

Part II: The anatomy of a corporate murder

by Jeffrey Steinberg

Part I of this article appeared in the March 15 issue of EIR.

This is the story of one of the most thoroughly investigated and most rigorously documented civil litigations in the history of American jurisprudence; a case so intertwined with the events of Watergate that its full prosecution would have spawned a string of criminal grand juries and probable convictions of such Nixon intimates as John Connally. This is also the story of a litigation that will never be heard before a judge as the result of judicial corruption at the state level and "calendar overload" at the federal court level.

Between April 5 and June 29, 1972, according to a draft civil rights damages suit prepared on behalf of Shearn Moody, Jr. of Galveston, Texas, nine state officials of Texas, Alabama, and Arkansas conspired to illegally shut down an interstate insurance company, Empire Life Insurance Company of America. Overnight a \$14,213,440 personal trust fund was transformed into a mere \$4,250,000, and one of the most prosperous insurance companies in the South was thrown into permanent receivership.

There is much room for speculation as to the precise motives that led John Connally, former governor of Texas, former head of Democrats for Nixon and, in 1971, the Secretary of the Treasury under President Richard Nixon, to bring the combined resources of the U.S. Treasury Department, the Internal Revenue Service, the Securities and Exchange Commission, and the attorney generals and insurance commissioners of Texas, Alabama, and Arkansas to bear against Moody, the scion of one of the oldest banking and insurance families of Texas. During the early 1960s, then-Governor Connally had conspired to insinuate a controlling group of outside trustees into the Moody Foundation, the sole stockholders in American National Insurance Company (ANICO), one of the 10 largest insurance companies in the United States. During the tenure of those Connally-picked trustees, tens of millions of dollars in ANICO funds were invested in Las Vegas and Caribbean gambling casinos—all linked to organized-crime mogul Meyer Lansky.

Several figures intimately familiar with the events of Watergate and the 1972 Nixon Committee to Re-Elect the President (CREEP) re-election effort have speculated to this author that the bringing down of Empire Life Insurance Company was part of a political payoff by Connally to Gov. George Wallace of Alabama to keep Wallace off of a third

party ticket in the 1972 presidential race; what one political observer ruefully called the "silver dollar-silver bullet" strategy for containing the threat of an independent Wallace candidacy. No evidence of this particular piece of the Nixon "Southern Strategy" has ever surfaced publicly, although a number of newspapers around the country reported at the time on a semi-clandestine meeting between Governors Connally and Wallace, which resulted in Wallace embracing of the Democrats for Nixon banner, and a Republican sweep of the South.

Such antics by Connally have been catalogued in other locations. In an unpublished 1970 manuscript by William Torbitt, "Nomenclature of an Assassination Cabal," based on the findings of the Jim Garrison New Orleans grand jury inquiry into the assassination of President John F. Kennedy in Dallas, Texas in November 1963, Connally's name figured prominently in the circle of a Montreal-based company, Permindex, several of whose board members were indicted by Garrison in the conspiracy to assassinate the President. Connally was at that time a resident of the Tryall Compound at Montego Bay, Jamaica, the scene of many of the alleged conspiratorial sessions.

Such questions of motive and pedigree aside, the fact remains that during one 85-day period in the spring of 1972, a major insurance company operating throughout the southeastern United States was gutted and looted; a prominent Texas business leader was thrown into a decade long uphill fight against the combined resources of state and federal government, organized crime, and the media; and behind the entire affair, the shadowy figure of "Big John" Connally was and is ever-present.

What's more, when attorneys for Moody attempted to file civil damage claims against the looters of Empire before Alabama Equity Court Judge William C. Barber on Feb. 5, 1982, Judge Barber refused to accept the filing. On July 30, 1982, the Supreme Court of the State of Alabama rejected the Moody appeal to override Barber's refusal to grant court standing to the Moody complaint against the "Gang of Nine."

Finally, on Feb. 22, 1983—over a decade after the swords of Connally were raised to slaughter Empire Life—the U.S. Supreme Court, pleading an overcrowded calendar, refused to take up the Moody case, thereby sealing off the judicial process.

During the decade between the original looting of Empire Life and the filing of the Moody case before Judge Barber, an insurance investigator for Moody, Norman Revie, compiled one of the most impressive evidentiary trails ever amassed on criminal conspiracy among government officials to rob and publicly tar a respected private citizen. This author has reviewed sections of those files, and has corroborated the existence of hard documentation supporting the "Facts of the Conspiracy" as presented in the draft civil rights action.

How was the looting of Empire Life carried out? The next installment in this series will reproduce draft court papers which specify the details.