills, California. The National Commission formally meets once a year.

According to Article VII of the bylaws, in the interval between the NC annual meetings, the ADL's National Executive Committee (NEC) acts for it. The NEC is composed of a chairman (now Ronald B. Sobel, a senior rabbi at Temple Emanu-El in New York City) and vice chairman; the elected officers of the NC, the president, executive vice president, and honorary (past) presidents of B'nai B'rith, together with their counterparts from B'nai B'rith Women; the appointed chairmen of all of the ADL standing committees; and the president of the ADL Foundation, together with 15 additional members of the NC who are elected by it.

The ADL is formally affiliated with B'nai B'rith. However, this link is principally maintained through the B'nai B'rith's representation on ADL's National Commission. Unlike its parent organization, the B'nai B'rith, the ADL is not a membership organization. One cannot join the ADL; membership is by nomination or invitation only. In this sense, the ADL bears a greater likeness to the secret lodges of Freemasonry than its B'nai B'rith parent organization, which was originally conceived in the mid-19th century as a Jewish branch of British Freemasonry.

The current president of B'nai B'rith is Seymour D. Reich, a longstanding activist and officer of the ADL prior to his election to head B'nai B'rith.

Of the current 151 active National Commission members, a smaller core group directs the overall activities of the ADL's staff through participation in standing committees of the NC. The standing committees are organized in precise parallel to the ADL staff divisions and departments, thus permitting the maximum flow of marching orders and other inputs from the National Commission into the day-to-day activities of the league's paid employees. In this sense, Edgar Bronfman and other leading National Commissioners run the ADL.

Standing committee chairmen of the ADL, who, together with their committee members, are appointed by the national chairman, include: Howard P. Berkowitz, Planning; Donald

R. Mintz, Civil Rights; Michael Nachman, Community Service; Sherwin Newar, Budget; Melvin I. Salberg, Communications; Michael E. Schultz, Administration; Joel Sprayregen and Lucille Kantor, International Affairs; David H. Strassler, Intergroup Relations; Robert G. Sugarman, Leadership; and, William Veprin, Development.

These committees correspond to the divisions of the ADL's full-time staff. The divisions include:

- Administration. Concerned with the ADL's internal affairs, it is directed by Philip Shamis, who had previously been controller for the American Jewish Committee.

- Civil Rights. This division works through departments on Fact Finding (headed by Irwin Suall), Research and Evaluation (Alan M. Schwartz), Legal Affairs (Steven M. Freeman), a Washington, D.C. office (Jess Hordes), where a Task Force on Nazi War Criminals (Elliot Welles) is based, and four regional area coordinators. Its director is Jeffrey P. Sinensky, who had previously been associate director of the division.

- Community Service. This division directs the 31 regional offices throughout the United States, whose directors work closely with regional boards appointed by the NC. Its director is Charney V. Bromberg, who was previously the deputy director of the International Relations Department of the American Jewish Committee.

- Communications. Handles public relations and the production of material. Until January 1990, its director was Lynne Ianniello.

- Development. It oversees the fundraising activities of the ADL Appeal—e.g., ADL honorary vice chairman Edgar Bronfman is also head of the Greater New York Appeal.

- Intergroup Relations. It is made up of departments on Education (Frances M. Sonnenschein); Higher Education/Campus Affairs (Jeffrey A. Ross); Interfaith Affairs (Rabbi Leon Klenicki, who is also liaison to the Vatican); Television, Radio and Film; Publications (Howard J. Langer); and an International Center for Holocaust Studies (Dennis B. Klein). Its director is Alan Bayer, who was previously executive director of the Jewish Federation of San Antonio, Texas.

- International Affairs. It comprises departments in the United States concerned with European, Latin American, and Middle Eastern Affairs, and is in charge of ADL's overseas operations, including the offices in Paris (Robert Goldman), Rome (Lisa Palmieri-Billig), and Jerusalem (Harry Wall). Its director is ADL National Director Abraham Foxman, who employs associate division director Kenneth Jacobson for daily operations.

- Leadership. Recruits potential future leaders, and coordinates an ADL National Leadership Conference. Its director is Marvin S. Rappaport. The National Leadership Conference recently brought 250 ADL members from around the United States to Washington, D.C. for three days of meetings with officials of the Bush administration, the Congress, and the Israeli embassy.

The ADL has over 300 people who hold leadership or honorary leadership positions. Among this list are a number of honorary vice chairmen who are closely linked to the ADL, but who for various reasons—including government service—cannot serve as active officers. This group includes former Senator Rudy Boschwitz (R-Minn.) and Howard Metzenbaum (D-Ohio), former Carter administration Secretary of Commerce Phillip Klutznick, former Reagan administration arms control negotiator Max Kampelman, and former Sen. Abraham Ribicoff (D-Conn.) and Rep. Sidney Yates (D-Ill.). World Jewish Congress president Edgar Bronfman is also an honorary vice chairman, along with two other major crime figures from the old Meyer Lansky orbit, bankers Leonard Abess and Theodore Silbert. With the exception of the members of Congress, all the above-listed honorary vice chairmen were at one time active National Commission members.

### The active operatives

Among the active core of ADL operatives are:

- Burton S. Levinson, ADL national chairman since 1987. His work with ADL dates back to 1950, when, as a student at Los Angeles City College, he infiltrated a group affiliated with Gerald L.K. Smith. Now he is a senior partner in the Beverly Hills-based law firm of Levinson & Lieberman.

- Abraham H. Foxman, ADL national director since 1987. He has worked on the staff of the ADL since 1965. Born in Baronowicze, Poland in 1940, Foxman is one of the most mysterious figures in the ADL leadership. U.S. intelligence sources, and even some top-ranking ADL members, reportedly suspect Foxman may have functioned as a Soviet "illegal"—a long-term penetration agent operating without any links to the official Soviet diplomatic corps.

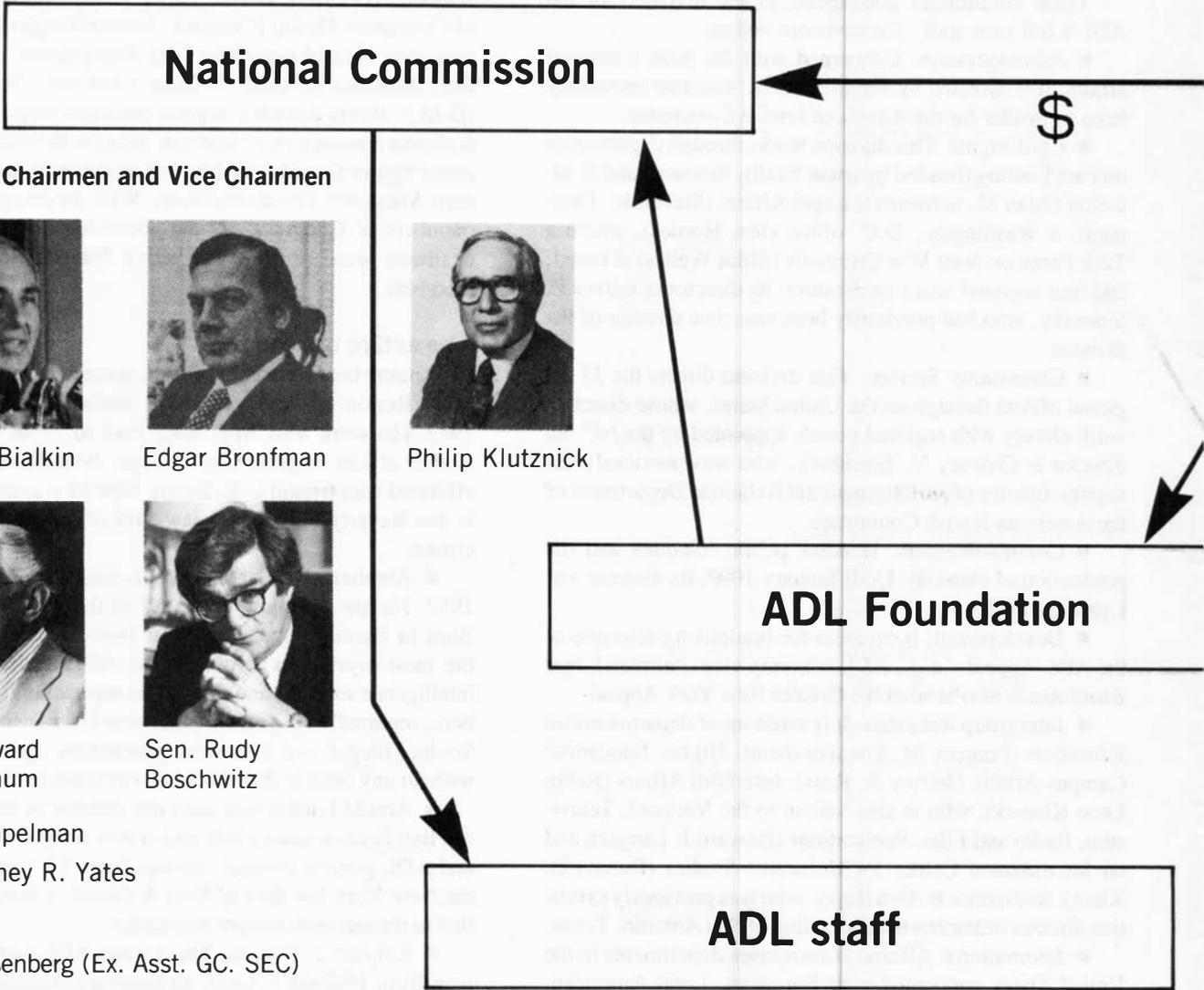
- Arnold Forster was associate director of the ADL under Ben Epstein since 1946, and is now a member of the NC and ADL general counsel. He has been "Of Counsel" with the New York law firm of Shea & Gould, a firm intimately tied to the late mob lawyer Roy Cohn.

- Kenneth J. Bialkin. This former ADL national chairman from 1982-86 is today an honorary chairman and NC member, as well as president of the ADL Foundation.

- Theodore H. Silbert. An honorary vice chairman, he works with Edgar Bronfman in the lucrative Greater New York Appeal for the ADL. Silbert is chairman of Sterling National Bank (see below).

- Burton M. Joseph, ADL national chairman from 1976-1978, is today an honorary chairman. His family runs the Minnesota-based agricultural products firm I.S. Joseph. After World War II, Joseph teamed up politically with liberal Democrat Hubert H. Humphrey, through whom he became friends of Max M. Kampelman (now ADL honorary vice chairman) and ADL top funder Dwayne Andreas. Together they form the "Minneapolis ADL mafia."

# The ADL Comm



## National Commission

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### Honorary Chairmen and Vice Chairmen



Kenneth Bialkin



Edgar Bronfman



Philip Klutznick



Sen. Howard Metzenbaum



Sen. Rudy Boschwitz

Max Kampelman  
Rep. Sidney R. Yates

### Members

Meyer Eisenberg (Ex. Asst. GC. SEC)  
Murray Janus (Richmond, Va.)  
Irving Shapiro  
Burton Joseph (Minneapolis grain cartel)  
Arnold Forster  
Justin Finger  
Theodore Silbert (Sterling National Bank)

## ADL Foundation

## ADL staff



Irwin Suall

Mira Lansky Boland  
Arnold Forster  
31 regional offices  
4 overseas offices  
Ira Gissen (Va.)

# Land Structure

## Major Donors

Robert O. Anderson (Atlantic Richfield)

Stephen Kay (Goldman Sachs)

Donald Keough (Coca Cola)

Dwayne Andreas  
(ADM)



Lane Kirkland  
(AFL-CIO)



J. David Barnes (Mellon Bank)

Roger E. Birk (Merrill Lynch)

Edgar Bronfman (Seagrams)

Charles L. Brown (AT&T)

Willard Butcher (Chase Manhattan)

Alvah Chapman (Miami Herald Publishing Co.)

Peter A. Cohen (Shearson American Express)

Lester Crown (Material Services Corp.)

Justin Dart (Dart Industries)

Marvin Davis (20th Century Fox)

John Kluge (MetroMedia)

Ralph Lazarus (Federated)

John Loeb (Shearson Loeb Rhoades)

J. Willard Marriott (Marriott Corp.)

Paul Miller (First Boston Corp.)

Franklin Murphy (Times Mirror)

Andrall Pearson (Pepsico)

Lester Pollack (United Brands)

Victor Posner (Sharon Steel)

Abram Pritzker (Hyatt)

James D. Robinson (Amex)

Steven Ross (Warner Communications)

William Schreyer (Merrill Lynch)

Arthur Ochs Sulzberger (New York Times)

Alfred Taubman (Taubman Corp.)

S.P. Thomas (Sears Roebuck)

Robert Van Fossan (Mutual Benefit)

Gordon Wallis (Irving Trust)

John Welch (GE)

Walter Wriston (Citibank)

Robert Ferguson  
(First National  
State Bank of  
N.J.)



Randolph Hearst (Hearst)

Samuel Higginbottom (Rolls Royce)

Amory Houghton, Jr. (Corning Glass)

- Edgar Bronfman, ADL honorary national chairman and head of its Greater New York Appeal.

- Irwin Suall. Since 1966, he has headed the Fact-Finding Department of the ADL's Civil Rights Division.

- Meyer Eisenberg, ADL vice chairman and former head of the National Commission's Civil Rights Committee (with oversight over the Fact-Finding and Legal departments). He served from 1959-70 as an attorney with the U.S. Securities and Exchange Commission, attaining the position of deputy general counsel of the SEC before his retirement from government. In private law practice with a string of Washington, D.C. area firms, Eisenberg remains one of the nation's experts on securities law.

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## 2. The ADL and organized crime

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In 1985, the ADL's monthly *Bulletin* proudly announced on its front page that the League had awarded National Crime Syndicate bigshot Morris Dalitz its Torch of Liberty award in deep appreciation for the gangster's financial assistance. The award was presented to Dalitz at a black-tie affair. His picture was featured prominently in the *Bulletin* story.

Back during Prohibition, very different pictures of Dalitz, on FBI "wanted" posters, had decorated the walls of U.S. post offices coast to coast.

The ADL award of its philanthropy prize to gangster Dalitz was no public relations gaffe. If anything, it was a flaunting of the deep relationship that has existed between the League and Jewish gangsters since the beginning of the century, when the ADL was first established by the B'nai B'rith to defend these hoodlums against public exposure and prosecution.

It was a measure of just how far the organized-crime takeover of America had gone.

(Another measure came a year later, when the ADL took in a \$1 million contribution from junk bond swindler Michael Milken of Drexel Burnham Lambert. The money went toward the development of a Madison Avenue public relations package aimed at penetrating the U.S. public school system with ADL propaganda under the pretentious title "A World of Difference.")

Moe Dalitz was no smalltime crook. Dalitz was one of the earliest and most trusted crime syndicate allies of Meyer Lansky, the undisputed chief of the National Crime Syndicate for over 50 years.

Dalitz was one of four chieftains of the Cleveland underworld, along with three other Jewish gangsters: Morris Kleinman, Sam Tucker, and Louis Rothkopf. Following Prohibition, Dalitz became the boss of Cleveland, expanding his criminal operations to include gambling clubs in Miami. One of those night spots, the Frolics Club, was co-owned by Dalitz and Lansky himself. When Lansky moved into Cuba to open up his first offshore gambling, narcotics, and money-

laundering haven, Dalitz was brought in as a privileged partner. When Lansky decided it was necessary to eliminate one of his earliest syndicate partners, Benjamin "Bugsy" Siegel, from Las Vegas (through the "traditional" Murder, Inc. methods), Dalitz was cut in on a lion's share of the casinos and related underworld businesses.

Right up to Lansky's final days, Dalitz was an intimate associate and regular visitor at Lansky's Miami Beach apartment.

### A legacy of crime

The Dalitz award was one watershed in the ADL's gradual "coming out of closet" to advertise its crime links. But it wasn't the first.

In 1963, at the point that the ADL decided to abandon its 25-year joint fundraising enterprise with the American Jewish Committee (AJC), the league ensured its independent financial success by naming as its national chairman the well-known Hollywood producer Dore Schary, then the reigning star at Metro Goldwyn Mayer studios. By this point, Meyer Lansky's campaign to sanitize the Jewish syndicate image had already advanced to the point that it was safe for the ADL to draw upon Schary's name in its fundraising appeals.

Schary was known throughout Hollywood as a lifetime friend and protégé of another one of Lansky's top lieutenants, Abner "Longie" Zwillman, the boss of Atlantic City, N.J. and one of the first members of the National Crime Syndicate to invest heavily in Hollywood. Zwillman was an original member of Murder, Inc.—the National Crime Syndicate's assassination squad run personally by Meyer Lansky and "Bugsy" Siegel.

During the Prohibition Period, Zwillman had been a member of the "Big Seven," an East Coast group of Lansky allies who controlled the distribution of bootleg booze smuggled in from Canada, where it was produced by the Sam Bronfman Gang (Sam's number one son Edgar is today an honorary vice chairman of the ADL and head of the League's lucrative Northeast Fundraising Drive). After the elimination of New Jersey mob rivals Irving Wexler ("Waxie" Gordon) and Arthur Flegenheimer ("Dutch Schultz"), Zwillman took over all syndicate rackets in the state, eventually expanding his holdings to Las Vegas gambling casinos and then into the Hollywood motion picture studios.

When Zwillman fell ill and, under heavy pressure from the Internal Revenue Service, threatened to expose Lansky to renewed government investigations, the syndicate's National Commission agreed that the New Jersey crime boss should be eliminated. On Feb. 27, 1959, Zwillman was found dead in the basement of his 20-room mansion in West Orange, N.J. Local police wrote off his death as a "suicide," but it was widely known that he had been executed by the very Murder, Inc. apparatus he had helped to found.

The man who would become national chairman of the ADL four years later, Dore Schary, was widely reported to

have attended Zwillman's funeral, a report Schary denied.

The Federal Bureau of Investigations was not so sure that Schary was telling the truth. In a lengthy background report on Schary written by the Newark FBI Field Office on Aug. 2, 1961, the following interesting observations were made about Schary and Zwillman:

"Newspaper clipping dated March 4, 1959 reflects that Dore Schary denied that he attended the funeral of Abner Zwillman. This clipping reflects that Schary said he was correcting for the record published reports that he attended the funeral. Schary in this clipping denied that he was a close friend of Zwillman and stated he had not seen Zwillman since 30 years ago at the Newark YM-YWHA, where he was directing amateur theatricals."

Organized-crime experts charge that Schary got his start in Hollywood under the patronage of Zwillman, who was one of the first National Crime Syndicate commissioners to be given the franchise to invest Prohibition bootlegging profits in the movie industry.

The FBI report continued: "On Feb. 26, 1959, [deleted] West Orange, New Jersey Police Department, advised SA [deleted] that ABNER "LONGIE" ZWILLMAN had committed suicide by hanging in the basement of his home at 50 Beverly Road, West Orange, New Jersey, on that date. An article in the Feb. 28, 1959 issue of the *New York World Telegram*, a daily New York, New York newspaper, stated that 'Abner (Longie) Zwillman was the perfect underworld czar—one who wielded immense power from the shadows. . . . Nobody . . . followed so successfully for so long the approved underworld formula for success—from rags to rackets to riches to respectability. Longie Zwillman, who headed a \$50 million bootlegging ring in Prohibition days, followed the pattern to perfection and in his later years lived grandly behind the protective facade of his 20-room mansion in West Orange—and made angry noises about suing people who charged he was still a racketeer.

" 'Some of the steam went out of the pretense, however, after the Kefauver crime probe. Zwillman vanished when investigators wanted words with him, and when the committee did finally induce him to accept a subpoena he had to plead the Fifth Amendment against possible self-incrimination 41 times. . . . He early found his way into the numbers racket, and when Prohibition came along he became one of the czars of the New Jersey rum-running fleet. . . . He began funneling his millions into legitimate enterprises . . . and it was not until the Kefauver investigation that some of these innocent-appearing fronts were exposed. . . . He parlayed his ill-gotten millions into statewide power in New Jersey . . . in 1952 the Department of Internal Revenue slapped a \$940,000 income tax lien against him, and in 1956, he went on trial for income tax evasion. He was acquitted. But just this month the Federal Bureau of Investigation charged that a juror had been bribed and began making arrests. ' "

The appointment of Dore Schary as national chairman of

the ADL, a post he held from 1963 to 1969, was symbolic. The Jewish syndicate was ready to go public, and it would no longer be necessary for the ADL to conceal its longstanding crime links.

### **Sterling National Bank and the mob**

One of the oldest and strongest ties between the Anti-Defamation League (ADL) and the National Crime Syndicate centers around one of the mob's favorite New York City banks, the Sterling National Bank.

According to accounts by specialists on organized crime, Sterling National was founded in 1929 by one of Meyer Lansky's closest syndicate associates, Frank Erickson. Erickson was one of Lansky's chief money handlers. After the November 1926 murder of Arnold Rothstein, the predecessor to Lansky as the "brains" of the Jewish mob, Lansky personally arranged for Erickson to take over the management of the syndicate's nationwide bookmaking operations. Erickson was Lansky's money handler in several major business ventures, including Lansky's hidden ownership of race tracks in Florida and casinos in Nevada, according to Lansky biographer Hank Messick.

Sterling National Bank was also the syndicate's "factor" bank in the New York City garment center—doling out high-interest short-term loans to enable the thousands of small clothing manufacturers to purchase raw materials. The loans were collateralized by the garment companies' accounts receivable. It was a quasi-legal form of loan sharking—enforced with syndicate muscle. Erickson's relationship to Meyer Lansky gave Sterling National virtually unchallenged control over the garment center.

In 1934, Theodore H. Silbert joined the bank. By 1945, he was president. Under Silbert, in 1966, Sterling National was restructured, becoming a wholly owned subsidiary of Standard Financial Corporation, which in turn was wholly owned by Sterling Bancorp, a holding company whose shares were sold on the New York Stock Exchange. Silbert was the chairman, director, and chief executive officer of all three corporations.

Silbert was also a lifelong member of the Anti-Defamation League, serving on the national commission and the national executive committee as the ADL's treasurer, and directing ADL's fundraising drive, the ADL Appeal (to which mobster Moe Dalitz and many other Lansky frontmen contributed). Silbert is today an honorary vice chairman of the ADL.

Sterling National Bank is the ADL's bank. According to ADL financial records on file with the Internal Revenue Service, up through 1976, Sterling National Bank and Standard Financial Corporation were the only outside institutions in which the ADL made any investments (the only exception being a \$5,000 one-time investment in the American Bank and Trust Company, headed by ADL national commissioner and one-time B'nai Brith international president Phillip

Klutznick). The ADL Appeal's bank account was at Sterling. After 1978, the ADL transferred all of its banking and investment activities—including the ADL Foundation—to Sterling National Bank, according to several sources in the financial community familiar with the league's activities.

Although Silbert was apparently installed as Sterling's chief financial officer to conceal the bank's links to the National Crime Syndicate, the ADL fundraiser did not do a very good job of insulating the bank from charges of crime ties.

As of 1982, Sterling National Bank and its associated bank holding companies were the targets of three civil suits, all charging that the bank had engaged in fraud and theft conspiracies. The charges leveled against Sterling National Bank were identical to the more recent criminal charges successfully brought against ADL-linked junk-bond swindlers and insider traders Ivan Boesky and Michael Milken.

- In 1979, Daniel Meister sued Sterling National Bank, Standard Factors, Brooke and Taylor, Reed and Dunmore, Bernard Spector and Marvin Tallerman in the Federal District Court for the Southern District of New York. The case number was 79 CIV 3040. Meister charged that Tallerman had looted his own company, Latin American Resources, in collusion with Sterling National Bank, in order to defraud investors. The modus operandi of the theft is suggestive of how Sterling allegedly "washes" illegal funds into the ADL.

Tallerman converted \$880,000 of his company's assets into a letter of credit which was issued to a dummy company in New Jersey which he owned. Sterling National Bank funneled the money into a series of offshore bank accounts in Panama and Switzerland. Tallerman defaulted on the loans to his own company and made off with the cash—courtesy of Sterling's offshore laundering skills. Tallerman pleaded guilty to criminal charges, in addition to the civil suit, which named Sterling National Bank's chief of factoring, Jordan Posh, as a co-conspirator.

- In a similar scheme several years earlier, Sterling was charged in another civil law suit in federal court with conspiring with a number of other banks to conceal a publicly traded company's insolvency in order to loot the public by soliciting investments in a company that was already bankrupt. In 1976, David Haber initiated a class action suit against Jerome, Norman and Raphael Dansker, the owners of Investors Funding Corporation. IFC, founded in 1946, was driven into bankruptcy in 1974, at which point Sterling, along with Israel Discount Bank, Barclays Bank, and a number of other corporations, continued to peddle IFC stock and divert these funds into hidden accounts—knowing full well that the company had gone under.

As serious as these instances of bank fraud were, they would pale in comparison with the scandal in which Sterling became wrapped up during the early 1980s. That scandal would tie the bank to the notorious Propaganda Two (P-2) Italian Freemasonic lodge (which was, interestingly, founded by a former Nazi Gestapo agent).

## **Sterlings' biggest scandal**

The biggest bank fraud scandal involving Sterling played out in the early 1980s, amid a backdrop of international terrorism. In December 1981, terrorists from the Italian Red Brigades kidnapped Gen. James Dozier, the commander of NATO forces in Italy. In a radical departure from the normal hostage rescue methods, the Italian government began an across-the-board crackdown on Mafia operations throughout Italy and Sicily, even attacking known mob financial operations in New York City. The theory behind the rescue effort was that the crime syndicate would help the Italians and Americans free Dozier in order to get the government to ease up on the pressure, which was costing the syndicate billions of dollars and jeopardizing its infrastructure.

This radical approach to dealing with terrorism—forcing organized crime to aid the government rescue effort—did eventually lead to the freeing of Dozier and the apprehension of the Red Brigade kidnapers.

It also created a big dilemma for the ADL's in-house bankers.

On Jan. 29, 1982, the Italian government, acting through Adolfo Dolmetta, Giovanni Rubboli, and Vittorio Coda, filed a civil suit in the Federal District Court of the Southern District of New York charging "constructive trust, conspiracy to defraud, fraud and breach of fiduciary duty." Named among the defendants were Sterling Bancorp, Standard Prudential Corporation (formerly Financial Corporation) and Sterling National Bank and Trust Company of New York.

The plaintiffs were Italian government-appointed liquidators of the Banca Privata Italiana, S.p.A. They charged that Sterling National had participated in an international money-laundering scheme to help Italian banker Michele Sindona steal \$27 million in deposits from Banca Privata and another Milan bank, Banca Unione, during 1973-74.

According to the civil complaint filed in the Southern District, "BPI was ordered into liquidation by the Italian Ministry of the Treasury on or about September 27, 1974. The initial liquidator of BPI, Giorgio Ambrosoli, was murdered in July 1979. On or about July 1981, a warrant of arrest for the murder of Ambrosoli was issued against Sindona by the Inquiring Judge of Milan, in the framework of the penal proceeding commenced in Milan on or about 1980 against Sindona. . . ."

After the Ambrosoli assassination, the three plaintiffs were appointed as the Banca Privata liquidators. The January 1981 suit against Sterling National Bank was part of the Mafia crackdown operation initiated by the Italian authorities to force the syndicate's cooperation in the rescue of Dozier. Sindona was later linked to the Propaganda Two Freemasonic Lodge, a crime-tainted grouping implicated in the assassination attempt against Pope John Paul II in May 1981. P-2 members are still the prime suspects in the July 1981 Bologna train station bombing which killed 80 people.

Sterling National Bank was charged in the civil suit with

helping Sindona to steal \$27,180,000 in BPI and Banca Uni-one deposits through an elaborate money-laundering scheme involving dummy companies in Switzerland, Luxembourg, Utah, and Delaware.

### **The Franklin National Collapse**

The theft scheme was triggered by the collapse of Franklin National Bank, a Long Island, N. Y. bank in which Sindona was heavily invested. To cover his pending losses in the Franklin failure, Sindona apparently began looting funds on deposit in other banks that he controlled. Among the co-defendants with Sindona and Sterling National was former Nixon administration secretary of the treasury, David Kennedy, a business partner of Sindona at the time of the Franklin National collapse.

Sterling helped Sindona conceal the stolen funds by mediating the purchase of stock in a New York City factoring company, Talcott National Company—a move Sterling concealed from the Federal Reserve Board, in violation of U.S. law. Sterling then “loaned” Sindona \$2.7 million. The loan was collateralized by Sindona turning over the Talcott stock to Sterling, which Sterling later “sold” to David Kennedy—with funds provided by Sterling National Bank. The elaborate shell game enabled Sindona to conceal (for a period of time) the theft.

The Banca Privata scam was a classic, right out of the pages of Meyer Lansky’s crime handbook.

Sterling’s expertise was not surprising. Its board of directors included several experts in financial magic—including at least two men who would go on to assume prominent positions in the Reagan-Bush administration. Both were also major backers of the Anti-Defamation League:

- Maxwell Rabb, the vice chairman of the powerful New York State ADL and a Sterling National Bank director, became the ambassador to Italy under Reagan. Rabb maintained close ties to the leading Jewish mob attorney, Roy Marcus Cohn, throughout his diplomatic posting in Rome.

Rabb had been a key ADL politico dating back to the time of the Eisenhower administration, when he was Cabinet Secretary to the President. Despite these political credentials, Rabb was exposed in the New York City press in the 1970s as a business partner of Meyer Lansky. Rabb and Lansky jointly set up the International Airport Hotels Corporation. It was one of those rare instances in which Lansky placed his own name on a corporate board of directors list. Not surprisingly, he chose to take such a bold move in partnership with a top official of the ADL.

- The other ADL Reaganite on the board of Sterling National Bank was Arnold Burns. In 1985, Burns was named by Reagan to be deputy attorney general, making him the second most powerful federal prosecutor.

Burns, like Rabb, had significant organized-crime ties. Through his law firm, Burns and Summit, Burns had structured a tax evasion scheme in which clients made false claims

of investments in offshore tax shelters that were to provide capital to high-technology firms in Israel. Under an incredible loophole in the U.S. federal tax codes, investments in Israeli research and development firms were exempted from American taxes.

According to news accounts and federal government investigators, Burns and Summit never passed the funds onto the Israeli firms. They merely held the investors’ money offshore in secret bank accounts in the Bahamas (permitting the investors to claim millions of dollars in tax writeoffs). According to at least one news account of the scandal, one of the Israeli attorneys who conspired with Burns was Harold Katz, a former Boston-based lawyer who was heavily involved in the Jonathan Jay Pollard spy scandal and later emerged as a key player in the theft of millions of dollars in U.S. military aid to the Israeli Air Force, in partnership with Gen. Rami Dotan.

Despite the fact that all this evidence came out publicly, Arnold Burns was never prosecuted. In a sealed arrangement with federal prosecutors, Burns testified in court against several of his clients and business partners, who eventually went to jail, while Burns went on to become Deputy Attorney General of the United States.

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### **3. How the ADL put Robert Vesco in business**

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If corrupt bankers were one key to Meyer Lansky’s scheme to legitimize the National Crime Syndicate, the second cornerstone of his grand dream was corrupt lawyers. Once again, the Anti-Defamation League would provide the key personnel.

No single person epitomizes the central role of the ADL in the organized-crime takeover of America better than Kenneth Bialkin. Like Dore Schary, Bialkin was a symbol of the Anti-Defamation League’s marriage with the mob. Bialkin, one of Wall Street’s most powerful and wealthy lawyers, was the national chairman of the ADL from 1982 to 1986. In 1984, he also became the president of the Conference of Presidents of Major Jewish Organizations. He was the president of the Jerusalem Foundation, a prestigious and explicitly Freemasonic group headed by longtime Jerusalem Mayor Mayor Teddy Kolleck.

Today, Bialkin is the honorary chairman of the ADL and the president of the ADL Foundation, the League’s current major financial arm (housed at Sterling National Bank). Up until he moved to the world’s largest law firm, Scadden Arps, several years ago, Bialkin was one of two senior managing partners of the Wall Street firm of Willkie, Farr and Gallagher. Throughout his years with Willkie Farr, the firm handled many of ADL’s legal affairs—always on a *pro bono* (free-of-charge) basis.

Attorney Kenneth Bialkin was also the brains behind



**Kenneth Bialkin**

the brains behind narcotics trafficker Robert Vesco



**Maxwell Rabb**

business partner of crime boss Meyer Lansky



**Edgar Bronfman**

from rags to riches to "respectability"

narcotics trafficker and international fugitive-thief Robert Vesco, according to federal court records in the Southern District of New York.

### The IOS scheme

To understand the complex \$270 million looting of Investors Overseas Service by Robert Vesco, Willkie, Farr and Gallagher, and several other top ADL-linked figures, it is necessary to provide a brief profile of the IOS money-laundering scheme, first established during the 1960s by a Rothschild family front man named Bernie Cornfeld.

A former organizer in New York City for the Socialist Party U.S.A., Bernie Cornfeld showed up in Geneva, Switzerland in the early 1960s with a startup fund provided by the French branch of the Rothschild family. He rapidly established a complex network of companies, including IOS and the Fund of Funds, ostensibly to manage portfolios of mutual funds on behalf of a large clientele of small and medium-sized investors from all parts of the world. Because all of the Cornfeld companies were incorporated in Switzerland, where bank secrecy laws protected the identities of all investors and depositors, from the outset the companies became a haven for organized-crime profits—especially those of National Crime Syndicate boss Meyer Lansky.

Author Hank Messick described the relationship of Cornfeld-IOS to Lansky as follows:

"Concurrent with the spread of casinos in the Bahamas was another development of vast significance. Public-owned corporations invaded the gambling field as the final refinement of Lansky's master plan. . . .

"Playing an important role behind the scenes was the giant Investors Overseas Service, the parent company of a host of subsidiaries holding some \$2 billion in mutual funds.

Based in Switzerland, and not subject to regulation by the Securities and Exchange Commission, IOS operated around the world. It bought stock for its anonymous customers from the public corporations owning the casinos, and there was no way to tell if the purchaser was Meyer Lansky or Henry Ford II.

"The 1970 trial of Alvin Malnik put on record much information about the gangster-dominated Bank of World Commerce in Nassau, and the International Credit Bank of Switzerland headed by Tibor Rosenbaum. Literally millions passed back and forth between the two banks and was reinvested in the United States. Connections between IOS and the International Credit Bank were more obscure but nonetheless real.

"Bernie Cornfeld, the founder and until 1970 the guiding genius of IOS, was a close friend and business associate of Tibor Rosenbaum. IOS and the International Credit Bank, for example, jointly loaned money to an English-language newspaper in Geneva, which was later taken over by IOS.

"Even more to the point was Cornfeld's use of Sylvain Ferdman. An official of the International Credit Bank, Ferdman was identified by *Life* magazine in 1967 as a courier for Meyer Lansky. He was also a close friend and associate of Malnik and the Bank of World Commerce. When IOS encountered difficulties in Brazil, Cornfeld sent Ferdman to that country to pick up the pieces. A front from a philanthropic agency was provided, but Ferdman was in reality a secret agent.

"The International Credit Bank eventually set up a branch office in Nassau to expedite the flow of money and eliminate the need for couriers. With such facilities easily available—and many IOS companies were based in Nassau—money could disappear into IOS and reappear anywhere as a loan or



**Howard Metzenbaum**

top ADL politico



**Philip Klutznik**

top AFL official was Carter's  
commerce secretary



**Burton Joseph**

big-wig in Minneapolis ADL mafia

investment.

"One such investment by a subsidiary of IOS showed up in 'Lanskyland,' the area just east of Gulfstream Park [Fla.]. It was a \$40,000,000 high-rise apartment complex, and who the real owners were no one could know.

"A lot of Resorts International stock was purchased by IOS, for example, and Resorts officials became annoyed when suggestions were made that the buys were made on behalf of Lansky. The irony of it was, however, that Resorts could no more disprove the charges than officials could prove it.

"By means of the international financial structure, machinery existed to conceal the holdings of Lansky or any other member of organized crime. To all intents and purposes, they had become invisible."

One side benefit of the invisibility was that frontmen such as Cornfeld could be eliminated and replaced without having to resort to the earlier syndicate liquidation methods perfected by Lansky's own Murder, Inc. Now, personnel retirements became the work of Wall Street law firms and high-priced accountants.

According to federal court records, Kenneth Bialkin and the firm of Willkie, Farr and Gallagher handled the ouster of Cornfeld from IOS. His replacement was a Detroit-born salesman who had been at one time employed by an alleged Central Intelligence Agency front company called All-American Engineering, itself a wholly owned subsidiary of the Du Pont Company chemical giant, based in Delaware. The Detroit-born salesman's name was Robert Vesco.

During the first years of the 1970s, Vesco was to loot tens of millions from the investors of IOS, under the guidance of the ADL's Kenneth Bialkin and the ADL law firm, Willkie, Farr and Gallagher.

On July 31, 1980, Federal Judge D.J. Stewart of the Southern District of New York ordered the Bank of New York to pay defrauded Investors Overseas Service (IOS) investors a total of \$35.6 million and ordered Willkie, Farr and Gallagher to pay \$24.4 million. A federal jury had found that the bank and the law firm had played a pivotal, witting role in the Robert Vesco theft of \$60 million from IOS.

The public court files of the suit fill 20 boxes. They contain extensive correspondence, depositions and other documents showing the guiding hand of Kenneth Bialkin and Willkie, Farr in the Vesco looting scheme.

With the looted funds safely in hand offshore, Vesco's next assignment would place him at the very center of the world's illegal narcotics trade.

Now a fugitive from American justice, Vesco in the early 1970s cut the image of a rogue financial wizard, buying a lavish walled estate in Costa Rica, blatantly buying up every loose politician on the island, and purchasing a yacht that would shuttle him and family and business associates around the Caribbean.

After funneling a large illegal contribution into Richard Nixon's 1972 reelection campaign, Vesco made similar covert financial payoffs to the 1976 presidential campaign of Democrat Jimmy Carter. Parlaying his influence with the new administration (albeit from distant Caribbean exile), Vesco next attempted to unfreeze a fleet of Boeing 747s that had been purchased by Libyan dictator Muammar Qaddafi, by attempting to buy up the President's brother, Billy Carter. Billy was more than willing to cooperate with Vesco and Qaddafi. When the "Billygate" story hit the newspapers on the eve of the vote in Jimmy Carter's 1980 reelection campaign, it practically sealed the incumbent's defeat.

With each successive scandal, Vesco's name became

more and more synonymous with rogue financial dealings. And with each successive scandal, Vesco's ties to the Anti-Defamation League bigshots Bialkin, Joseph, Riklis, Kampelman, etc. became more invisible.

In effect, the ADL set up their frontman Vesco to draw the attention away from their ongoing involvement in Meyer Lansky's grand scheme—in much the same way that Lansky had himself built up a wall of insulation against public exposure.

### **Enter Carlos Lehder**

Publicly distanced from his ADL controllers, Vesco by 1979 was paving the way for the biggest narcotics bonanza in the history of North America. In partnership with a small-time Colombian hoodlum named Carlos Lehder Rivas who had served a half-dozen years in a Florida jail for car theft and marijuana smuggling, Robert Vesco purchased the Bahamian island of Norman's Cay. For the next three years, Norman's Cay served as the major transshipment point for the flow of Colombian marijuana and cocaine into the United States.

The unlikely business partnership between the ADL's syndicate frontman Vesco and the Colombian hoodlum who proclaimed his admiration for Adolf Hitler was a strategic move. Lehder's family back in Colombia was closely tied to the leading Medellin crime families who had built up a fortune through emerald smuggling, and were now in the process of financing a massive expansion of coca production in Bolivia and Peru, which would be processed and transported up to the United States via secret laboratories and clandestine airstrips in Colombia. The Vesco-Lehder partnership blossomed into what is now known as the Medellin Cartel.

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## **4. The ADL and the cocaine cartel**

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Although popularized accounts portray the Medellin Cartel as a Colombian phenomenon which has supplanted traditional North American criminal organizations in the narcotics business, the truth is the contrary.

As part of Meyer Lansky's wholesale move into the Western Hemisphere, a move greatly facilitated by new banking deregulation laws passed during the Carter administration, the Republic of Panama and the Caribbean islands became overnight the new haven for dirty money. And the Lansky-ADL apparatus was already there on the ground to run the show from behind the scenes.

It would be through this elaborate offshore money-laundering apparatus that the old Lansky organization would retain choke-point control over the Medellin and other South American cocaine cartels. While the Colombians grabbed the headlines, the Lansky organization—including the prominent ADL figures—would rake in the cash.

Anti-Defamation League supporter Sol Linowitz was the

Carter administration's special negotiator for the Panama Canal Treaty. Linowitz ran the negotiations with one overriding objective in mind: to open up the Panama banks to offshore dirty money. Linowitz was no disinterested party. As a director of Marine Midland Bank, the correspondent bank of the National Bank of Panama, Linowitz was personally at the center of the hot-money circuit.

In 1978, in the midst of the Panama Canal Treaty negotiations, Linowitz's Marine Midland Bank was purchased by the Hong Kong and Shanghai Banking Corporation, the most notorious drug-money-laundering facility in the world since the time of the 19th-century Opium Wars in China.

What's more, during this entire period of buildup for the "Cocaine Bonanza" of the 1980s, the Carter administration's secretary of commerce was a top ADL official, Phillip Klutznik. According to the ADL's official oral history, "Not The Work Of A Day," the Carter White House and Democratic Party National Chairman Robert Strauss consulted directly with Burton Joseph, a longtime friend of Vice President Walter Mondale, on the selection of Klutznik as commerce secretary. The same Burton Joseph, then serving as the national chairman of the ADL, had been the "matchmaker" between Riklis and Vesco.

To this day, U.S. government prosecutors consider Robert Vesco a kingpin of the cocaine trade.

### **Now, enter Castro**

After fleeing Costa Rica in 1981 to avoid arrest by American drug enforcement agents, Vesco eventually obtained permission from Cuban dictator Fidel Castro to set up housekeeping in Havana. The invitation must have greatly amused Meyer Lansky, whose longstanding dream of building up a casino empire in Cuba had been dashed when Castro seized power from Lansky's longtime friend Fulgencio Batista.

Among the services that Vesco provided to the Cuban communist dictator in return for his hospitality, was to cut Castro into the drug-smuggling business that he had built up in partnership with Lehder.

Not that Castro particularly needed the American's help. From no later than the early 1960s, Castro had been guided by Soviet bloc intelligence services to get in on the drug trade. Communist guerrilla bands in Colombia, Peru, and Central America had learned to finance their arms purchases by dealing with the drug traffickers. Leftist guerrillas would guard coca and marijuana plantations, in some instances actually growing and processing the drugs themselves, and in other instances providing armed convoys for the traffickers as they shipped the unprocessed cocaine base to the laboratories.

Vesco, however, provided the Cubans and their Sandinista allies in nearby Nicaragua with a direct entre to the main smuggling routes through the Caribbean. Through Vesco's mediation, the Cubans and Nicaraguans were soon providing

refueling and other transshipment services to the Medellin Cartel—earning millions of dollars in hard currency while hastening the cultural and moral demise of the “Yankees.” And ADL man Vesco was right there on the scene, contributing his expertise to the new Opium War against America.

### **Vesco is indicted**

On April 17, 1989, the U.S. Department of Justice announced that a grand jury indictment had been handed down against Robert Vesco, charging him with cocaine smuggling. The press release accompanying the indictment stated in part: “Robert W. Genzman, United States Attorney for the Middle District of Florida, announces today the indictment of two additional defendants by a grand jury in Jacksonville, Fla., in an investigation of the smuggling of cocaine from Colombia into the United States by members of the Medellin Cartel. Charged with conspiring to import cocaine into the United States was Robert Lee Vesco. Vesco, 55, currently residing in Cuba, was named as a part of a conspiracy involving 30 other defendants which functioned from 1974 through 1989. The indictment specifically alleges that Vesco assisted Carlos Lehder, formerly one of the leaders of the Medellin Cartel, in arranging for the passage of planes carrying cocaine over Cuba in late 1984. Lehder is now serving a sentence of life imprisonment after having been convicted of cocaine smuggling at Jacksonville, Fla. in 1988. If convicted, Vesco could receive a maximum penalty of life imprisonment and a \$4,000,000 fine. . . .

“Vesco . . . [was] charged in a superseding indictment that names 30 defendants, including Pablo Escobar-Gaviria, Jose Gonzalo Rodriguez-Gacha, and Jorge Ochoa-Vasquez, all members of the Medellin Cartel, which was returned in February 1989.”

According to the indictment, in May 1984, Carlos Lehder, Pablo Escobar-Gaviria, Jorge Ochoa-Vasquez, Fabio Ochoa-Vasquez, and Gonzalo Rodriguez-Gacha were all operating out of Nicaragua, to which they had fled immediately following the assassination in April 1984 of Colombia’s Justice Minister Rodrigo Lara Bonilla by a Medellin Cartel assassination squad. Through a large payoff to Sandinista officials, the five Medellin Cartel bosses had arranged to shift their smuggling operations to the Central American country, and had already stashed 1,400 kilograms (nearly 3,000 pounds) of cocaine at a hangar at Los Brasiles Air Base.

In October 1984, Lehder sent a courier from Corn Island, Nicaragua to Cayo Largo, Cuba carrying a letter to Robert Vesco asking his old smuggling partner to arrange with Cuban authorities for Medellin Cartel planes carrying cocaine from Nicaragua to Andros Island in the Bahamas to pass over Cuban air space. Within days, Vesco had obtained approval from the Cuban authorities for the overflights.

### **The ADL and Iran-Contra**

Back in Washington, D.C., a senior official of the Latin

American Department of the Anti-Defamation League, Rabbi Morton Rosenthal, was being ushered into the White House to deliver a background briefing to the President on the Sandinista government’s anti-Semitism. The ADL pledged to help the Reagan administration in its secret war to overthrow the anti-Semitic Sandinista regime in Managua. The Medellin Cartel also reportedly pledged its support to the Reagan effort. As a part of the anti-Sandinista effort, bankers for the Medellin Cartel would covertly provide pilots, aircraft, and millions of dollars in cash to the Reagan administration’s secret war.

Meyer Lansky and his ADL colleagues had learned long ago to hedge their bets and always invest in both sides in every conflict, whether an electoral campaign or a secret war.

Ironically, Kenneth Bialkin’s prize client Robert Vesco was basking in the Cuban sun aboard a yacht, which he had purchased from his longtime friend, Arab billionaire Adnan Khashoggi. At the same time, Bialkin was personally representing Khashoggi in a series of secret financial transactions that provided the Reagan administration’s Secret Team (Marine Lt. Col. Oliver North and retired Air Force Gen. Richard Secord) with tens of millions of dollars to purchase weapons for Iran’s Ayatollah Khomeini, and for the Nicaraguan Contras.

The secret bank account in Switzerland through which the funds passed was managed by a Zurich-based attorney named Willard Zucker. Zucker had been the European representative of Willkie, Farr and Gallagher, and had been one of Bialkin’s closest collaborators in the takeover of IOS by Vesco.

While all these events were unfolding, Kenneth Bialkin was serving as the national chairman of the Anti-Defamation League.

U.S. Presidents come and go, wars end, but the long-term goal of Meyer Lansky—to bring the National Crime Syndicate into the forefront of American business and politics—remains as a constant.

It is a goal the leaders of the ADL have never lost sight of.

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## **5. The ADL, Ellis A.G. and U.S. covert operations**

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Did drug money invested via an insider-trading scheme run through the mysterious Swiss brokerage firm Ellis A.G. help fund U.S. covert operations like the Iran-Contra affair? Did the Anti-Defamation League play a role in supporting Oliver North’s drug-tainted covert activism on behalf of the Nicaraguan Contras? That is the suspicion of some investigators probing Ellis, the elusive Zurich-based brokerage house which has been under scrutiny by federal authorities for some months.

It doesn’t seem just coincidence that the same high-flying

financial speculators and junk-bond and corporate-takeover artists whose names and companies have figured in the Ellis affair, also played prominent roles as fundraisers and political activists on behalf of the covert intelligence operations of the Reagan/Bush administrations.

Ivan Boesky, T. Boone Pickens, Carl Lindner, Sir James Goldsmith—all names synonymous with the 1980s Decade of Greed that trashed corporate America through a frenzy of corporate-raiding, leveraged buyouts and greenmailing—became Reagan/Bush administration “insiders.” Just a few months before Ivan Boesky was nailed by the feds for insider trading in November 1986, he was flexing his political muscle on behalf of the Republican Party.

According to the July 28, 1986 *Wall Street Journal*, the master arbitrager organized a major fundraiser for the Republican Senate Campaign. Boesky invited top corporate executives to a “private reception” to chat with then-White House Chief of Staff Donald Regan at a GOP benefit—if they contributed at least \$500 each. Boesky was also treasurer of the Republican Jewish Finance Committee, whose chairman was Max Fisher, a national commissioner of the ADL and former member of the Purple Gang, the Midwest Prohibition-era booze-running crime syndicate.

Boesky had attained White House “insider” status years earlier as a founding member of Citizens for America (CFA), a political action group that sponsored Reagan/Bush staffer Oliver North’s Contra speaking tours on behalf of the Nicaraguan Contra. Formed by New York businessman and failed Republican politician Lewis Lehrman, at White House request, CFA was “organized to win support on the local level for key Reagan administration initiatives,” reported the May 5, 1985 *New York Times*.

T. Boone Pickens, along with Boesky, was a founding member of CFA. Pickens had made a name for himself as *the* “corporate raider,” owner of Mesa Petroleum and raider of Phillips Petroleum, Gulf Oil and Unocal, and Getty. He was no stranger to then-Vice President Bush. Pickens proudly claimed his mentor to be J. Hugh Liedtke, Bush’s business partner in his early oil enterprises.

What was not known then was that CFA was simply part of the domestic side of a far-flung covert operations capability created to support Reagan administration foreign policy gambits. CFA’s job was to create the impression that there was “grass roots” enthusiasm for whatever domestic or foreign policy the administration decided to blunder into.

On Jan. 14, 1983, President Reagan issued National Security Decision Directive (NSDD) 77, titled “Management of Public Diplomacy Relative to National Security (SECRET).” NSDD 77, since declassified, secretly ordered the “organization, planning, and coordination of the various aspects of public diplomacy of the United States Government relative to national security. Public diplomacy is comprised of those actions of the U.S. Government designed to generate support for our national security objectives.”

A public relations and money-laundering apparatus for Iran-Contra and similar adventures was put into place under NSDD 77. It was overseen by Walter Raymond, a career CIA official specializing in psychological warfare, black propaganda, and manipulation of the press. Raymond moved from the CIA to the National Security Council (NSC) in 1982 as its “public diplomacy” chief.

One of Raymond’s first operations in support of the Contras was to enlist the backing of the ADL. Rabbi Morton Rosenthal, head of the Latin American Office of the ADL in New York, launched a media campaign denouncing the Sandinista government of Nicaragua as anti-Semites.

With Congress “micro-managing” the purse strings on secret government operations, the White House threw out a big net for the necessary hundreds of million of dollars to finance covert operations. Saudi Arabia, Israel, Brunei, China, and numerous European nations all kicked in, creating a secret slush-fund.

High-stakes financial speculators, such as Boesky, with access to off-shore banks and the private banking systems of Switzerland, Lichtenstein, and Caribbean countries—all countries whose impenetrable banking secrecy laws made them havens for laundering drug-money—also found an open door at the White House. In that connection, it is of note that Boesky’s firm Cambrian & General Securities was based in London. British intelligence has long had a “special relationship” with American intelligence, especially in mastering the ins and outs of international covert banking.

CFA had been an outgrowth of an initial NSC-sponsored secret meeting, (held March 21, 1983 in the White House “Situation Room”), of private funders for what the Reagan administration cynically called “Project Democracy,” according to documents released by Congress. Attending the meeting were two other international corporate moguls whose names and companies have also figured in the Ellis affair—Carl Linder and Sir James Goldsmith.

Carl Lindner is chairman of the American Financial Corporation based in Cincinnati, Ohio. “Lindner became Drexel Burnham’s biggest client, both in trading and in corporate finance,” writes financial reporter Connie Bruck in *Predator’s Ball*. Drexel Burnham Lambert became the premier junk-bond firm underwriting hostile corporate raiding under the direction of Michael Milken.

When Lindner took over United Brands, he put Boesky’s Republican political buddy Max Fisher in charge. Going back to the 1970s, Lindner was a business partner of Saul Steinberg, of Reliance Insurance Company, and Victor Posner, who was reputed to have been an investment partner of Meyer Lansky. Lindner was also the second-largest shareholder in Laurence Tisch’s Loews Corp. and a major shareholder of Meshulam Riklis’s Rapid America Corp. *Predator’s Ball* reported that by the mid-1970s, Lindner, Steinberg, and Riklis had “signed consent decrees with the Securities and Exchange Commission—a standard securi-

ties-law enforcement plea bargain—in which they neither admitted nor denied their guilt but agreed to desist from violations of securities laws in the future or face criminal-contempt charges.”

Sir James Goldsmith, chairman of Generale Occidentale with diversified international holdings, is a cousin of the Rothschild family and is alleged to be an unofficial liaison of British intelligence to the Israeli intelligence establishment.

Obviously the White House knew whom it had invited to tea.

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## 6. The ADL and junk bond thieves target LaRouche

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Just three months before he was indicted for insider trading in November 1986, Ivan Boesky's family foundation, the Ben L. Silberstein Foundation of Beverly Hills, California donated \$500 to the Stop LaRouche Campaign. The political contribution violated the foundation's tax-exempt status.

In 1989, before he was indicted for insider trading, Michael Milken's family foundations had funded both the the Anti-Defamation League (ADL) and the American Family Foundation, two organizations which had targeted Lyndon LaRouche for prosecution and spent millions of dollars in the process. The ADL alone had received over \$1.5 million from Milken over the years.

LaRouche had been targeted by the ADL for a campaign of slander and prosecution by no later than 1978, when LaRouche commissioned the best seller *Dope Incorporated*, which detailed the banking institutions and Anglo-American families who were running the international drug trade. The book also contained information on Meyer Lansky's organized crime network, its involvement in Dope Inc., and its direct ties to the ADL.

The ADL's attack on LaRouche as an "anti-Semite" was, in fact, nothing but a sophisticated lobbying effort on behalf of the higher levels of the international dope mafia.

The junk bond industry was created as a mechanism to launder offshore drug profits back into the U.S. and European economies. Some of the most important money-bags for Michael Milken's operations were investigated for their part in the drug trade. And most of these individuals were financial backers of the ADL. Milken and Boesky were merely the patsies who went jail. The junk bond game was one of the financial gimmicks used by the Anglo-American elite in their effort to keep the bankrupt international economic system afloat with billions of dollars of drug money.

When it became obvious that hostile takeovers, greenmailing, and other aspects of the junk bond schemes were tearing apart what was left of U.S. industrial production, some members of Congress attempted to close down the game. In 1984 and 1985, over 30 bills were written by Congress to bring junk bond and related financing measures

under control. The Reagan-Bush administration actively opposed every single one and not one bill became law.

Just as Ollie North used a clandestine drug-running apparatus to arm the Contras, he used the wealth of the junk bonders to promote its public relations effort. Official government documents released by Congress detail that, on March 21, 1983, junk bonders Ivan Boesky, Sir Jimmy Goldsmith, and Carl Lindner attended a secret meeting at the White House Situation Room where they discussed the details of funding Project Democracy, the program which promoted the Contras. Carl Gershman, formerly of the Fact Finding Division of the ADL, headed the National Endowment for Democracy, one of the Project Democracy programs.

Goldsmith, a British national tied to Anglo-Israeli intelligence, was a close friend and client of Milken. Goldsmith was personally responsible for floating the black propaganda lie that LaRouche's wife, Helga Zepp-LaRouche, a prominent German politician, was an East German agent.

Carl Lindner was Milken's closest collaborator and financial backer, going back to the 1970s. According to *Dope Incorporated*, in the 1970s, law enforcement officials cited the United Brands Company, which Lindner had just taken over, as responsible for importing a large percentage of the cocaine which entered the United States.

United Brands, formerly known as the United Fruit Company, had been a proprietary of Wall Street and the CIA since the 1950s, when John J. McCloy and the Dulles brothers used it for clandestine operations into Latin America, including the overthrow of Jacobo Arbenz of Guatemala. It was thus logical for Lindner to be called upon to help assist in clandestine operations—this time to promote the overthrow of the Sandanistas in Nicaragua.

IRS records reveal that Lindner's holding company, American Financial Company, has financed the ADL. Ties to the ADL are longstanding. ADL national commissioner and former Detroit Purple Gang member Max Fisher was brought in to chair United Brands when Lindner and American Financial took it over in 1975.

Lawyer Peter Fishbein, an ADL officer since 1970, represents Lindner and American Financial while his firm, Kaye Scholer, has been official outside counsel to Sterling National Bank, the ADL's primary bank.

In addition to Lindner, Milken's original core of investors included Victor Posner, Mishulam Riklis, Laurence Tisch, and Saul Steinberg.

Posner made his fortune in Miami real estate and was reputed to be a financial partner of Meyer Lansky. He often boasted that he was doing what Milken perfected before Milken was born.

Riklis's Rapid American was cited by *Dope Incorporated* as a "top priority target of U.S. Customs narcotics investigators since the mid-70s." IRS documents reveal that the Riklis Family Foundation has funded the ADL.

Laurence Tisch built his financial empire with CNA, an

insurance company that invested heavily in Milken's junk. IRS documents show that the Tisch Foundation has funded the ADL.

Steinberg, who has been reported to be a drug user himself, was a creation of ADL circles. In 1968, Sanford Weil and his investment firm picked Saul Steinberg, who was then just a few years out of business school, and his fledgling LEASCO, for the first hostile takeover. LEASCO took over Reliance Insurance, a 120 year old Philadelphia blueblood company.

Weil's lawyer at the time was none other than Kenneth Bialkin, who later became the national chairman of the ADL.

In 1981, Weil received the ADL's "Man of the Year Award".

After Steinberg took control of Reliance, he brought in Bialkin's law firm, Willkie, Farr and Gallagher, to represent it. Bialkin's firm also represented the Saul Steinberg Foundation.

Lindner owned a piece of it all. In the 1970s, Lindner acquired 40 percent of Steinberg's Reliance Insurance, owned 10 percent of Posner, was the second largest shareholder of Tisch's Loews Corporation, and was a major shareholder of Riklis's Rapid American.

In the early 1980s, as the ADL began to heavily attack Lyndon LaRouche, Laurence Tisch was the national chair-

## ADL Bailed Out Dope Banker Edmond Safra

Edmond Safra may be not only one of the dirtiest bankers in the world. He is also apparently one of the most sensitive. When a corporate power struggle with American Express Corporation turned into a nasty war of words in the mid-1980s, Safra, the head of a worldwide banking empire that includes New York City's Republic National Bank, went to his friends at the ADL and asked them to intercede to salvage his "good name." In a libel suit that followed, Safra managed to get an out-of-court settlement, with behind-the-scenes aid from some of ADL's most politically connected attorneys. In return, Safra passed \$2 million, a sizeable portion of his libel booty, into the ADL's accounts as a "charitable donation."

More recently, Safra allegedly paid writer Bryan Burrough a cool million to pen a book-length account of his war with Amex under the self-serving title *Vendetta: American Express and the Smearing of Edmond Safra*. Among the "impeccable" sources trotted out by Burrough to deliver testimonials to Safra's sterling character was Elie Wiesel. Wiesel, a longtime ADL fellow traveler has been the leading propagandist for the U. S. Justice Department's Office of Special Investigations (OSI), the purported Nazi-hunting unit that has recently been exposed for its criminal collusion with the former Soviet KGB and the Israeli Mossad.

On April 2, 1989, New York *Newsday* published a lengthy expose of an international money-laundering network that was simultaneously servicing the Medellin Car-

tel of Colombia and the Bekka Valley-based Syrian and Lebanese heroin and hashish traffickers. The story was based on U.S. Drug Enforcement Administration (DEA) and U.S. Customs Service field reports from Berne, Switzerland and from court records from the DEA's Operation Polar Cap anti-drug effort.

The documents identified Edmond Safra as a longtime business associate of Shakarchi Trading Company, a Swiss-based precious metals and currency trading house that was at the hub of the dope-money-laundering scheme. As *Newsday* reported, drug investigators tracking Shakarchi's worldwide operations found that Medellin Cartel and Bekka Valley dope revenues were finding their way into the same numbered account at the main New York City branch of—Edmond Safra's Republic National Bank. The Middle Eastern dope and money routes uncovered by the DEA and Customs also implicated the Bulgarian secret services in the crime ring.

The DEA Berne memo went into some detail about Edmond Safra's role in the scheme: "Shakarchi Trading maintains accounts at the Republic National Bank of New York, a bank which has surfaced in several previous money-laundering investigations. . . . While he was alive, Mahmoud Shakarchi maintained a close relationship with Edmond Safra, owner of the Safra Bank and founder of the Trade Development Bank as well as the owner of approximately 38 percent of the stock in Republic National Bank of New York. All of those banks surfaced in Mahmoud Shakarchi's alleged drug money laundering activities."

At the time of the Shakarchi bust, the DEA unearthed a network of Medellin Cartel-run banks in Uruguay, which in turn funneled cash to a string of diamond and gold exchange houses throughout the United States. Drug agents described the laundering system as a nearly "hermetically sealed" structure. According to congressional sources, Safra is now running his own banking operations in Uruguay.

man of the Jewish Community Relations Council (JCRC), which published a backgrounder dossier on LaRouche. The JCRC is financed by the ADL. The dossier reported that among the most active LaRouche-connected organization was the National Anti-Drug Coalition which has “. . . attempted to set up anti-drug programs in local schools, senior citizens centers, and other unsuspecting institutions.”

The success of the National Anti-Drug Coalition horrified the ADL and international drug mafia because it threatened to become a broad-based national organization. It circulated the best selling book, *Dope Incorporated*, and published the monthly magazine, *War On Drugs*, which dissected money laundering cases, exposed bank complicity in these activities, and continued to name the names of the “citizen’s above suspicion” in the United States who were involved in the drug trades.

The ADL, the JCRC, and reporters hostile to LaRouche’s anti-drug efforts worked together day and night to shut down the the National Anti-Drug Coalition; one of their weapons was the often-repeated slander that LaRouche is anti-Semitic and heads a political cult. JCRC Executive Director Malcolm Hoenlein ran a war-room in his New York headquarters, which monitored the nationwide activities of LaRouche and his associates. Hoenlein worked overtime to defeat political campaigns of LaRouche associates in the New York metropolitan area.

JCRC also housed a Task Force on Missionary Cults, which later became the backbone of the Cult Awareness Network (CAN), whose activities are documented later in this pamphlet. CAN was deeply involved in the task force which prosecuted LaRouche and his associates in federal court and state of Virginia cases. CAN personnel are also active in harassing financial and political supporters of the LaRouche movement.

In 1981, Hoenlein established a Jewish political organization in New York called the Roundtable. Roundtable met in the offices of Seymour Zises, at Integrated Resources. Integrated Resources was founded by Jay and Selig Zises and Arthur Goldberg only months after Saul Steinberg’s LEASCO took over Reliance Insurance. Selig Zises, a personal friend of Saul Steinberg, was working at LEASCO when he left to start Integrated.

Integrated specialized in personal tax-shelters for wealthy corporate executives, lawyers, and doctors. Investigators suspect that Integrated was created for Steinberg and the same circle that later became top Milken clients. His partner Arthur Goldberg left the law firm of Jacob Javits, the former New York senator and ADL national commissioner, to start Integrated with the Zises, his boyhood friends.

Integrated was a major player in Milken’s junk bond industry. In 1978, Drexel Burnham Lambert signed on as Integrated’s investment banker, and Integrated developed a very close relationship to Milken himself. In 1983, Stephen Weinroth, the managing director and chief executive of

Drexel joined the board of Integrated. Weinroth handled insider trading thief Boesky, along with Milken. Integrated participated in hostile takeovers and bought tons of Milken’s junk for its insurance company.

When Milken was indicted on 98 felony counts in March 1989, Selig Zises sponsored full-page ads in the *New York Times*, *Washington Post*, *Los Angeles Times*, and *Wall Street Journal* entitled “Mike Milken, We Believe In You.” Over 80 CEOs—those who had made millions with Milken—signed the ad. Some were also ADL contributors or recipients of ADL awards. They included John Kluge of Metromedia, Hank Greenspun of the *Las Vegas Sun*, Arthur Cohen of Arlen Realty, and Jack Valenti of the National Academy of Motion Pictures.

But after Milken left Drexel, time was short for Integrated. On June 15, 1989, Integrated defaulted on nearly \$1 billion of short-term debt. The Zises stole their way out before the company’s collapse, and sold their shares at above-market prices to one of Milken’s clients. Goldberg also sold out before the default. There is currently an ongoing shareholders’ suit against Integrated and its board.

Attending the first Roundtable meetings in the offices of Integrated were New York State Attorney General Robert Abrams and Ethan Geto, his top political assistant, who indicted and prosecuted four LaRouche associates under a concocted charge of scheme to defraud. Abrams’s offices publicly acknowledged the ADL for its help in the case. But Abrams never brought state charges against Milken and his friends associated with Integrated and the Roundtable.

Also in attendance was Sharon Morris, an aide to Senator Daniel Patrick Moynihan. Moynihan, an avid LaRouche-hater and slanderer, was invited by Hoenlein and Zises to be the featured speaker at the first Roundtable luncheon. (Moynihan’s Senate Finance Committee wrote the 1986 Tax Reform Act which gave Integrated a whopping \$43 million tax break.)

By the fourth Roundtable meeting on June 24, 1981, it was decided that Roundtable should become a political action committee and raise money for congressional candidates who would help stop the rise of anti-Semitism and defend Israel. It was decided that the committee would fundraise first from Jewish members of Wall Street firms.

On Jan. 28, 1982 Roundtable PAC (RPAC) held its first board meeting. Seymour Zises of Integrated and James Tisch, vice president of Loews and the son of Laurance Tisch, became the co-chairman of both the PAC and its allocations committee. Malcolm Hoenlein was in attendance.

James Tisch was then a partner in Jamie Securities, an arbitrage partnership with the Belzberg brothers. The Belzbergs, also a part of Milken’s inner circle, were known to be among the worst greenmailers in the U.S.A. They were active in founding and financing the Los Angeles-based Simon Wiesenthal Center, which also received huge grants from the Milken foundations. According to reliable sources, Sam

Belzberg of Vancouver, Canada was involved in operations against LaRouche.

Tisch reported at that first Roundtable PAC board meeting that the committee had already raised \$38,000. Founding contributors included Ivan Boesky and Robert Davidow, one of Milken's right-hand men in Beverly Hills. Also contributing were James and Laurence Tisch of Loews, the three Zises brothers, and Arthur Goldberg of Integrated Resources. Nina Rosenwald, a major financier of the JCRC, whose family was active in the ADL, was also a founding contributor.

Soon, others in Milken's inner circle were brought on board RPAC. Mona Ricklis Ackerman, the president and director of Rapid American, and the daughter of Meshulam Ricklis; Johnathan Tisch, who married Saul Steinberg's daughter Laura; and Howard Milstein, whose father was a director of Carl Lindner's United Fruit, also contributed.

These families also were investors in Integrated Resources. In 1985, Steinberg's Reliance Financial Services Corp. acquired a 6.6 percent stake in Integrated's common shares outstanding. In 1986, Paul Milstein, a director of United Fruit, purchased 6.4 percent of Integrated Common stock. Milstein is the president of the Milstein Family Foundation, a regular contributor to the ADL.

Other RPAC contributors included Donald Flamm, an ADL national commissioner who was the chairman of Westport Broadcasting; Leonard Stern of Hartz Mountain, who funded Dennis King's book, *Lyndon LaRouche and the New American Fascism*; Howard Samuels, chairman of the North American Soccer League; and numbers of corporate CEO's who had made their fortunes through Milken. Finally, there were brokers from all the major Wall Street firms involved in the junk-bond hysteria, including Bruce Wasserstein from First Boston who had engineered the RJR-Nabisco takeover.

Unlike traditional foundations whose investment portfolios contain an array of stocks and bonds from the Fortune 500 companies, Michael Milken's foundations were nothing more than limited partnerships involved in price hiking, takeovers, stock parking, and other manipulations of the drug and junk bond market which Milken personally controlled. The portfolios were an array of those stocks and bonds of clients for whom Milken had raised millions; they included chunks of Fred Carr's First Executive, John Kluge's Metromedia, Ronald Perelman's Pantry Pride and Revlon, Integrated Resources, Triangle Industries, Banner Industries, Bally's Grand, Sunshine Mining, and BCI holdings.

Milken was involved with three charities: the Milken Family Foundation, the L and S Milken Foundation, and the Capital Fund. According to IRS records, the three paid out less than \$1 million in total grants from 1982-1985. The foundations made grants of a mere \$2 million in 1986.

In 1987, after Boesky was indicted and it was known that Milken was under investigation, the Milken foundations attempted to create a public relations image that Milken was a charitable individual, concerned with social and artistic

endeavors, by donating \$14.8 million that year. This was five times the total that the foundations had granted during the previous five years, and it was a pittance compared to their combined assets of \$280 million. Federal law requires that a foundation must disburse at least 5 percent of its assets annually to remain tax-free. The foundations met the requirement, but in 1987, they earned \$29.5 million—twice their disbursements!

In 1985, Milken donated 427,748 shares of First Executive to the Capital Fund Foundation. First Executive and its CEO Fred Carr were two of Milken's earliest and best junk bond customers. When the stock peaked just a few months later, the Capital Fund sold its interest and made an \$8 million profit. Since Milken pulled the lever of the junk-bond merry-go-round, did he help manipulate the stock value and sell when he knew it was to peak?

The Securities and Exchange Commission (SEC) claimed that Drexel and Milken, through Capital, helped Ivan Boesky conceal capital deficiencies in Seemala, his arbitrage company, by purchasing shares of Phillips Petroleum from Seemala, thereby providing Boesky with enough cash to satisfy SEC regulations, while also "parking" the stock. Within a month, Capital sold back its shares to Boesky, making a tidy profit. The SEC also accused the Capital Fund of illegally hiding Boesky's ownership of 100,000 shares of stock in Phillips.

In December 1984, Milken contributed \$27.7 million in cash to the Capital Fund. The foundation then bought 8.6 percent of Metromedia—15 percent bonds paying \$28.8 million. Metromedia was then "in play" as John Kluge attempted a hostile takeover. Kluge won, and two months after the Capital Fund's purchase, Capital sold its Metromedia at a nominal profit (were they buying for Kluge?) and bought Metromedia zero coupon bonds which netted a \$2 million profit!

In its 1986 fiscal year, the Capital Fund executed more than \$500 million in trading of junk. Many of the issues were held for mere days or weeks before they were sold.

Not only did Milken's closest associates finance the ADL, so did Drexel Burnham and Milken himself. In 1987, the Drexel Burnham foundation gave \$4,000 to the ADL. Milken, on the other hand, gave millions. According to IRS documents, the Capital Foundation approved \$1.245 million to ADL for "future payment" in its filing for the year ending November 30, 1989. In 1986, it granted \$1,000 to the ADL.

In 1987, the Milken Family Foundation gave \$28,000 to the ADL Foundation-Christian Rescuers project and \$10,250 to the ADL Foundation. It also gave a general grant to ADL for \$344,000 the same year. In 1990, it gave \$29,000 to the ADL.

The foundations also gave hundreds of thousands of dollars to the Simon Wiesenthal Holocaust Center of Los Angeles, a collaborator of the ADL, which has also attacked LaRouche.