

Will perjury charges ruin William Weld's career?

by Michele Steinberg

In an unexpected upset, the confirmation vote for U.S. Attorney of Massachusetts, William Weld, to become the new chief of the Criminal Division of the Justice Department was stalled on Aug. 14 amid accusations of perjury, conflict of interest, and political corruption.

Weld, a representative of Wall Street in the Justice Department, was pushed for the Justice Department job by White House Chief of Staff Donald Regan. It was Regan's Merrill, Lynch, Pierce, Fenner, and Smith which bought out White Weld & Company, William Weld's family's company, in 1978. By 1982, Merrill Lynch was laundering money for the opium/heroin trade.

In early 1985, U.S. Attorney Weld carried out the biggest coverup of drug money laundering in the history of U.S. law enforcement, when he reduced a potential 1,163-count felony indictment to *one* count, and fined the Bank of Boston a mere \$500,000 for illegally handling cash transactions with Switzerland in the amount of \$1.22 billion. In 1985, *EIR* exposed the fact that Weld had a personal link to one of the Swiss banks involved in those illegal transactions, *Crédit Suisse*, which had a long-standing Europe-based partnership with Weld's father's company White Weld, an investment firm.

In short, Weld's appointment to the Justice post, number four in the chain of command, would deliver a deadly blow to President Reagan's war on drugs and his promise to escalate the war to go after the financiers.

The Senate Judiciary Committee wisely decided to delay the confirmation of Weld, and not even consider the confirmation until after Sept. 8 when the Congress returns from recess. The vote is delayed until sufficient review and debate of some sensitive issues, including those raised by the National Democratic Policy Committee, the political action committee of which Lyndon H. LaRouche, Jr. is the chairman emeritus, could take place.

The committee had clearly acted on the advisement of

NDPC Chairman Warren J. Hamerman, who testified at Weld's confirmation hearings, Aug. 13, and demanded that the senators "decouple the car in which William Weld sits, from the rest of the railroad train of appointments which appear headed for an expedited approval."

Shock for Weld

From appearances, blueblood, Harvard "summa cum laude" William Weld, is not used to criticism, and was certainly not prepared for the hostile atmosphere which began after the polite introductions were over.

Sen. Strom Thurmond (R-S.C.), chairman of the Senate Judiciary Committee, led the questioning of Weld with a shocker that set the press and the other Judiciary nominees in the room buzzing. "Mr. Weld, the committee will hear testimony today," stated Sen. Charles Grassley (D-Iowa), who delivered the questions for Senator Thurmond, "that you have a conflict-of-interest in the criminal prosecution and plea agreement reached in the case brought against the Bank of Boston. . . ."

Weld, noticeably aware of the 20 or so political activists from the NDPC at the hearings, defended himself that the claim was political "sour grapes" by the NDPC, an organization he is investigating. But Weld planted the land mines of untruth which were to blow up a few minutes later, when the NDPC presented testimony.

Speaking next, NDPC chairman Hamerman exposed William Weld as covering up his personal ties to money laundering. Showing the committee a sheaf of documentation, Hamerman said "I have, and would like to submit for the record to add to my testimony, the financial disclosure report that Mr. Weld submitted in 1985, which lists six trust funds coming from the will of his father David Weld, which was set up in the year 1976-77. These six trust funds from his father's estate are all set up in a fashion that Mr. William Weld is the trustee. And I would ask the committee to fully

investigate what are the funds—are they Crédit Suisse funds, and look at the relationship of the Weld family trusts.”

Only moments earlier, Weld had asserted that he and his family had no current links to the financial networks identified by the NDPC as linking him to the Bank of Boston through the Crédit Suisse/White Weld nexus. Weld insisted all family links ended in 1972 with the death of his father, David Weld. The records produced by the NDPC show that the trusts were not set up under his father's will until at least 1976. Forced to watch Hamerman expose one coverup after another in his sworn testimony, Weld dejectedly refused to answer the rebuttal when given a chance to do so.

Hamerman also said, “[Weld] did not answer to the two Bank of Boston officials who contributed to his Attorney General campaign in Massachusetts, in 1978. Nor did he make mention of the fact that his cousin is in the law firm which is attorney of the Bank of Boston.

“Mr. Weld's disqualifications are demonstrated by his poor performance in Boston on drug-related matters and by the possibly questionable private business links, and I must add, by his incredible obfuscation of the direct questions put before him today.”

Fishing expedition

Frantically trying to cover up the clear facts of his conflict of interest, and his record of using bully tactics against political opponents, Weld denied in answer to the second question by Sen. Strom Thurmond, that his two-year, ongoing investigation of the NDPC was a “fishing expedition.” But again, in doing so, Weld compulsively distorted the truth.

To prove his assertion that his investigation was not a fishing expedition, Weld *lied* that failure to produce election campaign records of the 1984 LaRouche presidential campaign had resulted in a contempt of court decision. In point of fact, the 1984 election campaign committees of Lyndon LaRouche had fully complied, since 1985, with every request for documents from Weld's office, and have *never* been found to be in contempt by a federal judge. Every bank record of those campaigns has been in Weld's hands since November 1984.

Other factors that came out in Weld's testimony indicate that he is a potential threat to national security. Weld, a liberal Republican, nevertheless had support from the two ultra-liberal Democratic Senators from his home state of Massachusetts—Edward Kennedy and John Kerry—who came to commend him to the committee. (Humorously, Kennedy was late for the hearings, and after he staggered in to deliver his short speech, Senator Thurmond ordered the statement into the record earlier to make it appear that Kennedy had introduced Weld).

In keeping with that liberal support, Weld repeatedly promised Senator Grassley that he will make the prosecution of defense companies for fraud a major priority of his work at the Criminal Division. On questions of terrorism and espionage, Weld drew a blank.

Documentation

William Weld goes on the record

The following are extracts of Weld's testimony on Aug. 13 to the Senate Judiciary Committee.

Sen. Grassley: . . . The Committee will hear testimony today . . . that you have a conflict-of-interest in the criminal prosecution and plea agreement reached in the case brought against the Bank of Boston for failure to file currency transaction reports. The allegations relate to your family's business interests. I'd like to have you comment on that allegation.

Weld: By way of procedural background, I believe the complaint is raised by supporters of Presidential candidate Lyndon LaRouche. In October of 1984 and November of 1984, numerous complaints were made to the FBI in Boston. . . . The allegation was that these complaining individuals had had unauthorized credit card charges of \$500 or a \$1,000 placed on their credit card in favor of the presidential campaign of Lyndon LaRouche. These seemed to be non-frivolous allegations, and it is now public knowledge that a grand jury was empaneled, under my direction to investigate these charges. In April of 1985, the LaRouche organizations sent a letter to Attorney-General Meese seeking to have me removed from supervision of the grand jury investigation. That matter was referred to OPR in the Justice Department and they conducted an investigation and found no support for the allegations, and closed the matter in October of 1985. . . .

The Boston grand jury investigation has become a matter of public record because the LaRouche organizations failed to produce documents in response to subpoenas issued by the grand jury there. We filed a motion to have them held in contempt. . . . They were found in contempt, and the judge assessed monetary penalties. They appealed that judgment to the first circuit court of appeals and the . . . judgment of contempt and fines was recently affirmed.

On the merits of the allegation raised by the LaRouche's candidates as to conflict of interest in the Bank of Boston case . . . there was a fine of \$500,000 which at that time was the largest criminal fine ever imposed for a violation of Title 31, Currency Reporting Law. I think that case has been very salutary in promoting compliance with the financial reporting requirements of Title 31. . . .

As to the . . . conflict of interest . . . the allegation is that my action in that case was tainted, or . . . perceive to

have been tainted because of financial or family tie to one of several organizations, White Weld & Co., Crédit Suisse . . . , Clarendon Bank, Merrill Lynch, Crédit Suisse First Boston, and/or Bank of Boston. I investigated this matter when it first came out . . . Neither I nor any member of my immediate family nor of my siblings or my mother, who is since deceased, has any financial interest in White Weld & Co., Credit Suisse, Clarendon bank, Merrill Lynch, Crédit Suisse First Boston or Bank of Boston. And I did with both financial advisors and legal counsel. . . .

My father, the late David Weld of Smithtown, New York was a general partner of the firm White Weld & Co. till his death in 1972. Since my father's death, my family has had no financial interest in . . . White Weld. That investment house in fact was acquired by Merrill Lynch in 1978, and has since ceased to exist. . . . So, I guess the short answer to the . . . question is that there is no tie personal, or financial, of myself or my family.

Grassley: Another allegation against you concerns an ongoing grand jury investigation of the NDPC . . . [of which] Mr. LaRouche is the chairman emeritus. This investigation has been described by the NDPC as a fishing expedition . . . comment on that matter, if you can.

Weld: I can understand how supporters of Mr. LaRouche might experience some frustration about the grand jury investigation, which as a matter of public record for almost two years now, has not come to a conclusion . . . that's understandable, and I assure you, and I assure them, that the matter has my full intention, uh, attention, and there is no intent on our part to have there be any delay in that grand jury investigation.

As I mentioned, *however*, there was ample predication for that grand jury investigation at the time the grand jury began to hear evidence in late 1984. . . .

And the way, as the senator knows, that a grand jury investigation works is that a grand jury can subpoena either witnesses or documents, and in this particular case, because the allegation involved alleged fraud, *much of which would be reflected in financial, credit card, election campaign type records, that the subject of the investigation, the LaRouche organizations would keep*. . . . *No documents*—no ability for the grand jury to return a true bill, or a no bill based on all the evidence. And it's been those documents, and refusal to comply with . . . subpoenas for those documents, that all the shooting's been about for the last year and a half. That's the case which was fully briefed and argued before the district Judge David Mazzone, appealed to the first circuit, with a full argument in the first circuit, which Judge Mazzone affirmed. Petition for re-hearing, petition denied. That has finally wound its course, and a week or two ago with the denial of a petition for re-hearing. So as I said I am hopeful that at this point, we can get on with it. But a fishing expedition, *no!*

The case against

The following is the "Testimony in Opposition to the Nomination of William Weld for Assistant Attorney General for the Criminal Division of the United States Department of Justice," submitted by Warren J. Hamerman, chairman of the National Democratic Policy Committee, to the U.S. Senate Committee on the Judiciary, Aug. 13, 1986.

My name is Warren J. Hamerman, and I have been the chairman of the National Democratic Policy Committee since its founding in August 1980. The National Democratic Policy Committee is a multi-candidate political action committee which has advocated and campaigned for a policy of an all-out War on Drugs since its inception; I therefore feel historically compelled to testify against the nomination of Mr. William Weld, currently the U.S. Attorney of Boston, to the fourth-highest position in the U.S. Department of Justice.

The President of the United States, in cooperation with other forces nationally, and allied governments internationally, has launched a major military war on drug trafficking. The War on Drugs is rightly seen by the President as a combined major strategic, national security, and domestic initiative. The same drug problem which is the target of our nation's war mobilization, is also a chief source of street crime inside the United States, a criminal problem which reaches to the highest levels of our society. In this context, high government officials with responsibility for the investigation and enforcement of all federal criminal statutes, relevant to the War on Drugs and to eradicating street crime, must be dedicated individuals who are completely beyond any personal suspicion.

Therefore, our citizens must be assured of the *impeccable* commitment of Department of Justice officials, particularly the Assistant Attorney General in charge of the Criminal Division, to carry out the War on Drugs with vigor, and with highest regard for principles of law and justice. The *impeccable* commitment of the head of the Criminal Division is the issue before us today.

By this standard, Mr. William Weld of Boston is *eminently unqualified* to serve as head of the Justice Department's Criminal Division.

The position to which Mr. Weld aspires is of such importance that its occupant could personally determine the course of the President's War on Drugs.

Mr. Weld's disqualifications are demonstrated by his poor