

Bank of Boston's crime links probed

by John Chambless

Representative Fernand St Germain (R-R.I.)'s House Banking, Finance, and Urban Affairs Committee will hold hearings on March 20 in Boston on the Bank of Boston's failure to comply with U.S. currency-reporting laws. This announcement comes in the middle of a half-dozen other investigations of the bank in connection with its drug-money laundering operations and terrorist connections. Early in February, the bank negotiated a "guilty plea" with U.S. Attorney for Massachusetts William Weld on one particular area of its criminal activity: The bank was fined \$500,000 for its \$1.2 billion in laundering operations with nine Swiss banks, and in exchange, was released from all "further liability."

On Feb. 21 (see *EIR*, March 5, 1985), Editor-in-Chief Criton Zoakos stated in a press conference in Boston that the U.S. Attorney is deliberately covering up for the drug money laundering going on between *Crédit Suisse*, with which Weld's family firm White, Weld is merged, and the Bank of Boston, and characterized Mr. Weld as a "dope pusher," challenging him to either resign, disprove the charges, or "sue for libel."

According to a *Boston Globe* story on Feb. 28, the St Germain Committee will look into, among other things, the bank's "relationship with customers reported to have ties to organized crime, and the degree of cooperation among federal agencies in the case."

Also in March, although the exact date has not been set, William Roth (R-Del.) and Warren Rudman (R-N.H.) of the Senate Permanent Investigations Committee, with the aid of the Subcommittee on Securities headed by New York Sen. Alfonse D'Amato, will be holding hearings on the Bank of Boston.

The bank issued a statement on Feb. 27 saying it was "shocked and disappointed" by the U.S. Comptroller of the Currency's revelation that the bank has been violating currency-reporting laws since 1982. The *Boston Globe* revealed on Feb. 27 that the Office of the Comptroller in Washington sent a letter to Kentucky Rep. Carroll Hubbard, who chairs the House Banking Committee's subcommittee on oversight, revealing that the Bank of Boston had been informed in 1982 by the Comptroller's Office that it was not complying with international currency-reporting regulations.

The implication is that bank executives have simply been lying. At the bank's closed-door press conference on Feb. 21, bank president William Brown insisted that the bank was only made aware of its non-compliance with international currency transfers in the summer of 1984. Asked about the implications of the Comptroller's Office revelations, Bank of Boston spokesman Wayne Taylor would only say: "There certainly seems to be a discrepancy between what we said about learning this in 1984 and what the letter states."

Even more serious for the bank is the possibility that further investigations might reopen the story of the institution's involvement in 1982 transactions of at least \$600 million, believed to have been dope-connected money from a top bank in Panama. That case was investigated in 1983, but was never followed through to a conclusion.

Also on Feb. 27, the *Boston Herald*, without giving further details, reports that "Federal investigators are . . . investigating a 'high-level' executive at the Bank of Boston who may have allowed the Angiulo [mob family] to deposit large amounts of cash without reporting it to the Federal government." The *New York Times* reported on Feb. 26 that two bank tellers were being investigated for involvement in dirty-money laundering.

Even the *Times* commented on the absurdity of the fine levied against the Bank of Boston by U.S. Attorney Weld. Editorialist Sidney Schanberg called for legal action to be taken against the bank's "citizens above suspicion." Criticizing sensationalist anti-crime investigations that only target colorful members of "The Mob" with fancy nicknames, Schanberg notes that "just this month, the Bank of Boston, the preserve of that city's upper crust, was caught making cash transfers to and from Swiss banks and failing to report them. This was no small crime. The transfers amounted to \$1.2 billion. . . . The bank was fined \$500,000 for a felony offense.

"Nonetheless, to the mob, that penalty would look like a full pardon. First of all, it was a pittance, considering the size of the scam. Second, none of the bank officers, vested and staid, were named in the case and no one went to jail."

If they had been mob figures with colorful names, Schanberg concludes, "they would have been in the slammer by now and Boston readers would be sending newspaper circulation through the roof. I think the mob has a legitimate beef. They entertain us with their garish names and boisterous family feuds, and the other guys go scot-free."

The Bank of Boston, whose chairman Richard D. Hill, is presently head of the International Economic Institute (the "creditors' cartel") based in Washington, D.C., is a chief coordinator of the "post-industrial" economic policies which are closing down U.S. industry. Clearly, its drug and money-laundering operations are part of the same policy: The Eastern Establishment's plan for a "black-market" economy of drugs, pornography, and gambling.