

Scandals rock Washington, target Bush's opponents

by Herbert Quinde

"Homosexual Prostitution Probe Ensnarers Officials of Bush, Reagan; Call-Boys Took Midnight Tour of White House," was the blaring headline splashed across the June 29 edition of the *Washington Times*, the ostensible conservative competition to the liberal *Washington Post*. Written in a style that would even make a supermarket tabloid editor blush, the *Times* reports the story of a homosexual blackmail ring that has compromised "key officials of the Reagan and Bush administrations, military officers, congressional aides, and U.S. and foreign businessmen with close social ties to Washington's elite."

But after two weeks of daily front-page coverage, the *Times* has revealed no big names. What has occurred is a general terrorizing of Washington's political establishment, as a "Salem witch trial" by press smear campaign has seized the nation's capital.

It is not just Republican homosexuals cowering in their closets, waiting to be identified in the next day's morning newspaper. But the new "ethics" craze, fueled by a Jacobin-style populist self-righteousness on the part of the accusers, has every political animal—whether White House "insider," congressional influential, or just plain bureaucratic small-fry—waiting to be fingered next.

Since President Bush's inauguration, there has been an increasing number of scandals dominating the front page of the news, including the scandal over the Department of Housing and Urban Development (HUD), allegations of fraud in the savings and loan institutions, the Pentagon procurement scandal, and the most recent "Tailgate" scandal, as some have dubbed the homosexual flap. One gets the impression that the "Bushmen" took over the White House, kicked over a rock, and found maggots squirming underneath.

Some political observers say that the scandalmongering is an outgrowth of partisan political gang warfare initiated with the malicious attack on Republican Sen. John Tower, and the "pay-back" of Democratic Speaker of the House Jim Wright's forced retirement under threat of criminal prosecution. But when the question is asked, "*Cui bono?*"—"Who benefits?"—the answer is simple: President Bush. Even though much of the alleged wrongdoing and corruption happened on Bush's watch while he was vice president, the affable President seems to have inherited his predecessor's reputation as the "Teflon President."

It could have been predicted that a U.S. administration ruled by a former CIA director would tend to resort to scandal and related weapons in the "intelligence community" arsenal, when faced with opposition to its domestic policy of no-growth economic austerity and Neville Chamberlain-style appeasement toward both the Soviet Union and Red China. Consequently, informed sources say they are not surprised to see the Bush administration using press smears, malicious prosecutions, and blackmail to get their way.

One former Reagan administration cabinet-level source has suggested that all the scandals have the included intent of wiping out any Reaganite holdovers in the federal government who, while not perhaps of outstanding moral calibre, are nevertheless unwilling to carry out the extremist cost-cutting measures demanded by the new regime. The same source reports that the consensus among the Reaganite "old boys" is that President Bush is willing to sacrifice not only them, but even Reagan himself, to protect the White House and his CIA buddies, should the Iran-Contra scandal refuse to go away.

A look at both the HUD and "Tailgate" scandals seems

to bear out the hypothesis that the Bush administration is reaping the benefits.

Trouble at HUD

Speaking before the House Operations Subcommittee on Housing on July 11, Housing and Urban Development Secretary Jack Kemp claimed that fraud and mismanagement carried out in his department under the Reagan administration cost the government \$2 billion. Kemp, without any evidence, singled out Reagan administration former HUD chief Samuel Pierce for "poor management" and vowed to clean up HUD programs and fire any employees that were tainted. The day following Kemp's allegations, the *Wall Street Journal* carried a front-page feature depicting Pierce as the "Nero of HUD," who fiddled "while the agency burned." Revelations about Pierce's alleged role in the scandal have already led to speculation that he will be the first Reagan cabinet member to do time in prison (see article, page 9).

The HUD scandal had been kicked off several weeks before, when former Reagan Interior Secretary James Watt and several other officials were the target of Bush administration press leaks, accused of having "ripped off" the government of millions of dollars, through illegally obtained housing consultant posts. One main target of the scandal is Deborah Gore Dean, the highest ranking staffer at HUD and a member of the most influential Republican family in Maryland.

To make sure that these Reagan "holdovers," and businessmen associated with housing construction, get the message, Kemp announced the formation of an "Asset Recovery Strike Force," in a public letter to Attorney General Richard Thornburgh on June 28. The strike force would "identify assets of persons who embezzled, misappropriated, or withheld HUD funds," preparatory for indictment. Using the unconstitutional powers of the Racketeer Influenced Corrupt Organizations Act (RICO), the strike force would freeze those allegedly illegally gained funds. HUD representatives have already scheduled meetings with all 94 U.S. Attorneys and with local FBI officials, to review both criminal and civil cases involving housing programs.

The strike force complements the *blitzkrieg* that Thornburgh is conducting against savings and loan executives who are ludicrously being blamed for the failure of the U.S. economy—the real cause for the bankruptcy of S&Ls. At the end of June, Thornburgh demanded that Congress double the \$50 million provided in pending S&L legislation, so that he could double the number of FBI agents and federal prosecutors going after so-called S&L fraud.

Blackmail ring

The story of the homosexual blackmail ring which penetrated the Reagan White House, exposed in the *Washington Times*, is still rocking the nation's capital. According to some sources, it has put the U.S. national security apparatus on alert to establish whether Communist-controlled espionage

agents have exploited the homosexual ring's access to the corridors of power. But others say that the espionage angle in the story is only there to justify the scandal. The existence of a large number of homosexuals in prominent positions of the "Reagan Revolution" and the Republican Party has been common knowledge in Washington for many years. The Feb. 27, 1987 issue of *EIR*, for example, reported on the dominant role of homosexual, libertarian Republican fundraisers, such as convicted criminal Carl "Spitz" Channell, Ollie North's fundraiser and right-hand man in the Iran-Contra affair.

The *Times* report is based on the preliminary results of an investigation by federal and Washington, D.C. law enforcement officials into a far-flung homosexual prostitution ring, linked to drug trafficking and interstate transport of minors for sexual exploitation, which went under the name "Professional Services." According to the *Times*, the ring has among its clients top Reaganites and reports that at least one highly placed Bush administration official, and a wealthy businessman who procured homosexual prostitutes from the ring, are cooperating with the investigation.

Although the *Times* promised to reveal big names, it has not. Clients of the ring identified by the *Times* include Charles K. Dutcher, former associate director of presidential personnel in the Reagan administration, and Paul R. Balach, Labor Secretary Elizabeth Dole's political personnel liaison to the White House. Balach used to serve as an aide to Dan Quayle, while Quayle was in Congress. Balach was forced to resign two days after the story broke.

Also named are Stanley Mark Tapscott, who was an assistant managing editor of the *Washington Times* and, before that, an official in the Office of Personnel Management in the Reagan administration, and Craig Spence, a "conservative" Washington socialite, political fixer, and international trade consultant, who arranged a nocturnal tour of the White House for a group that included two male prostitutes. One of the chief operators of "Professional Services," Henry Vinson, used to work for the clerk of the House of Representatives.

Spence was reportedly a CIA contract "sting" operative. He regularly threw orgies for major figures in the Reagan and Bush administration, which were covertly filmed and bugged. Spence has "disappeared," along with his blackmail video and audio tapes, and is being sought by the Secret Service.

The *Times*, in its reportage on the scandal, has claimed that it will bring down foreign governments. It is interesting to note in this regard, that one of Spence's targets was Japanese politician Motoo Shiina and the circles around him. These are the people who established Japan's relationship with the Reagan Strategic Defense Initiative, and who put together the U.S.-Japanese deal to develop the FSX fighter jet. They also happen to be opponents of those Japanese interests who support Rev. Sun Myung Moon—whose associate Bo Hi Pak occupies the office next door to that of Editor-in-Chief Arnaud de Borchgrave at the *Washington Times*.