

FBI covers up child abuse, murder in Nebraska

by an EIR Investigative Team

On Nov. 3, 1988 the Federal Bureau of Investigation swooped down upon a small, federally chartered credit union in Omaha, Nebraska and shut its doors. As the weeks and months passed, what had appeared to be a standard story of embezzlement and fraud at the \$2.6 million Franklin Federal Credit Union mushroomed into a gigantic scandal: Forty million dollars was missing, rumors abounded of drug-money and Iran-Contra ties, and a nationwide child abuse ring was uncovered which touched many of the top political and financial figures in Nebraska. It also reached high into Republican Party circles in Washington, D.C.

By early July of this year, and in the face of fierce opposition from the FBI and all other state and federal agencies, a State Senate investigative committee had unearthed evidence capable of blowing the Nebraska political scene sky high and causing major reverberations in Washington. On July 11, the Senate committee's chief investigator, Gary Caradori, was returning from Chicago in his small plane to Lincoln, Nebraska when the plane disintegrated in mid-air and plunged to the ground. An eyewitness quoted on one of the evening news broadcasts in Nebraska said he heard an explosion, saw a flash of light, and Caradori's Piper Saratoga crashed. Caradori, 41, and his 8-year-old son Andrew were killed immediately. All references to an explosion or a flash of light were dropped from subsequent news coverage.

Sen. Loran Schmit, chairman of the State Senate's Franklin investigative committee, told the press later that morning, "There were many people who wanted to see Gary dead," and noted that sabotage was highly likely. Caradori, a skilled and cautious pilot, told friends repeatedly in the weeks before his death that his motor vehicles were being tampered with, that he was selling his boat because it was too easy to rig an "accident" on the water, and that he feared most that his plane would be sabotaged. Later, on the morning of his death, he was to have met with Schmit to brief him on his latest findings, which included new witnesses willing to testify on satanism and major new leads into Washington, D.C.

Franklin Credit Union scandal

The central figure in the Franklin Credit Union scandal is a flamboyant 45-year-old black Republican, Larry King.

The head of Black Democrats for McGovern in 1972, King later switched party affiliations. He also joined Franklin Credit Union, in which he became the driving force. As the credit union apparently prospered, King's political career took off. He sang the national anthem at the Republican Party conventions in 1984 and 1988, and threw huge, well-attended parties at each—in 1984, at South Fork ranch, site of the "Dallas" TV series. He bragged of his ties to top Republican circles in Washington, and the credit union sported a four-foot-high picture of King and President Reagan at its entrance.

King's spending habits were legendary. He would frequently charter planes to fly himself and his entourage around the country, to be met by chartered limousines. In one 13-month period he racked up \$100,000 for limousine rentals, \$120,000 for florist bills, and over \$1 million in credit card bills.

Catering 'more than food'

King ran a string of restaurants and businesses in Omaha, including a catering service, but, as one source put it, "He catered a lot more than food." Indeed, much of King's extensive travel, expensive gifts, and other extravagances have been linked to a nationwide child abuse ring. King would reportedly pick up boys from Boystown in Omaha or girls from Uta Halle girls' home and fly them to Washington, to Kansas City, or to California for sex parties.

But children were not merely abused. One victim described an incident at a farm near Elkhorn, Nebraska, in 1981 or 1982 where a 10-year-old boy was repeatedly sodomized and beaten by older men. He finally lay crying, with blood streaming from his rectum. One of the men took up a pitchfork, playing with him at first, but finally sticking one tine into him, while the boy screamed and the other men stood around and laughed. Finally, the whole pitchfork was stuck through him, killing him. Snuff films were involved as well. Another young boy was taken by someone in the King circle from Nebraska to another city and forced to perform oral sex on a man. As the abuser reached orgasm, he shot the boy in the head with a pistol, all of which was filmed.

Many of the victims knew each other, and came from the

same foster homes. Those merely abused considered themselves lucky; some of their friends never came back, and were reportedly sacrificed in satanic rituals.

The Senate Franklin committee's investigation limped along until Caradori was hired in the summer of 1989. At that point, evidence began to pour in.

Then, in January 1990, former State Senator John DeCamp dropped a bombshell, a public memo which named five prominent Nebraskans as targets of an investigation into allegations of child abuse: Harold Anderson, publisher of the state's leading newspaper, the *World-Herald*; Peter Citron, a columnist and well-known writer for the *World-Herald*; Robert Wadman, Chief of the Omaha Police Department; Alan Baer, an investor and "the bluest of the bluebloods"; and the Franklin Credit Union's Larry King. The key link was between Anderson and King: Anderson was the chairman of Franklin Credit Union's advisory committee and King's chief political backer and fundraiser in the state.

World-Herald protects its own

The *World-Herald* is at the dead center of all that is evil in Nebraska. Longtime publisher Harold Anderson has constantly pushed the themes of radical environmentalism and genocide ("population control"). In furtherance of those goals, he has also vehemently attacked former presidential candidate Lyndon LaRouche and his associates, as part of the liberal Establishment's attempt to destroy the LaRouche political movement.

Evidence developed in the Caradori investigation indicates that Anderson's public promotion of genocidal policies is consistent with a "private life" of sadistic child abuse. One of the abuse victims Caradori videotaped, recounted how Anderson used to take young boys, including himself, to the Red Lion Inn two blocks from the *World-Herald* building, and there rape them and burn them with cigarettes. Anderson's colleague at the *World-Herald*, columnist Peter Citron, was recently arrested for child molestation. Citron had previously had an "open file" at the Omaha Police Department with 90 incidents of alleged molestation.

The *World-Herald* has lionized those alleged to be pedophiles, while attacking and attempting to discredit both the victim-witnesses and honest investigators. A typical case is its support of former Omaha Police Chief Robert Wadman, named in the DeCamp memo. In its lead editorial of Oct. 26, 1989 on the occasion of Wadman leaving Omaha, the *World-Herald* moaned that "Omaha lost an excellent law enforcement officer and a man of integrity," one who "brought professionalism and pride to the Omaha Police Department." According to powerful evidence developed on Caradori's videos, this "man of integrity" used to regularly take a teenage girl out of school so that he could molest her at local motels, and molested many other children as well.

The *World-Herald's* policy of protecting alleged pedophiles is well known to its chief writers. Another of the key

pedophiles named in the DeCamp memo was the blueblood financier Alan Baer. A couple of days after Caradori's death, *World-Herald* reporter Gabriella Stearns was overheard by other reporters in the legislature shouting about how she was not allowed to investigate one person, whom she referred to as a "little fag," since that would lead to Alan Baer, and it was company policy "to protect the big fag," i.e., Baer. Baer maintained an apartment at the Twin Towers apartments which one of his victims described as nothing but a "full-time motel room." Baer would pay the young boys whom he abused there, \$999.99 each per year. He would pay the money, from his "CF Account," since closed, to local churches, who would then pay the boys. Baer would collect the tax deduction while the churches would pocket \$100 for themselves.

Systematic coverup

There is only one investigative group attempting to actually get to the bottom of the child abuse, money laundering, drug pushing, and other crimes involved in the Franklin Credit Union case: The Senate Franklin legislative committee chaired by Sen. Loran Schmit. All others, including the State Attorney General's office, the State Police, the federal grand jury, the Douglas County grand jury, and the FBI, are engaged in a systematic coverup.

A few simple facts demonstrate this. First, in Nebraska, it is possible to send someone to the penitentiary on sex-crimes charges, based on the *uncorroborated* charges of an abuse victim. In fact, this was recently done to one of the victim-witnesses against Anderson et. al., Paul Bonacci, for a 1985 uncorroborated charge by a young boy that Bonacci touched him on the outside of his clothes in his genital area.

Yet, in the Franklin case, Caradori developed 21 hours of videotape, with much other, mutually corroborating material reported individually by different victims. The same names—Anderson, Baer, Citron, Wadman, King, and others yet to be released—come up over and over again. The victims describe specific plane trips, specific airlines, and specific people with specifically identifiable physical characteristics. The airlines they described have been verified to have in fact been the ones King used, which would have been next to impossible for the victims to know had they not been on them. This evidence is sufficient by itself to send Anderson and his fellow alleged pedophiles to jail for long terms.

But although Anderson et al., have been subpoenaed before the federal grand jury—thanks in large part to Senator DeCamp's memo—they were never even cross-examined! They said the equivalent of, "of course we didn't do it," and that was that.

However, their accusers are repeatedly told they are lying, grilled for hours on end to try and find, or produce, discrepancies in their statements, and are generally terrorized as if they were the perpetrators and not the victims. The most flagrant example of this is the case of 21-year-old Alisha Jahn

Owen. She has repeatedly described, for hours at a time and with no contradictions in her story, how she was abused by former Omaha Police Chief Robert Wadman from August 1983 until September 1984. Alisha Owen has described Wadman's body hair, the bunion on his little toe, and other personal characteristics in such detail as would be impossible were she not a victim of this specific individual. She has furthermore made herself and her child, Amanda Jayn, available to take a blood test at the same time and at the same facility as Wadman, to determine that he is the father of her child. Those who have seen Amanda report that "she even looks like Wadman."

Victims terrorized

The response of the special prosecutor for the Douglas County grand jury, Samuel Van Pelt, was to have Wadman's blood tested in Denver, and sent in by Federal Express, while attempting to have Amanda's blood tested separately, an unheard-of procedure for this sort of testing. The purpose of doing the blood test at the same facility at the same time, is to ensure accuracy through precisely the same conditions of testing, as well as to ensure that someone else's blood is not covertly submitted in place of the person to be tested. In addition, Van Pelt obtained an illegal ruling by District Court Judge Murphy that Amanda could be forcibly picked up by the police to have her blood drawn. Such a ruling can only be made on *perpetrators*, not victims. Though the blood test takes only a couple of minutes, Murphy issued the kidnap order on a Friday afternoon with the test the following Monday, in order to give law enforcement authorities maximum time to blackmail and terrorize Alisha Owen through their control over her daughter. When publicity forced Judge Murphy to rescind his order, Douglas County Prosecutor Van Pelt dropped the paternity matter altogether. Van Pelt, known in Nebraska as a "rent-a-judge," is reportedly preparing to not only whitewash Anderson et al., but to censure the Senate Franklin committee for "blowing everything out of proportion."

This harassment by law enforcement authorities is also evident in the treatment accorded to the victim-witnesses. Two who have recanted their testimony are free, though one of them was caught red-handed in grand theft auto, while two who have stuck to their statements are in jail for years on minor or dubious charges.

Given this treatment, will other potential victim-witnesses come forward?

The FBI protects pedophiles

The FBI has played a major role in the Nebraska coverup, as indicated by the following:

- There is evidence that the FBI already knew of a large pedophile ring in the state in 1982-83, uncovered in investigations into then-Attorney General Paul Douglas. An FBI press release in the *World-Herald* in October 1983 stated the

bureau had investigated a male prostitution ring in Omaha. Earlier that year, the U.S. Attorney had commented privately on the same investigation, "This thing is so big and involves so many prominent people around this state." That was the motive for covering up the ring then, as it is today.

- The FBI, in repeated interrogations of Alisha Owen, has never evinced the slightest interest in what happened during the period in which Wadman was molesting her, 1983-84, but only in events of 1985-89.

- The FBI agent in charge of Nebraska until late 1989 was Nick O'Hara. There was a frequent observation made in police circles, before the Franklin revelations, that "Wadman and O'Hara are so close they probably sleep together." After the revelations, that observation took on new significance. O'Hara moved from the apparent backwater of Nebraska straight into the position of head of counterterrorism for the FBI, a move law enforcement circles view as almost unprecedented. O'Hara also used to go on fishing trips with the *World-Herald's* Harold Anderson.

- Shortly before his death, Caradori developed a new witness. She was not harassed while he was working with her—that is, until the FBI became aware of her.

- As Caradori examined the records of various aviation companies—in particular, YNR in Sioux City, Iowa, which King had used to transport children around the country—he found the tell-tale yellow clips of the FBI on the files. Examination of the flight manifests is one key way of proving the pedophile activities of King et al., since all passengers must be listed. The FBI has that information, but is suppressing it.

- Two days after his death, before his body was even home from Illinois, the FBI delivered a subpoena to Gary Caradori's wife for all his investigative notes, documents, receipts, and files. As their behavior throughout this entire case demonstrates, the FBI's only apparent motive to know everything Caradori was investigating, is in order to sabotage that investigation.

- The FBI has launched several investigations of Senate Franklin committee chairman Sen. Loran Schmit since the committee started, including harassing his 86-year-old mother who is legally blind and largely deaf. Several spurious lawsuits have also been filed against Senator Schmit over the last year, in an attempt to break him financially. At least one of these lawsuits was almost certainly instigated by an FBI agent.

Investigator Gary Caradori told the abused children with whom he worked that he would die for them, if it came to that. Those who trusted him, and stepped forward to testify, such as Alisha Owen and Paul Bonacci, are now in great danger. The careers and families of the members of Senator Schmit's investigative committee, whom Schmit has frequently described as "three farmers, a plumber, and a 70-year-old grandmother," have also been threatened. It is time the lid is blown off this sordid affair.