

EIR Investigation

Virginia cases sought to destroy LaRouche movement

During the 1986-88 period when the U.S. government was prosecuting presidential candidate Lyndon LaRouche in order to imprison him for as long as he lived, seven states jumped in with their own prosecutions, and publicly avowed their goal to destroy his independent political movement, root and branch.

On Feb. 17, 1987, the Office of Virginia Attorney General Mary Sue Terry, using the securities laws of that state in a manner completely without precedent, issued felony indictments against 16 individuals and four publishing corporations operating at the headquarters of the LaRouche movement in the United States in Leesburg, Virginia. Representing the top fundraisers of the LaRouche movement, these 16 individuals were all charged with "failing to register as securities broker/dealers" and "selling unregistered securities."

Lawyers in Virginia cannot remember the application of the state securities laws in criminal prosecutions before. They are exclusively used for civil regulation.

Compare the facts

LaRouche cases: Sixteen fundraisers were indicted, each charged with 3-12 felonies, and each felony charge carrying a maximum penalty of 10 years. Six trials have led to *average sentences of 36 years in prison*, with Michael Billington now serving 77 years.

Non-LaRouche case: From 1981 to 1990, the state of Virginia had under surveillance investment promoter William Harkay. Harkay raised loans in a pyramid scheme which promised short-term interest rates of 40-120%. Some 450 investors, many retired, lost \$11.3 million. Harkay was never prosecuted or even fined. The Virginia State Corporation Commission under Lewis Brothers, the same director who prosecuted the associates of LaRouche, merely asked Harkay

to sign consent orders agreeing to stop selling unregistered securities, which he signed in 1981, then later violated. In 1990, the federal Securities and Exchange Commission finally sued—in civil court.

Non-LaRouche case: In 1991, Jonathan Bush, brother of George Bush, was fined \$30,000 by the state of Massachusetts and barred from trading with the general public for one year for selling securities without a license for three years. Massachusetts securities chief Neal Sullivan said in February 1991 that Bush took a "cavalier" attitude toward the violation of the Uniform Securities Act by continuing to sell securities even while regulators were working out the consent decree. "We were dismayed," he said. "Anyone who has been notified that he is violating state law and continues to do so certainly exemplifies a cavalier attitude toward the registration laws." The state of Connecticut also fined Jonathan Bush's company several thousand dollars for the same non-registration. Though an actual securities broker who violated laws written to regulate brokers, President Bush's brother was not only not prosecuted, but was allowed to resume his business.

Non-LaRouche case: Around 1990, televangelist Jerry Falwell's Liberty University in Lynchburg, Virginia defaulted on tens of millions of dollars of bonds invested in his religious education network. Falwell was never prosecuted, and was allowed to renegotiate with all his creditors. Falwell endorsed Bush for President in 1988.

While the regulations are never used criminally against securities brokers, in the LaRouche cases they were used against political fundraisers, with the state seeking prison terms of up to 120 years.

Compare the facts: Michael Milken, an investment adviser at the international firm Drexel Burnham Lambert, made

billions on insider trading and corporate takeovers with junk bonds which wound up virtually worthless. These takeovers, saddling corporations with unpayable debt, resulted in scores of corporate bankruptcies and tens of thousands of people losing their jobs, most of their investments, and soon, their pensions. Finally prosecuted in 1989, Milken expects to serve only three years in jail. Ivan Boesky, his broker speculator partner, prosecuted on similar charges in 1987, was sentenced to three years and is already out of prison.

In 1986, First National Bank of Boston admitted that it laundered over \$1.2 billion in drug money. U.S. Attorney in Boston William Weld, who later prosecuted LaRouche, launched no criminal prosecution of the bank, instead asking for a fine of \$500,000, which amounted to a 0.04% commission for the U.S. government on the drug money laundered.

The federal-state division of labor

The federal convictions against LaRouche and his associates were obtained in Virginia's federal district court after jurors in trials elsewhere refused to convict—they had heard too much about the government's misconduct against the LaRouche movement. The judge in the federal district court in Virginia, however, refused to allow the defense to discuss government actions against them. The federal convictions were aimed at LaRouche and the movement's other political leaders. The state of Virginia, with federal government encouragement, then tried to "mop up" the movement by prosecuting its top fundraisers.

This division of prosecutions was worked out between the federal "Get LaRouche" task force participants and the state of Virginia task force participants. To create the appearance of a separate prosecution, the state of Virginia had to concoct a different crime, hence Virginia's bizarre criminal charges that the LaRouche movement's political fundraisers were "unregistered securities brokers."

The clearest sign that the federal and state prosecutions were a division of labor within one operation, was the judicial barbarism against the movement's leading fundraiser, Michael Billington. A former Peace Corps volunteer who joined the LaRouche movement in 1972, Billington was tried by *both federal and Virginia prosecutors for the same acts.*

Billington was indicted with LaRouche in Boston. After the prosecution there failed, he was convicted with LaRouche in federal court in Virginia, and sentenced to three years. *Then, while in federal prison, Billington was transferred to a jail in Roanoke, Virginia and prosecuted for the same money raised from the same people, with the same witnesses and "evidence," and convicted and given a 77-year state sentence which he is now serving in Virginia's Powhatan State Prison.* Sentenced twice for the same white collar alleged offenses, Billington, now 47 years old, is kept at Powhatan in a higher security section, with 20 convicted murderers housed on his floor, because of the length of his sentence.

Including Billington, nine of the leaders of the LaRouche

movement's fundraising efforts have been prosecuted and convicted in the state of Virginia for "securities fraud." Six others are still being prosecuted.

Rochelle Ascher, sentenced in 1989, is serving a 10-year sentence in Virginia's Goochland Prison for women. Among the other sentences meted out to these political fundraisers, none of whom had previous criminal records of any kind:

Anita Gallagher: 39 years in prison;

Paul Gallagher: 34 years in prison;

Laurence Hecht: 33 years in prison;

Donald Phau: 25 years in prison;

Their "crimes," namely, the non-repayment of political loans, were caused by an illegal forced bankruptcy action brought by the U.S. government in 1987 against the publishing corporations to which the loans had been made. We say "illegal forced bankruptcy," because the federal bankruptcy courts and appeals courts involved eventually and unanimously ruled that the government action against these companies had been illegal—but these rulings came in 1990. By then, the companies were long since liquidated, and the lenders long since unpaid.

A Soviet-style trial

During a brief interlude between the end of his federal sentence and the beginning of his state term, Billington was able to tell a television interviewer about the barbarous farce of his state trial in Roanoke:

Billington: "My lawyer demanded that I be made to submit to a mental examination, solely because I insisted on my right to a jury trial against his advice; and I was ordered to take a mental examination by the judge."

Q: "But you attempted to change attorneys. . . ."

Billington: "I told the judge that I totally disagreed with Mr. Gettings's argument as to my incompetence . . . and that he [Gettings] should be withdrawn from the case immediately."

Q: "How did the judge rule on these motions of yours?"

Billington: "This was Judge Clifford Weckstein. . . . We have seen some incredible tyranny from him, beginning with my case. He told me, 'It is required of me to make you proceed with this mental examination, and at this point I don't see any reason to allow you to have any other lawyer.' And that was the end of it."

"The court-appointed psychiatrist examined me that evening and then testified as to no evidence of incompetence of any kind, of any undue influence on me, of anything."

After Billington's attorney began attacking Billington publicly, Judge Weckstein refused to allow Billington to replace him, and increasingly held private, off-the-record conferences in the judge's chambers. Billington reported that the judge, prosecutor, and "defense" lawyer now held such a conference and decided to force a second psychiatric examination, by an "expert on cults" from an institution operated by the FBI and Virginia attorney general's office. Billington

refused the judge's order.

"I, at the time, was being held in jail, separated from all legal counsel. I had literally been refused even the right to discuss with another lawyer what was going on with me."

Q: "This was a prolonged solitary confinement in a sense. . . ."

Billington: "In total time, I was for about three months in a solitary cell during this entire trial in Roanoke—a windowless solitary cell, with no phone. And during the period of this first week in which my lawyer had completely turned against me, and was in fact prosecuting me in court, I was forbidden by Judge Weckstein to change lawyers or even to consult with other lawyers."

Q: "So the man who was supposed to be your lawyer went over to the prosecution, and the judge said, 'That's fine,' and 'Let's have some psychiatric analysis,' in the good old tradition of Soviet justice. . . ."

Billington: "That's right. . . . And when I refused, my lawyer argued that the judge should 'take the next step,' which, he said privately, was that I should be put in a mental institution for three months."

The unfolding of this incredible process was being reported sensationally by the *Roanoke Times and World-News* ("LaRouche Aide Must Undergo Mental Tests," was one headline), the major daily newspaper in Roanoke, the area from which the jury would be selected. In the several years prior, that newspaper had run nearly 200 slanderous articles about the LaRouche movement, some of them written by the brother-in-law of Weckstein.

Judge Weckstein had also ruled, before Billington's trial began, that although it might *appear* that his state prosecution constituted *double jeopardy* (prohibited by first principles of law in nearly all nations), it was not to be found double jeopardy because the federal government and the state of Virginia were "independent sovereigns."

With his attorney working with the judge and prosecution against him, Billington was unable to testify in his own defense. Typically, relatives or financial advisers of backers of the LaRouche movement, who knew nothing about the reasons why their family members or clients had made financial contributions to the movement, testified that these persons must have been senile or motivated solely by a desire for profit. When the jury, inflamed by the witchhunt, handed down a 77-year sentence, Weckstein, who had been in communication with officials of the Anti-Defamation League during the trial (see below), refused to use his power to reduce it, and refused again when a motion to reduce the sentence was made in 1991.

FBI admits Terry 'politically motivated'

Virginia Attorney General Terry's blatant display of political motivation in prosecuting the LaRouche movement has even amazed institutions that see political prosecutions all the time.

In September 1986, the FBI's Alexandria office described to the FBI director its difficulty in planning the joint federal-state raid on the LaRouche movement's headquarters in Leesburg, because of Terry's "political motivation." The FBI report states, "It was subsequently determined that the state attorney general's office was adamant in being the lead agency for the purpose of entering and securing of the two locations which was construed to be for politically motivated reasons on behalf of the Virginia state government administration rather than for the successful prosecution of state and federal cases for the mutual benefit of all agencies involved."

Describing one of many state-federal planning meetings, the FBI memo states, "Disagreements were again discussed concerning the desire of the state attorney general's office to be the principal agency in serving the warrants and implementing the searches. . . . It was emphasized to the state attorney general that there was much more involved in this case than just mere temporary political mileage."

A Dec. 18, 1991 *Richmond Times-Dispatch* editorial called the FBI memo "politically explosive" documentation of the defendants' claims that "they were the victims of a politically tainted prosecution led by Attorney General Terry." Terry's conduct presents "a question of prosecutorial bias," a second editorial on Dec. 21 concluded, after publishing a rebuttal by Terry.

Terry sought a prosecution to ride to higher office. Her campaign newsletter bragged of the LaRouche prosecutions as part of her campaign for governor of Virginia. Terry violated the defendants' right to a fair trial and impartial jury by releasing prejudicial information to the press and to lists of Democratic Party voters, and repeatedly slandering the defendants in a manner calculated to inflame the jury pool, such as calling the raising of political loans and contributions "bilking the elderly." Such characterizations are forbidden by the Virginia Code of Professional Responsibility, U.S. and Virginia case law, and the U.S. Constitution. In this case, these characterizations were also lies. Compare Terry's conduct with that of Special Prosecutor Lawrence Walsh, whose office never commented on any indictments or defendants in the Iran-Contra prosecution.

During the Virginia trials, Terry's office relied on evidence which the federal government knew to be false. For example, the figure of \$30 million of loans which was allegedly owed by the LaRouche movement to 3,000 lenders was repeated *ad nauseam*. In fact, based on the government's own analysis (detailed in LaRouche's motion for a new trial), it was shown that 40% of the loans had no interest rate or no due date, thus demonstrating that the loans were political and not, as the government claimed, made by "investors" looking for profit.

No rule of law

When the Virginia State Corporation Commission notified defendants that their political loans "might" be securi-



Virginia Attorney General Mary Sue Terry gives a press conference on the Oct. 6, 1986 raid on LaRouche movement headquarters. With her are some of the key Virginia actors in the "Get LaRouche" political operation (from left): John Russell, Attorney General's Office; Robert Berryman, director of the State Police Bureau of Criminal Investigation; Major Graham, State Police; William Burch, Loudoun County commonwealth attorney; Terry; Lane Kneedler, chief deputy assistant to the attorney general; and Steve Rosenthal, deputy of the Criminal Division of the attorney general's office.

ties, an attorney for the LaRouche movement immediately responded as to why such an interpretation would be wrong, and asked that the SCC contact him with any further questions. The SCC never replied.

After the massively publicized arrests of 16 individuals and indictments of 4 corporations on Feb. 17, 1987, Terry asked the SCC to rule that the political loans to the LaRouche movement were securities. Elizabeth Lacy, one of three SCC commissioners, instead wrote an opinion that the question of political loans being securities was "a case of first impression"—meaning that it had not been considered in Virginia and that further legal briefs would have to be written on it. Yet the defendants had already been charged with "knowingly and willfully, and with an intent to commit fraud, selling unregistered securities." Because of Terry's political motives, the question was considered in the forum of a criminal prosecution of a political movement, where Terry was asking for sentences of up to 120 years, rather than a civil determination which would give notice of such a bizarre interpretation.

In fact, the Fourth Circuit Court of Appeals, the federal court directly below the U.S. Supreme Court, which is assigned to oversee Virginia, had ruled in 1974 that the due process clause of the 14th Amendment to the Constitution precluded Virginia's use of *criminal* prosecutions as "appropriate vehicle[s] to decide a pioneering interpretation of the statute" (*United States v. Critzer*). In the 1967 case of *United States v. Laub*, the Supreme Court held that a later civil proceeding holding conduct unlawful does not provide the

notice required for an earlier criminal prosecution of the same conduct.

SCC Commissioner Lacy ordered Terry and the defendants to further brief the issue so that a decision could be made. The *Richmond Times-Dispatch* quoted "a source close to the investigation" saying that "if these loans are not ruled securities, this prosecution is going down the tubes." In the same two weeks, the newspaper reported that Lacy was being considered for an appointment to the Virginia Supreme Court. Virginia is virtually unique in the United States in its political appointment of judges through its legislature, rather than through elections or a judicial commission. The *Times-Dispatch* has recently called the state Supreme Court a "dial-a-decision service for the Executive branch."

As the paper stated in its Dec. 21, 1991 editorial, Terry brags "about Virginia juries having handed down sentences like 86 years and 77 years to LaRouche associates for securities fraud, an offense that could be pursued against a political organization only after a special ruling from the State Corporation Commission."

Since Lacy's *ex post facto* ruling allowing the prosecutions to proceed, her career has been meteoric. In 1991, she received the Merit Award of the National Conference of Christians and Jews in Virginia, an organization which is a virtual clone of the Anti-Defamation League (ADL), whose national policy is to destroy the LaRouche movement. In spring 1992, having gotten the Supreme Court appointment, Lacy ignored the precedent of federal law which prohibits a

judge from hearing an appeal if the judge had a prior involvement in the case. She joined a three-judge panel hearing LaRouche associate Rochelle Ascher's appeal, which was denied. On Dec. 7, 1992, the *Washington Post* reported for the second time that Lacy is under consideration for an appointment to the Fourth Circuit Court of Appeals.

Another Virginia judge, the youthful Barbara Milano Keenan, who chaired the Virginia Court of Appeals panel that ruled against Ascher and thus set a precedent against other defendants' appeals, was, like Lacy, promoted to the Virginia Supreme Court soon after that ruling. The *Washington Post* has reported that Keenan is also currently a candidate for a federal judgeship.

ADL Judge Clifford Weckstein

The ADL initiated the Virginia prosecutions through the lobbying of Mira Lansky Boland (who works in the ADL's Washington office) with Loudoun County, Virginia Sheriff John Isom. In May 1990, the prosecution stipulated in open court in Roanoke that the ADL was a part of the Virginia state prosecution, as well as the federal prosecution. But the state Supreme Court had placed all of the "LaRouche" trials, except Ascher's, in the courtroom of an ADL-linked judge, Clifford Weckstein of Roanoke.

Under sharp criticism for the barbaric 77-year sentence of Billington, Weckstein flagrantly violated a principle fundamental to the rule of law—that a judge must be fair and impartial. Judge Weckstein *initiated* a 14-letter correspondence with the ADL, through the law firm of its national committeeman in Virginia, Murray Janus. Weckstein's letter, notifying Janus of the difficulty of his position, produced a mobilization of ADL networks throughout the state, such as "our good friend, Judge Sachs," and the publication in news media of numerous ADL slanders of the LaRouche movement. Weckstein never rebuked the ADL, even when ADL regional director Ira Gissen sent him an ADL resolution calling for a Jewish judge to fill the next vacancy on the Virginia Supreme Court, and implying that Weckstein would be backed for such a promotion if he continued aiding the prosecution.

For the five defendants tried before him to date, Weckstein has imposed an average sentence of 41 years. He refused demands to remove himself from the cases for bias.

During court hearings concerning Weckstein's relationship with the ADL, Janus was called as a witness. Weckstein angrily imposed a \$2,000 fine on the defendants' attorneys for making Janus appear in court. Two hours later, Weckstein canceled the fine, realizing the bias that it displayed.

Janus is widely regarded as the premier "legal fixer" in Virginia. When his client Beverly Anne Monroe was convicted of first degree murder of her wealthy boyfriend in 1992, prosecutors called Janus's client's case "a tragedy." The judge freed Monroe on bail at Janus's request, not realizing that it was against Virginia law to give bail to a person con-

victed of first degree murder.

Police state plans and covert ops

The sensational revelation of 60 hours of FBI taping of elements of the "Get LaRouche" task force (see *EIR*, Dec. 11), disclosed prominent members of the task force conspiring to kidnap, hold, and perhaps injure or kill associates of LaRouche who were *not* being prosecuted. This showed the unmistakable evidence of a prosecution not only politically motivated, but arrogating to itself grandiose "national security" justification. The most scandalous example was provided by Loudoun County, Virginia Sheriff's Lt. Donald Moore, a task force member who was, in one way or another, *officially* connected to the prosecutorial efforts of Loudoun County, the Commonwealth of Virginia, the U.S. Attorney for Boston, and the U.S. Attorney for Virginia's Eastern District. Moore, while planning the kidnaping of LaRouche associate Lewis du Pont Smith and his wife Andrea in 1992, told an undercover agent that if he (Moore) soon became Loudoun County sheriff, then such snatching would become easy—"a knock on the door in the middle of the night, with a Loudoun County sheriff's badge."

Moore, who not accidentally claimed to be a friend and co-thinker of National Security Council staffer Oliver North, represented the mind-set of a prosecution which believed the full resources of government should be available for whatever it wanted to do, legally or otherwise, to destroy LaRouche's political movement.

During 1992, other shocking revelations about the raid and prosecutions against the LaRouche movement in Virginia have exposed more government misconduct.

In May and June, Pentagon documents came to light showing a *military involvement* in the Oct. 6-7, 1986 massive raid against and subsequent prosecution of LaRouche associates and publications in Virginia. One of the oldest principles of American law, *posse comitatus*, says that no part of the U.S. Armed Forces may be involved in law enforcement or criminal prosecution in America.

Yet, the Pentagon's involvement in the raid was disclosed in a partially declassified set of documents recently obtained from the FBI under the Freedom of Information Act. The correspondence revealed that the hundreds of boxes of documents of the LaRouche movement seized in the raids, had been taken to a Marine Corps building at Fort Myer in Arlington, Virginia, an Army base. In the correspondence, the FBI was requesting that an office of the Joint Chiefs of Staff declassify information about the storage of the documents.

Moreover, the FBI correspondence was marked "Hand carry to JSOC for their formal declassification." "JSOC" is the Joint Special Operations Command of the Joint Chiefs of Staff. It is the military's unified command for counterterrorism and covert operations, created in 1980, with command over special units of the various services, including the Army's Delta Force, the Navy's Seal Team 6 commando

unit, and similar capabilities.

Indicating an apparent violation of the *posse comitatus* law, the FBI letter states: "A request for Department of Defense assistance was made by the FBI in support of a criminal investigation." This was "a request of DOD for a secure location"—i.e., the FBI and the "Get LaRouche" prosecutors had asked the military to take the LaRouche movement's documents under military intelligence possession and classification.

The letter was sent to the Joint Command's Support Activities Branch, which is the liaison of this joint military command with other government intelligence agencies, and provides "the focal point for a special communications channel with the worldwide communications system." Historically, this has meant, in particular, military support for the CIA in clandestine operations.

An expert in military intelligence told *EIR* that even Executive Order 12333, issued in 1981, which authorized covert intelligence operations against domestic political groups, applied only to the military's activities in gathering intelligence. E.O. 12333 did not legalize domestic activity by operational components of the military such as the Support Activities Branch of the Joint Command, much less their involvement in what were claimed by prosecutors and judges alike to be "simple criminal prosecutions with no political objectives."

ARGUS

Another revelation during 1992 of the actions and methods of the "Get LaRouche" task force, stunned all of Loudoun County.

In October 1986, as the raid involving more than 400 armed federal and state agents unfolded against the movement's headquarters, LaRouche, then a candidate for President—and *not* named in the indictments—was at a nearby farm not listed in any search warrants. LaRouche characterized the actions of the "Get LaRouche" task force as an assassination plot against him. LaRouche stated, "One should recall, that there were a number of teams, including helicopters and light planes, and people with automatic weapons, who were surrounding the premises in which I was situated, who had no business there. Also, there was equipment and personnel held in reserve on premises nearby the place, who were interlocked with this Armored Response Group United States (ARGUS), in which the local sheriff and this strange fellow called Herbert Bryant, Jr.,—the putative nominal major general, nominal colonel, nominal whatnot—were involved."

ARGUS was a rogue operation set up by eccentric intelligence community spook Herbert Bryant of Mississippi, which set about obtaining armored equipment from the military which local sheriffs could use in civil crises or emergencies. With high-level intervention by U.S. Sen. John Warner (R-Va.), Bryant obtained such equipment, as well as police

privileges, insignia, and "concealed weapons" permits for rogue personnel designated as U.S. deputy marshals. Securing this equipment, training, and coordination between the military capability represented by ARGUS and the Loudoun County sheriff's office was accomplished in the few months immediately prior to the October 1986 raid, by the same sheriff's department personnel—Sheriff John Isom, otherwise the campaign manager for Mary Sue Terry; Sheriff's Deputy and former U.S. Marshal Don Moore, now indicted for kidnaping conspiracy; Sheriff's Department spokesman Lt. Terry McCracken; and Capt. John Sealock, who has ties to the intelligence community.

As LaRouche looked out his window in October 1986, he saw military equipment provided by ARGUS to Isom, part of the large military force surrounding his house.

Sheriff's Lieutenant Moore boasted in a 1987 hearing that it was he who hyped Virginia State Police to expect armed, violent resistance when "the LaRouche people came off the hill." It was Moore who said, on tapes now part of the government's case against him for kidnaping conspiracy, that LaRouche associate Lewis du Pont Smith could wind up being murdered in the kidnaping being planned. Moore wrote the fraudulent affidavit used by the government in 1987 to force the LaRouche movement's publishing companies and scientific foundation into involuntary bankruptcy, overturned three years later as "a fraud on the court." And, as Moore boasted to the May 21, 1992 *Loudoun Times-Mirror*, "When Attorney General Mary Sue Terry asked Isom to second her nomination for her current term as attorney general, he was so ignorant of the LaRouche case that he ordered me to write his speech and then read it just like I wrote it."

Sheriff Isom, Terry's statewide campaign manager in 1989, is currently being investigated by a federal grand jury based in Alexandria, Virginia for financial irregularities which may well be related to the funding of capabilities such as the planned assassination of LaRouche.

Bryant has also run afoul of the law. In October 1992, he was detained by Washington, D.C. police after they discovered five guns without permits in Bryant's car. Faced with arrest, Bryant called in the Virginia-based U.S. Marshals Service, which told the D.C. police not to arrest Bryant because he was a deputy U.S. marshal. Later, the Marshals Service (now headed by the U.S. Attorney responsible for the prosecution of LaRouche's case, Henry Hudson) denied that Bryant was currently a deputy marshal. D.C. police, according to the *Washington Post*, issued an arrest warrant, but Bryant has refused to turn himself in to D.C. authorities.

Bryant's operation has even forced the U.S. Justice Department to conduct an internal investigation, which concluded, according to the *Washington Post*, that "serious misjudgments" were made in giving Bryant and such yahoos marshal's credentials. But a DOJ spokesman told a caller, "I cannot tell you anything about this investigation." Bryant's arrest warrant has been placed under seal.