

# LaRouche asks Meese: Is the war on drug traffic a fraud?

On Nov. 23, Democratic party figure Lyndon H. LaRouche, Jr., *EIR* founder and already a declared candidate for his party's 1988 presidential nomination, dispatched an "open letter" to Attorney-General Edwin Meese. The point of the letter was to both disclose to the Attorney-General facts relating to the international drug trade which he had not exhibited any knowledge of, either in statement or practice, and to warn him that the administration's war on drugs, in light of those facts, was a fraud pending a concerted crack-down on U.S. financial institutions' laundering of drug monies.

The letter was immediately prompted by attacks on LaRouche's own anti-drug efforts by elements of the Justice Department itself, including U.S. Attorney for Massachusetts William Weld. Weld launched an "investigation" of LaRouche's fund-raising during his 1984 presidential campaign, and has continued grand jury proceedings for more than a year—without a shred of evidence on which to base a charge; and second, intelligence reports received by *EIR* correspondents, and confirmed by the behavior of the Justice Department itself, that drug-money laundering by U.S. financial institutions was not being seriously investigated or prosecuted.

"Since several days prior to the November 1984 general elections," wrote LaRouche, "I and my associates have been the continuing victims of an outrageous operation, in which your Department has been the witting accomplice of the international narcotics-trafficking interests. Among 'international narcotics-trafficking interests,' I include financial institutions through which hundreds of billions of revenue of the narcotics traffic are 'laundered' annually; I also include U.S. Attorneys who have family ties to the financial institutions active in such 'laundering,' including Attorney William Weld of Boston, Massachusetts, and the Marvin Warner connections into the Cincinnati U.S. Attorney's office. I also note the related civil case, of the First Fidelity Bank of New Jersey, linked to dubious interests, which has been found to have seized unlawfully funds of my presidential campaign, in flagrant breach of contract.

"This problem is part of a much larger pattern of ostensibly willful cover-up of the massive problem of drug-money

'laundering' by your Department. Researchers associated with me note over 100 cases, including the notorious Boston money-laundering case, in which investigation has been either totally aborted or is ostensibly inactive. Even if we assume proper reasons for slowing proceedings, it remains clear that your Department is in effect "covering up" for the most critical facet of international drug-trafficking, while misusing Department resources to assist malicious legal harassment against enemies of the drug-money-laundering activities. . . .

". . . I must assume that part of the problem of the Justice Department under your administration, is that you are not fully informed of the true facts about the organization of international narco-terrorism today. I also suspect, that you do not have an adequate overview of the success of elements of the Swiss banking system, in intervening to block exposure of a drug-money laundering traffic in which prominent Swiss banks contribute a pivotal role (as in the case of the connections among *Crédit Suisse*, White-Weld, and the Boston banking complex). Otherwise, I doubt that you really know as much as you should of what is occurring within your own Department, particularly with respect to the drug-laundering interests' use of the Department for malicious harassment of me and those citizens who have at one time or another supported my political campaign.

"It is my duty to be assured you are properly briefed on these points."

LaRouche then discussed the history of the opium trade in the Middle East, beginning with 12th century Arab slave traders, whose trafficking Dutch East India companies, with partners including prominent families of Boston and Essex County, Massachusetts, which LaRouche termed: "a historical connection of specific relevance to the activities of U.S. Attorney Weld today."

Weld's family firm, White Weld, is integrated into the *Crédit Suisse*/First National Bank of Boston nexus found guilty of laundering \$1.2 billion in drug money last year, a case which Weld was then called upon to "prosecute" (see *Documentation*).

LaRouche continued: "During the interval 1967-69, as

Yuri Andropov consolidated his leadership over the Soviet KGB, the Warsaw Pact launched its present leading role in deploying the weapon of narco-terrorism against the United States, its allies, and friends. This arrangement exploded under the auspices of the Carter-Mondale administration, to the effect that the Soviet KGB, operating through, chiefly, its Bulgarian Kintex and related channels, and through Fidel Castro's Cuba, consolidated its grip on Caribbean-centered drug-trafficking, through partnership with Carlos Lehder, Robert Vesco, et al. During the same period, actions by the Federal Reserve System, including the Hongshang case, opened up the United States banking system for massive laundering of deposits of the international narcotics traffic.

“ . . . Immediately, today, the obvious connection is the organization of an international arms-for-drugs traffic, in which the Bulgarians and elements of Israeli organized crime are the center of the trafficking. . . .

“Narco-terrorism in the Americas is a leading surrogate force of the Soviet empire. It is a wealthy, supranational surrogate which is better armed in several of these nations than the official institutions of government. It will drown most of this Hemisphere in bloody chaos, unless we destroy it very soon. Unfortunately, the profits of the cocaine, marijuana and heroin traffic, chiefly into the U.S. market, are shared with certain U.S. financial institutions. . . .

“We must fight drugs by weapons of war, including a return to pre-Carter-Mondale policies of law enforcement against sales and use of small amounts. Essentially, the drugs must be destroyed both at the point of production, of preliminary processing, and main routes of transport from production and processing centers. This will succeed, on condition that the flow of revenues through financial institutions are expropriated as criminal funds: Without a crack-down on Swiss-pivoted drug-money-laundering through U.S. financial institutions, the U.S. War on Drugs is a hoax. . . .

“This means, we must uproot and nullify the U.S. support-apparatus behind the 1970s setting-up of the Vesco operations. This must include an assessment of the contamination of the Department of Justice and judicial system by factions which are either politically linked to the Vesco operations of the 1970s, or linked politically to the financial institutions associated with the drug-money-laundering.

“If we do not, kiss the United States goodbye. We are not for long, unless U.S. policy shifts abruptly in the direction I have indicated.”

### **The U.S. financial system**

“The complicating political factor is, that without the flow of funds originating from the multi-hundred-billion-dollar annual international drug-trafficking, the U.S. banking system in its present form will soon collapse. This is key to the success of the Bank of International Settlements and the Ditchley interests' 1985 success in blocking investigation of

drug-money-laundering, the key to the present cover-up of the role and tainted connections of U.S. Attorney Weld.

“The continuation of Fed Chairman Volcker's policy, which he once aptly named 'controlled disintegration of the economy,' combined with the 'conditionalities' policies of that supranational government called the International Monetary Fund, has brought the indebtedness of ruined nations of Ibero-America and elsewhere to the point that these nations will not continue to pay on schedule, because they lack the means to pay. Meanwhile, the internal banking system of the United States is collapsing at an accelerating rate, as a result of the ongoing collapse of agriculture and industry.

“If Jesse Jackson and a propaganda-panicked U.S. Congress has its way, it will soon become much, much worse. Unless Jonas Savimbi obtains military victory in Angola during the coming 'rainy season' campaign, unless the Soviet-run terrorist operation, SWAPO, is defeated, and unless the reform faction of the Republic of South Africa's National Party is able to soon initiate the reforms mooted with the Kwazulu nation, the strategic minerals supply of the entire West will be lost to bloody chaos from Zaire to the Cape of Good Hope. Then, watch the industries and national economies of North America, Western Europe, and Japan collapse, in face of a Soviet monopoly on the present production of strategic minerals. Then, watch the U.S. banking system collapse in a degree beyond the imagination of most today.

“We have alternatives. The needed type of reforms of the U.S. banking system are within reach. . . . I admit, that it is unwillingness to face reality on Federal Reserve and IMF policies, which prompts the administration to believe itself 'blackmailed' into holding off on inquiry into drug-money-laundering through U.S. financial institutions. Such motives are no excuse for the criminal practice of tolerating such a cover-up, or for allying with the drug-laundering interests in malicious harassment of patriots who oppose this evil.”

### **Legal matters**

LaRouche concluded: “Meanwhile, agents of the Department of Justice have been complicit in efforts to have me stripped of adequate security, while the Department fails to act to neutralize criminals who have repeatedly vowed to assassinate me.

“Clearly, the Soviets, certain drug-lobbyists, and others wish me dead as soon as possible. They would like nothing better, than to have me pinned down to a location at which I were vulnerable to prepared assassination, such as a legal proceeding.

“However, you have adequate remedies for this sort of problem. If my testimony is needed for some proper reason . . . it is your personal moral responsibility to see to it that legal pretexts are not used to place me at advantage to those elements of the financial community and drug-interests which seek my early assassination.”

# The charges against the Bank of Boston

*The following is the official court document filed with the U.S. District Court of Massachusetts on Feb. 9, 1985, charging the First National Bank of Boston with unreported cash transactions in violation of the Bank Secrecy Act—i.e., more than \$1.2 billion in dirty-money laundering. The bank was subsequently fined \$500,000—equivalent of a few days interest on the money it laundered.*

## Information

### **COUNT I: (Currency Violations—31 U.S.C. §§5313 and 5322(b)).**

The United States of America, by William F. Weld, United States Attorney and Jeremiah T. O'Sullivan, Chief Attorney, New England Organized Crime Strike Force, its attorneys, charges:

1) At all times material herein, The First National Bank of Boston (hereinafter "Bank of Boston"), defendant herein, was a financial institution organized under the laws of the United States of America, with its principal office located in Boston, Massachusetts. Bank of Boston was at all times a National Banking Association, and was a "financial institution" as defined in Title 31 U.S.C. Section 5312 (formerly section 1052).

2) At all times material herein, Bank of Boston was required to file with the Internal Revenue Service (hereinafter "IRS"), Currency Transaction Reports (IRS Forms 4789) for transactions of United States currency in excess of \$10,000, in order that the IRS may gather information concerning large cash transactions, for use in criminal, tax and regulatory proceedings.

3) From on or about July 1, 1980, and continuing through on or about September 30, 1984, in the district of Massachusetts, the defendant, Bank of Boston, a banking institution engaged in the business of dealing in currency, knowingly and willfully failed to file, and caused the failure to file, Currency Transaction Reports (IRS Forms 4789) with the

Commissioner of the Internal Revenue Service, for currency transactions it engaged in, as required by law, as summarized in Appendix A, attached hereto and incorporated herein.

4) That the defendant Bank of Boston was required to file a Currency Transaction Report for each of the currency transactions set forth in Appendix A below, and willfully failed to file said Reports, in violation of Title 31, U.S.C., Section 1081 on transactions occurring before September 14, 1982, and in violation of Title 31, U.S.C. Section 5313 for transactions on or after September 14, 1982, and in violation of 31 Code of Federal Regulations, Sections 103.22(a) (1980) and 103.25 (1980), which offenses were committed as a part of a pattern of activity involving currency transactions exceeding \$100,000.00 within a twelve-month period, to wit:

1980 - \$194,410,422.00  
1981 - \$544,721,484.00  
1982 - \$269,307,393.00  
1983 - \$161,378,672.00  
1984 - \$48,864,310.00  
TOTAL \$1,218,682,281.00

All in violation of Title 31, U.S.C. Sections 1081 and 1059, and Title 31 U.S.C. Sections 5313 and 5322(b).

*The following is an excerpt from the U.S. Department of Justice News Release of the same day.*

The U.S. Justice Department today filed criminal felony charges against the First National Bank of Boston, the largest bank in New England, alleging that the Bank knowingly and willfully failed to report to the Federal government of movement of over one billion dollars in cash between the Bank's home office in Boston and various Swiss banks.

United States Attorney William F. Weld of the District of Massachusetts, and New England Organized Crime Strike Force Attorney Jeremiah T. O'Sullivan, said that the Bank waived indictment and pleaded guilty to the felony charge before U.S. District Judge A. David Mazzone.

Judge Mazzone imposed on the Bank a fine of one-half million dollars, which was the maximum statutory fine for the single felony count. The fine had been agreed upon by both the United States and the Bank. Weld and O'Sullivan said that the fine is the largest ever imposed and paid by a financial institution for violation of the federal currency reporting law.

The felony Information filed by the government charged that the First National Bank of Boston had violated Title 31 of the United States Code by conducting large currency transactions with foreign banks and failing to file Currency Transaction Reports for those transactions, as required by federal law. . . .

The Information and an attached Appendix detail transactions with nine banks. The largest amount (\$1.16 billion) were transacted with three Swiss banks, Crédit Suisse of Zurich, Swiss Bank Corp. of Basel, and Union Bank of Switzerland, Zurich.