

Coincidentally—perhaps—two Bank of Boston officials were contributors to Weld's 1978 campaign: William C. Mercer, honorary director, and Peter M. Whitman.

### The Soviets and other 'old friends'

In 1978, William Weld took a stab at selling himself to the public in the Massachusetts attorney general's race. He failed miserably. Among his contributors was none other than Edgar Bronfman of the Seagram's empire, a kingpin of the international narcotics mafia (as *Dope, Inc.* established). Not surprisingly, two banks associated with Bronfman in Canada have been accused of money laundering: Scotia Bank and Bank of Montreal.

As the November Reagan-Gorbachov summit nears, Bronfman is the pointman in a Soviet-Israeli-American Zionist move to drive the United States out of the Middle East. The Soviets are offering to free Jews, in exchange for Israeli subversion of U.S. interests in the Mideast. Bronfman has been deployed through his World Jewish Congress to activate a KGB-backed network in the U.S. Justice Department's Office of Special Investigation (OSI), which passes along KGB disinformation, particularly against German scientists in the United States, falsely labeling them as Nazi war criminals. Not surprisingly, these scientists have been important in the research and support for President Reagan's Strategic Defense Initiative, which the Russians are out to stop at all costs.

Bronfman's service for the KGB goes directly into the office of Weld, through Alan Dershowitz of Harvard Law School, secretly the attorney for Mossad terrorist and FBI informant Meir Kahane, founder of the Jewish Defense League. Earlier this year, Dershowitz led an American legal delegation to the Soviet Union to discuss Bronfman's deal for the emigration of Soviet Jews. With him was the U.S. Attorney for the Southern District of New York, Rudolph Giuliani, and Weld's deputy U.S. attorney, Mark L. Wolf. It is reported that Wolf has regular phone conversations with the Soviet procurator general's office and supplements the calls with visits to the Soviet embassy in Washington, where the legal attaché is the liaison to the Justice Department's OSI. Until becoming a federal judge in May of this year, Wolf was chief of the Special Prosecutions Unit in Boston, which initiates and conducts "political corruption" cases.

Rudolph Giuliani has also figured in Weld's witchhunt against LaRouche. He is now seeking to intervene in a case in federal court in New York to prevent discovery rights for The LaRouche Campaign, in a case brought by the campaign against harassment by the Federal Election Commission. Giuliani has asked the judge in the case to prevent discovery from occurring, pending the results of the Weld investigation in Boston. Giuliani is also seeking to halt discovery in another case, *LaRouche v. Webster*, a 10-year-old case involving FBI Cointelpro operations against LaRouche and his associates.

## The FBI, Don Regan, and the dope trade

During President Ronald Reagan's first term in office, the controversial decision was made to give the Federal Bureau of Investigation concurrent jurisdiction with the Drug Enforcement Administration in the war against drugs. The DEA, reeling from the major political and resource setbacks suffered under the pro-drug policies and cutthroat budget cuts of the Carter administration, went down with a whimper. Nominated to head the DEA—and answerable to FBI Director Judge William H. Webster—was Francis "Bud" Mullen. It was a tragic move on all counts.

Mullen was perhaps the longest "acting" director in the history of the federal government, his nomination delayed while the Senate Labor Committee investigated his role in the Bureau's background check of Reagan's labor secretary, Raymond J. Donovan. Despite the findings of the Senate committee that Mullen and his FBI cohorts had deliberately lied to, misinformed, misdirected, and obstructed the Senate, Mullen was confirmed as the head of the drug agency. That Senate investigation also revealed to what depths the FBI—under Webster—was willing to cross the line into illegal activity. Had the senators dug a little deeper into the public record, they would have also found that Mullen was tainted with drug connections.

A series of 1981 news articles in the *New Orleans Times-Picayune*, the *Chicago Tribune*, and the *Los Angeles Times* reported that Mullen, while special agent in charge of the New Orleans FBI office in 1978, had received several loans from the Hibernia National Bank of New Orleans. The loans were approved by Victor Lota, then a vice-president of the bank; two years later, Lota was convicted of approving over \$5 million in fraudulent loans, of which \$1.7 million went to convicted marijuana smuggler *Ciro Callico, Sr.* to finance a drug deal.

During his second series of trials in January 1981, Lota confessed that he was personally promised a \$1 million commission for his role in a 1979 marijuana drug purchase involving Callico and 16 members of his trafficking ring. Later, law-enforcement officials suspected that the Callico ring was involved in the May 1979 assassination of Judge John Wood of San Antonio, Texas. Jamiel and Lee Chagra would ultimately be charged with the murder and with a number of narcotics-trafficking charges. Lee was murdered in Texas before he could stand trial, and his brother Jamiel is serving a sentence for the murder of Judge Wood. The FBI agent

responsible for the investigation of the Wood assassination was John C. Lawn. Known as a Mullen protégé at the FBI, Lawn succeeded his mentor at the DEA when Mullen resigned in March.

With this in mind, Mullen's sabotage of U.S./Mexican collaboration during the early phases of the investigation into the February 1985 kidnap-torture-murder of DEA agent Enrique Camarena Salazar and his pilot-informant, Alfredo Zavala Avelar, is not surprising. Mullen went to Mexico in a supposed attempt to spur officials there into action to save the life of the missing DEA agent. Instead, Mullen's bombastic escapades—including a call for the deployment of U.S. troops to seal the common border, personal attacks against the office of the Mexican attorney general, and allegations of corruption—resulted in a near-rupture of U.S.-Mexican relations. Mullen's circus performance and attacks on the ruling PRI party in Mexico gave credence to the neo-Nazi National Action Party (PAN), whose role in narco-terrorist activities have been well documented by *EIR*. President Reagan had to personally step in and undo the damage caused by Mullen. The attorneys general for both nations met in August to map out a coordinated battle plan for pursuing both the Camarena investigation and the continuing war on drugs.

Camarena, who, with Zavala, was kidnapped on Feb. 9, 1985, had been one of the DEA's top agents based in Guadalajara, reportedly closing in on those "citizens above suspicion" involved in the narcotics trade. Their bodies were found on March 5 at the ranch of the Bravo family in Michoacan. The day before the discovery of the corpses, Mexican police were given an anonymous tip that the missing men could be found at the Bravo ranch; meanwhile, a similar call was placed through the Bravo family, telling them that corrupt Mexican police were on their way to kill everyone. The result of this setup was a bloody shootout, in which the Bravo family was killed along with several policemen. The Bravo family were in fact informants for Camarena, and may have provided valuable information as to why the agent was kidnapped and killed.

Mexican authorities would fire over 400 corrupt detectives in the ensuing investigations, but the Reagan administration has ignored the continuing demands for action to weed out corruption in the United States. However, as investigations proceed in Ibero-America and in Europe, the trees are beginning to shake, and the coconuts are beginning to fall on this side of the border.

High-level officials are going to have to look for high ground—not least among them Donald Regan of the White House "palace guard."

### **Don Regan and the 'Pizza Connection'**

Prior to joining the Reagan administration—first as secretary of the treasury and now as White House chief of staff—

Donald Regan was the chairman of the board and chief executive officer of Merrill Lynch. Along with several other pillars of the Wall Street financial community, Merrill Lynch has been discovered laundering dope money.

On Sept. 26 in Lugano, Switzerland, several bagmen for a major Sicilian mafia heroin-trafficking ring were convicted of money laundering. In order to prove their guilt under Swiss banking laws, the prosecuting attorney, Bernasconi, had to detail how the large amounts of money from U.S. financial institutions that found their way into Swiss bank accounts were in fact the proceeds from the illicit drug trade.

One of the defendants at the Lugano trial was Vito Palazzola, a Sicilian who had been employed at the Banca della Svizzera Italiana in Chiasso and later at Crédit Suisse. Palazzola's family tree had taken root in Detroit and was also strongly tied to the Bonanno family. Another defendant in the trial was Franco Della Torre, the mafia bagman who laundered \$20 million in small denominations—carried in shopping bags, liquor and shoe boxes—through the services of E. F. Hutton and Merrill Lynch. According to an account of these transactions documented in an October 1984 report by the President's Commission on Organized Crime, entitled "The Cash Connection: Organized Crime Financial Institutions and Money Laundering": "In making large cash deposits at Merrill Lynch, Della Torre's practice was to request that security personnel accompany him from his hotel to Merrill Lynch offices. After several such deposits . . . arrangements were made to escort the money from Della Torre's hotel directly to Banker's Trust, where Merrill Lynch maintained accounts." Crédit Suisse was one of the major depositories of these funds. The laundered narco-dollars were then reinvested in illegal drugs, weapons deals, and in legitimate businesses.

Despite the fact that FBI and DEA agents were witness to these illegal transactions on several occasions, none of the bankers or brokers was indicted. The Della Torre case is just the tip of the iceberg. Don Regan's role in the affair has never been questioned, but as the man responsible for shaping policy at the firm for so many years, one can only conclude that Regan set the policies that defined drug traffickers as "preferred customers."

A similar question of corporate executive accountability was raised by a congressional committee in the case of E. F. Hutton following its 1985 guilty plea to 2,000 counts of fraud stemming from a check-kiting scheme that bilked hundreds of banks of millions.

The trial of 23 men indicted as members of the "Pizza Connection," a heroin ring that used pizza parlors as fronts to smuggle at least \$1.65 billion worth of heroin into the United States, has just gotten underway. The jury has been provided strict security to protect them from mafia intimidation. At the time of the indictments in April 1984, U.S. Attorney for the Southern District of New York Rudolph

Guiliani and then Attorney General William French Smith hailed the case as a major strike against organized crime. In fact, as the lack of indictments against Merrill Lynch, et. al. demonstrate, the infrastructure that allowed the Pizza Connection to work was not touched by the investigation and indictments.

In March 1984, Congress grilled then Treasury Secretary Regan about his dismantling of an "air interdiction" anti-drug operation by looting more than \$18 million in Treasury funds for that program in order to remodel his office. Don Regan, who was a political and financial backer of Jimmy Carter's presidential bids, may yet be a "citizen above suspicion" threatened with narcotics investigations. On Sept. 11, Peruvian Interior Minister Abel Salinas told British radio: "If we speak honestly and seriously, I must say that we still consider the anti-drug aid offered us by the U.S. to be very meager. . . . There must exist a co-responsibility among the rulers of the nations in the fight against the drug traffic." Salinas pointed out that his nation's battle against corruption and continuing battle against the narco-traffickers is beginning to focus on the drug profits, adding that, while some of the black-market money remains in Peru, the bulk leaves the continent ending up "surely in the secret vaults of many Western banks."

### **Corruption in the Justice Department**

In March, Dan A. Mitrione, Jr., an 11-year veteran of the FBI, pleaded guilty in Miami of having accepted \$850,000 in bribes and payoffs in exchange for stealing more than 90 pounds of cocaine from a shipment that he was supposed to have seized for the government. Mitrione was the "control agent" of Hilmer Sandini, a cocaine trafficker whose network was credited with bringing 660 pounds of cocaine into the United States between 1981 and 1984. Sandini apparently was a key informant of the Bureau's investigation, dubbed Operation Airlift, and ironically appears to have followed in the footsteps of another infamous FBI informant, Mel Weinberg of ABSCAM fame. Sandini, like Weinberg, also gave gifts to his FBI "control agent"; in this case, Sandini's gifts included a \$9,000 Rolex watch to Mitrione. The ex-FBI agent will be a key witness for the prosecution.

Mitrione filed a report in December 1982 that has become another thorn in the Bureau's side. The report details allegations by a major drug trafficker that five former and current members of Dallas Cowboys football team shaved points in return for cocaine from bookmakers and drug dealers. That report was apparently ignored by the FBI, including Thomas Kelly, then the agent in charge of the Dallas FBI office. Kelly was recently nominated by Attorney General Edwin Meese to a top post at DEA, and Kelly has asked the Bureau to investigate—even offering to take a polygraph test—in order to clear his name of any irregularities! Adding insult to injury, the "administrative inquiry" is being handled by Oliver "Buck" Revell, the Bureau's executive assistant director in charge of

all investigations.

The Bureau's past performances in such administrative inquiries demonstrates that the FBI cannot be trusted; these are simply exercises in damage control. Yet the FBI is also playing a role—as the investigative agency of the Department of Justice—in a number of other corruption investigations involving Customs and the DEA.

On Oct. 11, indictments were handed down against 27 persons, including three U.S. Customs agents who are accused of helping to direct the smugglers of 52,000 pounds of marijuana to a "safe" offloading site in Dulac, Louisiana. The agents—Charles F. Jordan, a supervisor of the Key Largo, Florida, office, and Francis G. Kinney and Keith Deerman, both supervisory patrol officers in New Orleans—were to receive a cut from the profits. The agents are also accused of providing the traffickers with data from Custom's computers and with information that would have enabled the smugglers to identify undercover agents. The indictments were returned following an internal affairs investigation by the FBI, DEA, and Customs.

On Oct. 14, UPI reported that a DEA agent and two Customs agents resigned this summer when an internal investigation turned up evidence that they accepted payoffs from smugglers in 1973; the statute of limitations criminal prosecution of the agents involved. Unidentified Justice Department sources told the wire service that it is feared that such corrupt practices are continuing, and that "as many as 10 federal agents confiscated an estimated \$1 million in marijuana that illegally crossed the Rio Grande and then hired a Mexican 'snitch' named 'Marcello' to sell and split the profits." The agents reportedly netted \$200,000 apiece from the deal.

On Oct. 28, David P. Twomey, a former prosecutor with the New England Organized Crime Strike Force, was indicted in the U.S. District Court on charges of accepting a \$200,000 payoff from a narcotics trafficker in exchange for information concerning the locations of wiretaps, the identity of informants, and the status of ongoing investigations. Evidence against Twomey was provided by Frank Lepere, who recently plead guilty of smuggling 145 tons of marijuana into the United States and who paid the prosecutor for information. U.S. Attorney William Weld has not made any statements about the case.

Another hot potato that may fall in the Bureau's lap involves the question of why the Bureau did not press earlier for the arrest and extradition from Brazil of Tung Kuei-sen, a leader of the Taiwanese criminal syndicate known as the Bamboo Union. Tung has been a fugitive from justice since he was named as a participant in the murder of writer and critic of the Taiwan government, Henry Liu in October 1984 in Daly City, California. The Bureau purportedly knew Tung's whereabouts as a result of their joint undercover investigation with New York Police Department into the gang's activities here in the United States.