

FBI Documents Show Four-Year Financial War Against USLP

The use of the Federal Elections Commission for financial warfare against the NCLC, the U.S. Labor Party, the Committee to Elect LaRouche and creditors of these organizations is the most recent and sophisticated innovation in a four-year campaign by government agencies and affiliated private-sector agencies to financially strangle these organizations.

The following are extractions from the FBI investigative files received under the Freedom of Information Act by the USLP and the NCLC demonstrate the consistent and extensive intrusions by the FBI and other agencies into the financial affairs of these organizations.

Bank Account Monitoring

* An investigative report dated Jan 22, 1976 and routed from the FBI field office in New York City to the Director of the FBI purports to be an investigation of the NCLC and reads as follows:

For the information of the Bureau, (deleted) has advised that the Committee to Elect Lyndon LaRouche has a bank account at a branch of the First National City Bank in NYC.

The remainder of the report is deleted in total.

*Another investigative report reveals extensive monitoring of NCLC bank accounts by the Philadelphia field office of the FBI and reads as follows:

The NCLC opened a bank account on February 27, 1974 with \$280.50.

PH T-16
April 17, 1974

NCLC had approximately \$620 in its checking account at the end of March, 1974.

PH T-16
May 14, 1974

[REDACTED]

a group of corporations and that these corporations are under the control of the ROCKEFELLER family, headed by ELIZABETH ROCKEFELLER. Available at this conference were copies of the NCLC newspaper, "New Solidarity" and leaflets alleging CIA activities in the Reading, Pa. area.

PH T-8
February 20, 1974

F. FINANCES

The only known source of revenue of the NCLC in Philadelphia are the proceeds from the sale of the National NCLC newspaper "New Solidarity" and donations from members and sympathizers.

PH T-1
April 30, 1974

The NCLC opened a bank account on February 27, 1974 with \$280.50.

PH T-16
April 17, 1974

Signs at the NCLC office, 46 South 40th Street, indicated that monthly dues for NCLC members are \$20.00 per month.

PH T-2
May 8, 1974

NCLC had approximately \$620 in its checking account at the end of March, 1974.

PH T-16
May 14, 1974

G. PUBLICATIONS

The Philadelphia Chapter of the NCLC has no publication of its own. The NCLC in Philadelphia distributes the NCLC national publication "New Solidarity" and occasionally uses mimeographed throw-aways.

PH T-1
April 30, 1974

21

000990

FBI
Date: 1/22/76

Transmit the following in _____
(Type in plaintext or code)

Via AIRTEL _____
(Precedence)

TO: DIRECTOR, FBI [REDACTED]

FROM: SAC, NEW YORK [REDACTED]

SUBJECT: NATIONAL CAUCUS OF LABOR COMMITTEES (NCLC)
IS
(OO:NY)

For the information of the Bureau, [REDACTED] has advised that the Committee to Elect LYNDON H. LA ROUCHE has a bank account at a branch of the First National City Bank in NYC.

1-4440-JEH

REC-25

15 JAN-24 1976

Approved: _____ Sent _____ M Per _____
Special Agent in Charge

Referenced teletype advised of National Caucus of Labor Committee's (NCLC) financial crisis and fact that (*deleted*) had advised that the NCLC had lost much of its phone service, and was to lose all of it by close of business on June 27, 1975.

Investigation by New York Office (NYO) has obtained the following information regarding this situation...

With the exception of a list of NCLC telephone numbers, the remainder of this report is deleted in total.

* Another file reveals a Chicago creditors compliance in allowing the FBI to review credit records:

Records of the Illinois Bell Telephone Company, 225 West Randolph Street, Chicago, as of April 17, 1975, indicated that service for telephone number 431-1280, previously furnished to the NCLC, 711 So. Dearborn St., Chicago, had been discontinued effective April 15, 1975.

Subsequent to that investigation and others, the FBI field office in Chicago summarized its assessment of the financial status of the Chicago chapter of the NCLC in Oct. 29, 1975 as follows:

The financial situation of the NCLC Chicago Regional Office has been bad for over a year and in October, 1975, remained in very poor condition. The biggest problem has always been the telephone bills. The telephone company has always followed the payment or non-payment of its bills very closely and the NCLC has always had trouble with them. During September and October, 1975, the Chicago NCLC office had to operate on a day to day basis as far as office supplies...were concerned. In order to get along with the NCLC National Office in New York practically all funds raised in Chicago were forwarded to New York, leaving very little to work with in Chicago.

An investigative report from the Buffalo Field Office of the FBI states:

The NCLC office telephones at 1370 Main Street were cut off for nonpayment of the bill.

Source: (*deleted*)
October 4, 1974

The Buffalo Office of the NCLC has telephone numbers of 884-5212, 884-5213, and 884-5214. Bills are paid by the NCLC National Finance Office in New York City. A deposit of \$5,500 was required and paid before service was connected on these telephones.

Sources: (*deleted*)
December 11, 1974

* Various investigative reports indicate the FBI's interest in landlord-tenant financial relations:

The members of NCLC at 46 South 40 Street (Philadelphia-ed.) are experiencing difficulty with the landlord of said property due to failure to pay

rent on time...

The rent for 329 W. Water Street, former headquarters of the Syracuse NCLC organization was \$150 per month and this organization is in arrears for two months rent.

* Each and every NCLC and U.S. Labor Party local, according to the FBI FOIA files, has a report on its internal finances submitted to the Justice Department at least four times yearly as part of the FBI "investigation" of these two organizations.

UAW-FBI Collaboration

The FBI is not the only agency used for financial warfare. FOIA documentation reveals the extensive collaboration of Steven Schlossberg, chief counsel to the United Autoworkers of America with the Justice Department and FBI in such efforts. Schlossberg has furnished the FBI with extensive documentation obtained through pre-trial discovery in a suit brought against the NCLC by the UAW for trademark infringement. The suit itself constitutes a "fishing expedition" into the financial affairs of the NCLC by requesting extraordinary documentation of financial transactions, debts, profits and credits of the NCLC, and in the word of Schlossberg was filed to "find the sources of NCLC financing."

An FBI document dated June 27, 1975 reveals a meeting between an unidentified official of the UAW and the Attorney General Edward Levi to

discuss the U.S. Labor Party, a subsidiary organization of the National Caucus of Labor Committees.

The document further states that:

Pursuant to a discovery motion in a case brought against the U.S. Labor Party by the UAW, the USLP disclosed that they had a \$1.5 million budget for their newspaper, the "New Solidarity". (*deleted*) asked where that money was coming from, implying that the funds were from foreign sources...In the course of the case suing the USLP for copyright infringement, the UAW has accumulated a great deal of information about the Labor Party... (*deleted*) has taken preliminary steps to file additional discovery motions for further disclosure of NCLC finances.

The UAW had one previous meeting in 1975 with then-Attorney General William Ruckelshaus. According to the FBI report on that meeting, the UAW Counsel discussed with Ruckelshaus whether or not a prosecution of the NCLC and U.S. Labor Party would be possible under the Labor-Management Disclosure Act.

In the meeting between Schlossberg and Levi, numerous documents from the UAW were turned over to the Justice Department. Included was an AFL-CIO in-depth profile of the NCLC and U.S. Labor Party compiled by the League for Industrial Democracy. This document recommends lawsuits, like the UAW suit, and disruption tactics to destroy the NCLC and the U.S. Labor Party at their most vulnerable point: "their precarious finances."

Coordinated Legal Disclosure Strategies

Previous to the use of the disclosure of finances obtained through reports on file with the Federal Election Commission, financial warfare against the NCLC and U.S. Labor Party has been conducted through a strategy of financial discovery in pending litigation. This includes suits in which the NCLC and U.S. Labor Party are parties plaintiff and suits in which they are defendants.

Aside from the UAW suit mentioned above, (the first action of this kind filed against the two organizations), discovery questions in *Whitman v. U.S. Labor Party* and *Klaif v. U.S. Labor Party*, two libel suits filed by Institute for Policy Studies networks, seek disclosure of U.S. Labor Party finances through exactly *the same questions asked* in interrogatories. The same phrasing of financial disclosure questions has occurred in *Ghandi v. Detroit Police and FBI* and *Turney v. Singerman*, actions on behalf of the U.S. Labor Party against the FBI and Revolutionary Union, respectively.

Perhaps the most startling activity of this kind occurred in 1977, soon after the U.S. Labor Party and the NCLC were told that they were targets of an "all-out, 90-day bankruptcy operation conducted by the National Security Council" by highly informed sources. In December 1976, \$90,000 appeared in an NCLC bank account in Buffalo which the NCLC insists was a contribution. The Bank of Nova Scotia and their Wall Street law firm of Sherman and Sterling claim it was an error and have sued the NCLC. Rather than following normal legal procedure and simply filing a complaint, the bank asked for disclosure of all "financial records of the NCLC and Campaigner Publications Inc. dating back to 1971." The New York State Court Appellate Division has issued a stay on discovery by the bank until the NCLC's appeal against the granting of this motion by Judge Abraham Gellinoff in New York Supreme Court was in total violation of the First Amendment among other constitutional sanctions.

Current Legal Actions To Stop FEC Criminality

The Committee to Elect LaRouche (CTEL) and individual LaRouche contributors currently have two lawsuits pending against the Federal Elections Commission in the federal courts of the District of Columbia and have taken the Carter Administration's extraconstitutional use of the FEC to the United Nations Human Rights Committee in Geneva, Switzerland. The UN Subcommittee on Minority Political Rights is currently investigating CTEL's charges against the Carter Administration and will receive new materials on the latest round of abuses.

With the escalation of financial warfare operations in the past two weeks, the Committee to Elect LaRouche, the National Caucus of Labor Committees, the U.S. Labor Party and two vendors of CTEL — Campaigner Publications and New Solidarity International Press Service — have also demanded under the Freedom of Information Act "all memoranda, reports, directives, letters, notes, logs or notes of telephone conversations and interagency communications, and contacts with vendors" from the FEC. These FOIA answers will pinpoint the exact nature and coordination of the financial warfare involving the FEC, the Securities and Exchange Commission, the Internal Revenue Service, the FBI and the Public Integrity Section of the Justice Department.

Provided that CTEL can secure adequate funding for these lawsuits and any litigation arising out of the Freedom of Information Act disclosures, enough concrete evidence can be put before the Congress to insure that the FEC is abolished for massive violations of the U.S. Constitution, and that the Carter Administration will be taken to task for similar high crimes and misdemeanors.

In the Matter of CTEL v. FEC there is a petition for review filed with the District of Columbia Circuit Court of

peals concerning the FEC's denial of over \$100,000 in primary matching funds to the LaRouche Committee. The petition puts the entire process by which the FEC denied CTEL its matching funds, under review by the Court of Appeals. Last week, attorneys for CTEL, also filed a motion for consolidated discovery with the Court of Appeals, an unusual motion in a review proceeding. The harassment of CTEL by the FEC and the violation of the FEC's own administrative procedures in its investigation of CTEL are the reasons stated for the extraordinary discovery motion.

Jones v. FEC is a multimillion dollar class action damages suit now pending before the District of Columbia District Court. The action seeks damages on behalf of the class of all LaRouche campaign contributors for violations of their First, Fourth, Fifth, Sixth and Ninth Amendment rights in the FEC's January harassment operations which included raids on the homes of LaRouche contributors to "verify" their campaign contributions.

Since the full commission did not authorize the "verification check" the suit also charges the FEC with violation of its own procedures. In its Seventh Cause of Action, the damages suit also seeks the court's jurisdiction over the FEC's violation of the Helsinki accords in its harassment of LaRouche contributors. On June 6, attorneys for CTEL in this suit will ask the District Court for a protective order against further harassment by the FEC and the Carter Administration. The protective order motion will demonstrate to the court through the use of FBI files and the grid of FEC harassment activities that the Federal Election Commission is engaged in major violations of civil rights similar to those encountered in *NAACP v. Alabama*, and therefore is in violation of even its own provisional constitutionality as established by the U.S. Supreme Court in *Buckley v. Valeo*.