

# Colombia-Bulgaria-Swiss dope money connection exposed

by Jeffrey Steinberg

U.S. federal agents, working with Swiss, Turkish and Italian counterparts, have cracked one of the world's largest drug-money laundering organizations. It has serviced not only Colombia's Medellín Cartel, but a Bulgarian heroin connection linked to the very East bloc intelligence circles implicated in the May 13, 1981 attempted assassination of Pope John Paul II.

Two U.S. Drug Enforcement Administration (DEA) probes, "Operation Polar Cap" and "Operation Moonbeam," outgrowths of the early 1980s "Pizza Connection" break-up, produced a series of indictments in March and April. These focused on a multibillion-dollar Swiss-based money-laundering operation run by a pair of Lebanese brothers, Jean and Barkev Magharian. "Polar Cap" tracked cocaine revenues of the Medellín Cartel through a series of bank accounts and business fronts, including a string of wholesale jewelry companies in Los Angeles, New York, and Houston, and a gold-processing firm in Florida. Funds ultimately found their way, via Uruguay, into accounts at the Banco de Occidente, headquartered in Cali, Colombia. "Moonbeam" probed a Turkish-Bulgarian heroin and arms smuggling ring run through Bulgaria's state export-import agency, Globus (formerly Kintex). According to a series of DEA and U.S. Customs Service documents provided to the press in March, both probes eventually converged on a single numbered bank account in New York City held in the name of Shakarchi Trading Co., a Zurich-based gold and currency house whose activities closely overlapped those of the Magharian brothers.

The information provided in the recent indictments and in the "Moonbeam" files confirms some of the allegations contained in *EIR's* booklength probe of the international drug cartel, *Dope, Inc.*, first published in 1978:

- That the international drug trade would choke on its own profits if major elements within the "legitimate" world banking community did not cooperate fully in laundering narco-revenues. The authors of *Dope, Inc.* argued that the money-laundering aspect of the world dope trade was the key "choke point" for launching a war on drugs—and that a targeting of dope banking would reveal the hand of many powerful "citizens above suspicion."

- That Soviet bloc intelligence services, by no later than Yuri Andropov's 1967 takeover of the KGB, were up to their eyeballs in the international drug trade, and that Moscow had indeed launched narco-terrorism as a new and deadlier form

of irregular warfare. In the second edition of *Dope, Inc.*, first published in Spanish as (*Narco trafico S.A.*) in January 1985, the *EIR* editors underscored a Bulgarian-Colombian connection, established top down in the late 1970s by then Colombian President Alfonso López Michelsen and Bulgarian Premier Todor Zhivkov.

- That corrupted elements within Western intelligence services were also involved, thus creating a potentially serious road block to effective drug enforcement under the false flag of "protecting national security methods and procedures." In the 1985 edition, the authors cited the attempted assassination of the Pope as an instance of corrupt Western circles collaborating with narco-elements in the Warsaw Pact secret services.

The April 1986 English-language edition of *Dope, Inc.* also underscored the role of Syrian-born banker Edmund Safra:

"Shearson/Lehman/American Express, as the ultimate Wall Street merger calls itself, is the phoenix which has arisen from the ashes of the offshore money markets. The new entity is effectively controlled, in turn, by two of the world's shadiest financiers, Edmund Safra and Carl Lindner, each of whom own about 4% of the stock. . . .

"Safra's controlling share of American Express derives from the January 1983 merger of his Trade Development Bank of Geneva with American Express International Bank, where Safra briefly served as chairman. Amex took control of the Swiss institution and its global network, in return for 4% of its outstanding shares. . . . These are current employers of Henry Kissinger. . . . The members of Kissinger Associates represent a de facto board of directors for the entity we call *Dope, Incorporated.*"

Indeed, "Moonbeam" and "Polar Cap" files obtained by *New York Newsday* and reported April 2, 1989, identify Safra's Republic National Bank in New York as one of the major outlets for Shakarchi. Shakarchi Account No. 606347712 came up in both probes as a laundromat for funds derived from Medellín Cartel cocaine sales in the United States and from Bulgarian-Turkish heroin and morphine base sales in the Middle East.

The laundering operation worked as follows.

According to the "Polar Cap" indictments, a Los Angeles-based wholesale jewelry house, Ropex, part of a laundering network referred to as "La Mina," served as a front for

the Medellín Cartel, collecting cash revenues from street sales of cocaine in Florida, Texas, New York, and California, and shipping that cash to Los Angeles. According to the *Newsday* account:

"Ropex then wired the money to several New York banks, including Chase Manhattan and Citibank, according to allegations in a prosecution affidavit.

"One of those records, a bank wire analysis contained in Polar Cap affidavits, discloses that Ropex also placed hundreds of thousands of dollars in 1987 and 1988 into Shakarchi Trading's Account No. 606347712."

Safra's relationship to the Shakarchi family goes back years, according to DEA files. Mahmoud Shakarchi, the father of Shakarchi Trading's Mohammed Shakarchi, was a lifelong close personal friend and business associate of Safra. The DEA files place the senior Shakarchi, who started the family's gold and currency-trading business, in the middle of a longstanding Turkish-Bulgarian heroin, morphine, gold, and arms-smuggling ring which operated uninterrupted from the 1960s. This ring was at the center of the Pizza Connection heroin operation, and more recently has been associated with a Lebanese connection apparently involved in smuggling drugs produced and refined inside Lebanon's Bekaa Valley.

Son Mohammed established the trading company in 1983 and used the "special relationship" to Republic National Bank in furtherance of his laundering activities. To date, however, neither Shakarchi nor Safra have been indicted by either American or Swiss authorities. The Magharian brothers, whose courier system made significant use of Shakarchi personnel, according to DEA records, are being held in a Swiss jail on local indictments and a March 7, 1989 indictment in Los Angeles.

### **The Bulgarian Connection revisited**

According to a 13-page DEA report written on Jan. 3 of this year, Shakarchi surfaced in the course of the Magharian brothers probe as "one of the largest identified drug-money laundering organizations in Switzerland." The bulk of the Shakarchi business involved the Turkish-Bulgarian heroin ring. Revenues from heroin, morphine, and arms sales in the Middle East would be transported in the form of cash and gold by chartered tourist bus from Istanbul to Sofia, Bulgaria. There, officials of the state export-import firm, Globus, transferred the funds onto airplanes bound for Zurich. Shakarchi employees picked up the money, deposited it in Swiss banks and wire transferred the funds overseas, often to New York bank accounts.

The DEA documents, according to the accounts, contain the names of dozens of Bulgarian officials and Sofia-based criminals who participated in the Shakarchi laundering operation, in particular, two senior Bulgarian secret police officials working for Globus, Ivanoff Tochkov and Stoyan Pounov. Tochkov was formerly the director of Kintex, the predecessor to Globus, which, according to DEA records, pro-

vided the funds to Mehmet Ali Agca for the assassination attempt on the Pope.

The Bulgarian government is also documented in the DEA reports to be housing a series of heroin refineries. One name mentioned prominently is Yasar Avni Musululu, a well-known Turkish heroin supplier who fled to Bulgaria at the time of the breakup of the Pizza Connection. Musululu's Swiss-based associate, Mehmet Cakir, was the principal supplier of morphine base to the Italian Pizza Connection, and his money laundering was handled by Shakarchi, according to the DEA report.

On March 29, Attorney General Richard Thornburgh gave a press conference in Washington, D.C. announcing the unsealing of further indictments in the "La Mina" case and also announcing that the DoJ had filed a civil suit in New York City against nine banks in an effort to recover \$433 million in drug proceeds. The suit tests a new 1988 federal law permitting the government to seize all assets of companies and individuals involved in drug trafficking. The nine banks named in the suit included: Republic National Bank, Citibank, American Express Bank, the Bank of Commerce and Credit International, the Bank of America International, and the Bank of New York. At least the first four banks named have longtime intimate ties to Kissinger Associates. Two are directly linked to Safra.

### **A bigger scandal still brewing?**

Early this year, a mini-scandal erupted which led to the resignation of then-Swiss Justice Minister and Vice President Elisabeth Kopp. In late 1988, Kopp had alerted her husband, a vice chairman of Shakarchi, of pending criminal indictments. He promptly resigned from the trading company. When this "insider" tip surfaced, Mrs. Kopp was forced to resign from the government. However, many Swiss influentials accused the United States of playing dirty pool, to cover up a bigger scandal.

According to *Newsweek*, at least one feature of that bigger scandal centers around the fact that a CIA front, between 1981-88, bought \$25 million in Iranian, Afghani, and Lebanese currencies from Shakarchi. That front was reportedly involved in financing the Mujahideen in Afghanistan, and according to one source, was entirely distinct from the Secord-North Enterprise behind the Iran-Contra affair.

The Safra connection, however, may be more central to the bigger scandal still brewing. According to Irangate congressional records, Safra's Republic New York Corp. in 1985 set up a joint "corporate jet" company with Irangate biggie Willard Zucker, whose Geneva-based CSF handled all the money laundering for the North-Secord "Enterprise." To have a prime suspect in the Bulgaria-Colombia drug connection linked to the "parallel government" in Washington might sufficiently poison the "new relationship" between Washington and Moscow to do fatal damage to the New Yalta process.