

Manatt and Mondale are moral degenerates, individuals whose personal lives make them easily susceptible to the kind of sexual and other blackmail in which the KGB specializes.

### Corruption and moral pathology

The current crop of Democratic Party presidential contenders—apart from dark horse candidate Lyndon LaRouche, the challenger to the corrupt Democratic machine—exemplifies the process of moral degeneration which has gripped the party. Gary Hart is a reputed wife-beater and bed-hopper whose lies about his true name and age point to a pathological personality. Jesse Jackson's organizations have received money from Libya, one of the major promoters of international terrorism. This, not conviction, explains why Jackson himself has dragged his feet in censuring thug worker Louis Farrakhan, despite his repeated anti-Semitic outbursts.

But neither Hart nor Jackson holds a candle to Fritz when it comes to moral turpitude. The man first in line to get the Democratic presidential nomination has a personal and political history which might suit him for the Babylonian priesthood, but certainly not for the White House. Mondale has long been dependent on various mood-altering drugs for his daily functioning. He is part of an international "humanist" network which champions euthanasia, genocide, sexual perversion, drug abuse, and the destruction of the nation state. He patronized People's Temple cult leader Jim Jones, and played a crucial role in helping Jones relocate his followers to Guyana where they committed mass suicide.

The Carter-Mondale administration is rightfully considered one of the worst in American political history. By the time Carter and his vice-president were driven from office, they had destroyed the U.S. strategic arsenal, wrecked the economy, and, in the "Billygate" affair involving the President's brother, concluded an open alliance with Iran's Ayatollah Khomeini and Libya's Muammar Qaddafi.

Mondale's current roster of campaign advisers includes a slew of Soviet collaborators, such as Robert Pastor, who was caught red-handed last October assisting the Soviet/Libyan-backed coup leaders in Grenada. And he has declared that the number-one priority of his presidential campaign is his war on the administration's beam-defense program—the program which could protect the United States and its allies from a Soviet nuclear attack.

Mondale's corrupt program has won him the glowing endorsement of the Moscow weekly *Literaturnaya Gazeta* May 30: "Mondale's lack of affectation and genuine show of dignity and respectability, should produce on the voters an impression of solidity, soundness, reliability."

By raising the specter of a Soviet-controlled Caligula as President of the United States, the enemies of Western civilization hope to destroy the fighting morale of the American citizenry. The dossiers which we publish here provide ample ammunition for patriots who do not wish to see their nation become a new Sodom and Gomorrah—or a satrapy of Moscow's empire.

# Banker Manatt and

by Kathleen Klenetsky

In the summer of 1981, shortly after Charles Manatt spent over \$75,000 to buy himself the Democratic National chairmanship, he announced that he had reached an agreement to sell his bank, First Los Angeles, to the Istituto San Paolo di Torino. Under the agreement, Manatt revealed, he and his law partner, Alan Rothenberg, would retain their directorships of the bank.

This was the first U.S. bank acquired by the huge Istituto San Paolo, and there was plenty of speculation as to why it would pay over \$60 million to acquire First Los Angeles rather than some older, more established institution.

The answer provides an important clue to the real Charles Manatt, the man who has presided over the Democratic Party's full emergence as a tool of the dope lobby and the Soviet Union.

The Istituto San Paolo, with deposits of over \$23 billion, is the 6th largest bank in Italy and the 63rd largest in the world. Headquartered in Turin, it maintains offices in Frankfurt, London, Munich, Paris, Zürich, and an agency in New York. It also owns the Sanpaolo Bank Ltd. in the Bahamas and has controlling interest in Sanpaolo-Lariano Bank S.A. in Luxembourg—two of the principal centers for "offshore" banking and dirty-money laundering. The bank functioned as the sponsor for Bernie Cornfeld's Investors Overseas Services (IOS) in Italy, laundering funds into Switzerland for Dope, Incorporated.

Istituto San Paolo's political connections are equally revealing. Located in Turin, a stronghold of the Italian Communist Party and headquarters of the Agnelli dynasty's Fiat motor company, the bank plays a major role in East-West trade and helped to finance the construction of the U.S.S.R.'s famous Togliattigrad—the auto city named after Italian communist Palmiro Togliatti. Italian magistrates investigating the attempted assassination of Pope John Paul II exposed the role of the country's East-West trading networks in providing a cover for drug- and gun-running and for terrorism. Finally, the Istituto San Paolo has come under suspicion for possible links to the notorious Propaganda-2 Freemasonic lodge.

In purchasing Manatt's bank, Istituto San Paolo was buying directly into one of the centers of organized crime and political influence-peddling in the United States.

Democratic National Committee (DNC) chairman Manatt is a millionaire banker and lawyer based in Century City, California. He represents a complex network of interlocking law firms, banks, and "entertainment industry" spinoffs,

# Hollywood's mafia

ranging from movie studios and sports empires to record companies and discos—all of them under the purview of the “Hollywood mafia.”

## Organized crime and Hollywood

From its earliest days, Hollywood operated under organized crime's thumb. The motion-picture industry was spawned through an open alliance between the mob and British intelligence operatives, chiefly Sir William Wiseman, the official head of British secret intelligence in the United States during World War I. Wiseman engineered the shift of the U.S. film industry from New York to California.

The largest film union, the International Alliance of Theatrical Stage Employees and Moving Picture Operators of the United States and Canada (IASTE), was controlled by mobsters Frank Nitti and Louis Lepke almost from the beginning. Loew's, Inc., the largest motion picture theater chain and the financial backbone of the Metro-Goldwyn-Mayer empire, was largely owned by the mob led by Arnold Rothstein. Twentieth-Century Fox, set up in 1933 by Warner Brothers' Darryl F. Zanuck, was financed by mob money laundered through Loew's. And Harry Cohn, longtime owner of Columbia Pictures, acquired the capital to buy the studio back in 1932 from mobster Abner “Longie” Zwillman, former head of the Atlantic City mob.

Charlie Manatt's meteoric rise in Democratic politics and in the worlds of law and banking could not have been accomplished without the help of the “elder statesmen” of the California Democratic Party, people who had made their own fortunes by serving mob interests. Among the more prominent members of this group are former California Gov. **Edmund (Pat) Brown**, father of former governor Jerry “Fruitfly” Brown, and **Paul Ziffren**, former chairman of the California Democratic Party and current partner in the prestigious law firm of Gibson, Dunn, and Crutcher.

**Paul Ziffren** is one of the most powerful figures in California. Currently chairman of the Los Angeles Olympic Organizing Committee, Ziffren had been compelled to take a low profile in 1960, following a *Readers' Digest* exposé of his relationship to the Chicago syndicate. The exposé documented that Ziffren was the attorney for and business associate of Alex Louis Greenberg, who served first the Capone mob and subsequently Frank “the Enforcer” Nitti as a financial frontman, laundering mob profits into “legitimate enterprises.”

When these facts came to light, Ziffren was serving as the chairman of the California Democratic Party, and was running John F. Kennedy's presidential campaign in the state; his student coordinator was Charlie Manatt.

Ziffren responded to the *Readers' Digest* disclosures by simply moving behind the scenes, from where he continued to exercise control through colleagues like Pat Brown, and ambitious young men like Manatt.

One of Ziffren's longtime collaborators is **Sidney Korshak**, whose sordid career has been the subject of several exposés, including a 1976 series in the *New York Times*. Korshak represents in the most visible way the interface between those “above suspicion” in the international narcotics business and the “muscle” of organized crime.

As an attorney, Korshak is known as “Chicago's boy” on the West Coast. As early as 1942, Korshak's name appeared in an IRS report which disclosed that “our informers have stated that Sidney Korshak, a lawyer in Chicago, Illinois, is often delegated to represent the Chicago gang, usually in some secret capacity.”

In 1950, Korshak moved to Los Angeles and began cultivating contacts in the movie industry. In 1952, he represented “Chicago interests” in the attempted takeover of RKO studios. The *Wall Street Journal* howled about the mob's involvement in the move and the offer was withdrawn. That didn't stop Korshak from finding other outlets for his creative energies. Throughout the 1950s, he came under repeated investigation for involvement in bookmaking, but always escaped any serious prosecution.

In the mid-1960s, Korshak's activities intersected Bernie Cornfeld's IOS, the now-infamous scam which, posing as a “mutual funds” investment service, actually operated as a vehicle for the laundering of organized crime profits by Meyer Lansky's syndicate. By 1966, IOS had created a number of mutual funds, the most important of which was the Fund of Funds. **Pat Brown** sat on its board. (As state attorney general in the 1950s, Brown had elevated Paul Ziffren's younger brother, Lester, to the rank of deputy attorney general straight out of law school. Later, Bernie Cornfeld held a series of fundraising parties for Pat Brown's son, Jerry, during his successful campaign for governor. Charles Manatt played a pivotal role in that campaign.)

Also in 1966, Lansky associate **Fred Alger** was brought in to manage part of the Fund of Funds' investment activities. By June 1967, he had conduited \$2.5 million to Resorts International, the entity created by Lansky to launder the profits from his booming Bahamas drug business.

The Fund of Funds and IOS had a particularly symbiotic relationship with Gulf & Western, one engineered almost singlehandedly by Korshak. G&W chairman **Charles Bludhorn**, now deceased, placed approximately \$29 million in bonds through the Fund of Funds, while IOS, through its International Investment Trust, held a large portion of Gulf & Western's common stocks. Korshak helped Bludhorn to acquire such holdings as Paramount Pictures, Madison Square

Garden, the New York Knicks, and interests in a number of Nevada gambling centers.

Korshak's relationship with Gulf & Western dates from his association with **Phil Levine**, a one-time real estate partner of Meyer Lansky in New Jersey. In 1967, Levine took the proceeds from the sale of MGM stock to another key organized crime family, the Bronfmans, and invested \$22 million in Gulf & Western; he later became the president of G&W's real estate subsidiary. One of G&W's other major stockholders is **Carl Lindner**, the Lansky-connected chairman of American Financial Corp.

### Manatt's corrupt clientele

Charlie Manatt's law firm, Manatt, Phelps, Rothenberg and Tunney, numbers Gulf & Western among its more prominent clients. Other clients with similarly sleazy pedigrees include:

- **Lev Wasserman's MCA:** Wasserman, a close buddy of Korshak, reportedly got his start as a doorman for Al Capone.

- **Playboy Enterprises:** Playboy is at the center of the pro-dope lobby. It was the Playboy Foundation which grant-

ed the seed money for the founding of NORML (the National Organization for the Reform of Marijuana Laws).

- **Columbia Pictures:** Columbia's underworld ties are documented in the article on Walter Mondale in this Special Report (see page 25).

Manatt has not been completely successful in avoiding being personally tainted by his unsavory associations. In an article dated May 3, 1978, the *Washington Post* disclosed that Manatt's name had come up in a long and complex FBI corruption investigation into the flow of money from the Howard Hughes interests into the coffers of leading California Democratic Party politicians. As a result, the announcement of his appointment as Democratic national finance chairman was held up three times.

Manatt's name came up early in the investigation because of his long friendship with Brown, which dates from the 1960s. Manatt had been involved with Brown in chartering two Southern California banks, and over the years, Brown had referred between 5 and 10 clients to him for representation in bank charters. As the *Washington Post* pointed out, those referrals represented a lot of money to Manatt, who charges as much as \$25,000 merely for initial consulting services in bank charters.

## Kirkland, the AFL-CIO, and organized crime

No discussion of the "sleaze factor" in the Democratic Party could be complete without including the role of the top echelons of the AFL-CIO, and particularly the Trilateral Commission's Lane Kirkland. Contrary to popular belief, Kirkland is no trade unionist, but a plantation owner from an old Confederate family.

He got his start in the AFL-CIO bureaucracy in the Research Division, under the tutelage of Jay Lovestone, the former protégé of Communist International leader Nikolai Bukharin. As general secretary of the Communist Party U.S.A. during the 1920s, Lovestone presided over an alliance with organized crime in New York's Garment District. According to an account by Benjamin Gitlow, a Lovestone lieutenant,

fight against gangsterism the main issue among the Furrriers, had no qualms about making a deal with the gangsters, accepting their protection and services, including the most nefarious gangster activities. . . ." The broker for the communist-labor merger with the mafia was Arnold Rothstein, the banker for organized crime in the United

States, who also patronized mob figures like Charles "Lucky" Luciano. It was Luciano who recreated the Sicilian mafia after the war under the patronage of Thomas Dewey and the Dulles brothers. Luciano's accountant, Meyer Lansky, later took over the franchise for dope smuggling into the United States.

Known as a Lovestone man, Lane Kirkland has nevertheless swept his front steps clean of street thugs, preferring to associate with the higher-level gangsters, like fellow Trilateral Commissioner David Rockefeller. Like Rockefeller, Kirkland maintains colonial holdings in Latin America, boasting at a 1972 cocktail party that "If things ever get really bad, I can always flee to my plantation in the Virgin Islands."

Kirkland is not the only AFL-CIO boss with a slave-labor plantation. Jonathan Kwitny, in his book *Endless Enemies*, reports that George Meany, Kirkland, and other labor leaders established a semiprivate resort and tobacco plantation in the Dominican Republic in the late 1960s, not far from Gulf & Western's biggest sugar field. Hundreds of peasants were driven off the land to make way for the plantation; some were jailed when caught cutting through the barbed wire fence surrounding the resort to plant crops on what had formerly been their land, and others were rehired below union wage levels—for \$60 a month.