

He finally muttered something to the public to the effect that despite the plea bargain with First National Bank of Boston, he might continue the investigation anyway.

It was at that point that people in the press and in official law enforcement positions began wondering whether Weld was perhaps attempting to cover up for First National Bank of Boston. After all, why should investigations into drug trafficking and organized crime be stopped for a mere guilty plea and a \$500,000 fine? It would appear that the people behind a \$1.22 billion drug deal were bribing the U.S. government with a mere half-million so that it would look the other way.

Those who speculate that Weld is running cover for First Bank of Boston are missing the point. In all likelihood, Weld is trying to prevent the investigation from reaching into *Crédit Suisse*, his family bank! It will be entertaining to see whether Weld, before this sordid affair is over, will choose to have the First National Bank of Boston take the rap in order to protect *Crédit Suisse*. Is Weld, the scion of a centuries-old Boston Brahmin family, more loyal to the First National Bank of Boston or to *Crédit Suisse*?

William Weld's little family secret is that *Crédit Suisse* has been his family bank since the time of his father, David Weld, who had been general partner of the investment house known as **White Weld** since 1948. *White Weld Securities* is the basis of the family fortune which our good U.S. attorney for Massachusetts will inherit. It is his family *fondo*. Now what about **Crédit Suisse**? The Weld family fortune's biggest venture at this time in the international markets of "high finance" is a "prestigious" outfit in London called **White**

**Weld Securities**, the Eurobond syndication subsidiary of **Crédit Suisse First Boston, Ltd.** of London. Until 1978, this outfit was known as **Crédit Suisse White Weld** and its stock was owned as follows: *Crédit Suisse* 46%, *White Weld* 31%, and an "unknown Swiss foundation" 23%.

In 1978, First Boston, Inc. (a different entity from First National Bank of Boston) was brought in as a partner with *Crédit Suisse* and the London branch of *White Weld* continued as a partner in charge of all Eurobond operations of the group. Today it is known as the *White Weld Securities* subsidiary of *Crédit Suisse First Boston* and it dominates the \$100 billion-a-year Eurobond market. Another portion of the Weld family wealth, **Valeurs White Weld** of Paris, is a "wholly owned subsidiary of *Crédit Suisse*."

In its 90 years of existence, *White Weld*, a *privately* held company, has not once disclosed its holdings, wealth, and activities on the grounds that, not being a publicly held corporation, it is not obliged by law to report. To wrap itself more tightly with a protective shroud of secrecy, *White Weld* decided to throw in its lot with *Crédit Suisse* of Zurich, to thus be further protected from any prying eyes, behind the legendary banking secrecy laws of Switzerland.

What is the terrible secret that William Weld's family has for all these years tried so carefully to conceal from public scrutiny? And why choose the impregnable walls of secrecy afforded by *Crédit Suisse*? What is *Crédit Suisse* hiding for the Weld family? Maybe the attempted coverup in Boston, maybe our Massachusetts federal prosecutor's odd behavior will provide the clue.

Why did Weld slyly suggest the plea bargaining in return

## Bank of Boston's ties to dirty money, terrorism

At a closed-door meeting of Boston-area law-enforcement officials in mid-February, James Harmon, counsel-general of the President's Commission on Organized Crime, revealed that 41 U.S. banks are now under investigation by federal authorities for "legitimizing crime by accepting tainted money." This is just part of the growing troubles for the Bank of Boston:

- Connections between the bank and the Shining Path terrorists of Peru (*Sendero Luminoso*) have come to light. Miguel Angel Mufarech, the "strong man" of the United Left party, the local Communist Party-associated leftist coalition, was quoted in the Peruvian press in mid-February saying that he "could get from the Bank of Boston account a credit line in foreign exchange that could fund a good part of the campaign." Mufarech is a Lebanese-Peruvian millionaire who has used his political base in the

Ayacucho region to demand that the government "negotiate" with the Shining Path terrorists.

- The Irish High Court in Dublin announced Feb. 20 that it was seizing \$1.64 million in funds that it said belonged to a secret IRA fund transferred from outside the country, reaching Ireland "via Switzerland and the U.S.A., where it was held for a time in Boston." Intelligence sources had alerted the Irish authorities to a coming major transfer of money to the flagged IRA account in the Bank of Ireland. The money moved from London to the Bank of Boston and then to Dublin. Justice Minister Michael Noonan said that the money had been obtained by the IRA through "kidnapping, death threats, and robberies."

On Feb. 21, the *Boston Globe* described the reaction of U.S. Attorney Weld to the Irish charges: "U.S. Attorney William Weld, asked about reports that U.S. law enforcement officials tipped Irish authorities to the alleged IRA funds and that at least some of the money came from a Boston bank, said, 'I'm not familiar with that.' Weld said he would have known if U.S. officials had made such a contact. 'I would have thought I would have been famil-

for dropping further investigation into the money laundering? What was so "dirty" about Crédit Suisse's \$50 bills that they needed to be laundered at the First Bank of Boston laundromat? Was it drug money? And why should a U.S. attorney wish to cover up for drug money? Is his reason for hushing up a drug money investigation today the same as the reason his father and grandfather had for so meticulously concealing their financial affairs? Is William Weld hiding Crédit Suisse's dirty drug money because Crédit Suisse is hiding his family's own drug money?

William Weld's grandmother, David Weld's mother, was a lady named Margaret Lowe White, of the A.A. Lowe family which used to build clippers in New England for use in transporting opium. Another ancestor of our federal prosecutor, one Theodore White Weld, was an agent of the British East India Company, which launched and conducted the famous Opium War to impose the drug habit on China. William Weld's family is a drug-running family and his family wealth is drug money. This is what he is hiding in the vaults of Crédit Suisse.

### The mysterious 1978 transactions

During the spring and summer of 1978, a fascinating sequence of transactions took place between White Weld, Crédit Suisse, Merrill Lynch, First Boston, Inc., and others, which to this day baffles even the sharpest Wall Street operators. Initially, Merrill Lynch appeared to have purchased White Weld for the sum of \$50 million. Subsequently, Crédit Suisse purchased from Merrill Lynch White Weld's stockholders' "stake" for \$25 million. Afterward, Crédit Suisse

bought into First Boston, Inc. and First Boston bought into White Weld Securities of London. By the time the transaction was completed, the tangle became impenetrable. To this day it is difficult for specialists to discern who owns what or how much and who preserves what options over whom. A disentanglement of the whole matter is still theoretically possible, if the records of these matters are still preserved at the offices of the Comptroller of the Currency and if the contents of these documents are eventually subjected to the rigors of a court-supervised discovery proceeding.

At the end of such an inquiry—and only then—will it be possible to evaluate the veracity of the financial disclosure statement which William Weld submitted when he first was appointed to public office in 1981.

Meanwhile, there is a theory respecting the real reasons why the complicated 1978 sale of White Weld stock took place. Why did the Weld family wish to "shed" after 85 years of successful and lucrative business? Was it a sale of stocks or was it laundering of stocks? Consider the fact that 1978 was the year in which William Weld first ran for public office. Had he won his bid for attorney general of Massachusetts in the November 1978 election, he would have been obliged, in one way or another, to make some kind of public disclosure of his wealth. This would have been the first time in its history that the Weld family would have permitted the prying public to take a peek into its financial affairs. Hence, if disclosure were to be made in November 1978, April and May of 1978 was the right time to bury the skeletons. Was the 1978 transaction a "sale" or was it "laundering?"

Stay tuned.

iar with it and I am not," he said."

- Rep. Carroll Hubbard (D-Ky.), chairman of the House Subcommittee on Banking General Oversight and Investigations, announced on Feb. 18 that it was "very possible" that the House Banking Committee would hold hearings to examine the Bank of Boston. Rep. Fernand St Germain (D-R.I.), chairman of the House Banking Committee, has asked Comptroller of the Currency C. T. Conover for information on all examinations conducted on the First National Bank of Boston since 1975. He has also requested all reports dealing with the bank's compliance with the 1970 Bank Secrecy Act.

- In the Senate, Republican Warren Rudman of New Hampshire, vice-chairman of the Senate Permanent Subcommittee on Investigations, announced that the subcommittee will begin looking into Bank of Boston's cash transactions and ties to companies controlled by the Angiulo family. "We'll look at all large institutions and their cash transactions," Rudman declared. "The Bank of Boston is only part of what may be a larger picture."

- Three investigators from the U.S. Senate Perma-

nent Subcommittee on Investigations arrived in Boston in mid-February to look into Bank of Boston's dirty-money misdoings.

- The Senate Investigations subcommittee has already investigated the Bank of Boston International in New York, a Bank of Boston Corp. subsidiary. The subcommittee discovered that \$1 billion was funneled from the Banco Nacional de Panama through the Federal Reserve Bank to the Bank of Boston International in 1982-83. According to the October 1984 report of the President's Commission on Organized Crime, "The cash flow from Panama to the United States is the most significant recorded flow of currency that is likely to be drug money."

- The Securities and Exchange Commission announced Feb. 20 that it was opening an examination of both the Bank of Boston and Provident Institution for Savings in connection with transactions by the Angiulo organized crime family. The SEC is particularly focusing on the Bank of Boston, which, unlike Provident, actually provided special exemptions for large cash transactions made by Angiulo family members.