

Bush backer W.L. Berman linked to Connecticut RICO conspiracy case

by Scott Thompson

Wayne L. Berman, one of Texas Gov. George "Dubya" Bush's biggest financial angels, is currently the subject of a Federal Racketeering Influenced and Corrupt Organization (RICO) investigation in Connecticut. Berman has been identified by the *Washington Post* and the *Hartford Courant*, as one of those associated with the \$500 million Connecticut state pension fund scam, pulled off by former Connecticut State Treasurer Paul J. Silvester.

Berman was an Assistant Secretary of Commerce in President George Bush's administration, a "Team 100" member (having raised \$100,000 or more) during President Bush's failed 1992 re-election bid), and was, until recently, a Republican lobbyist in Washington, D.C.

Berman's associate Paul Silvester pleaded guilty on Sept. 23, 1999 to an array of charges, including being part of a RICO conspiracy. After that, Berman suspended his membership in Dubya's "Pioneers," pending the outcome of the criminal investigation. The Pioneers are a group of several hundred GOP deep-pockets who have raised over \$100,000 each for Dubya's Presidential campaign.

According to a statement issued by the Connecticut U.S. Attorney and an "Information" document containing the formal charges against Silvester and others in his RICO conspiracy "enterprise," this is an ongoing case, despite the fact that Silvester "waived indictment and pleaded guilty to charges in an ongoing multimillion-dollar corruption probe involving charges of racketeering, bribery, and money laundering."

The lobbying firm of Park Strategies L.L.C., which was formed recently by Berman and former Sen. Alfonse D'Amato (R-N.Y.), has had its records, on the alleged distribution of \$160 million of Connecticut state pension funds provided by Silvester, subpoenaed by the Federal Bureau of Investigation. FBI Special Agent in Charge Michael Wolf is looking into further dimensions of the case, along with Internal Revenue Service Criminal Investigation Division Chief Gregory Szczeszek. The cornerstone "Bush League" merchant bank, the Carlyle Group, which reputedly has several other Bush Pioneers on board, in addition to its consultant Berman, has also reportedly had its records pertaining to the Connecticut state pension funds subpoenaed by the FBI.

'Associate D'

According to Jon Lender and Mike McIntire, writing in

the Oct. 9, 1999 *Hartford Courant*, sources close to the investigation identified Berman as the "Associate D" mentioned in the preliminary "Information" issued by the U.S. Attorney for Connecticut.

Of the five unnamed funds in the "Information," one involves "Associate D," who is being investigated in connection with Silvester's violation of a criminal statute of the State of Connecticut, which states the following: "A public servant or person selected to be a public servant is guilty of receiving a bribe if he solicits, accepts or agrees to accept from another person any benefit for, because of, or as a consideration for his decision, opinion, recommendation or vote."

The "Information" continues on the subject of "Racketeering Act #5," under the sub-category of "Bribery and Fund #4":

"44. From approximately November 1998 and January 6, 1999, defendant Paul J. Silvester committed an act of bribery, that is corruptly solicited, demanded, accepted, and agreed to accept a thing of value, present and prospective, that is employment, intending to be influenced and rewarded in the business, transaction or series of transactions of the Connecticut State Treasurer's office, that is the investment of Connecticut Pension Funds.

"45. After the November 3, 1998 election, an associate known to the United States Attorney (hereinafter referred to as Associate D), talked with defendant Paul J. Silvester about an investment of Connecticut Pension money with an investment fund, known to the United States Attorney (hereinafter referred to as Fund #4). Associate D had an interest in the investment and emphasized to defendant Paul J. Silvester that it was important that the investment be made.

"46. During the same period, Associate D discussed with the defendant, Paul J. Silvester, employment opportunities.

"47. Defendant Paul J. Silvester understood that his employment opportunity and/or substantial salary was contingent on his investing Connecticut State Pension money in Fund #4.

"48. Therefore, defendant Paul J. Silvester committed a substantial amount of Pension Funds with Fund #4."

According to Lender et al. of the *Hartford Courant*, what this charge means, is that Berman solicited investment in the Carlyle Group from Silvester. The group is run by a "troika" of former Bush Secretary of State and White House Chief of Staff James Baker III, former Reagan/Bush Secretary of

Defense Frank Carlucci, and former Bush director of the Office of Management and Budget Richard Darman.

One of Silvester's investments in the Carlyle Group's Europe Partners, according to Lender et al., was for \$100 million, and Berman received a \$1 million "finder's fee" for lining up the investment from Silvester from the \$18 billion Connecticut state pension fund. One of the consultants to the Carlyle Group's Europe Partners is former British Prime Minister John Major. Another investment solicited by Berman from Silvester to The Carlyle Group was for \$60 million to its Asia Partners Fund, which employs former President Bush as its "senior adviser."

According to the U.S. Attorney's "Information," most of Silvester's investment in firms that were clients of Berman—including, allegedly, a large investment in Paine Webber—occurred between the Nov. 3, 1998 election (which Republican Silvester lost to Democrat Denise Nappier) and his departure from office on Jan. 6, 1999. At that time, Berman offered Silvester a job at lucrative pay with his new firm of Park Strategies L.L.C., which, according to the "Information," was the reason that Silvester invested the money in the Carlyle Group to begin with. As noted, Berman not only received a sizable "finder's fee" from the Carlyle Group for lining up Silvester's investment, but the investment itself is being viewed as a bribe for the job, using the pension fund money for which Silvester had fiduciary responsibility. Silvester subsequently left Park Strategies L.L.C., when the investigation heated up.

But, Silvester was taking no chances on landing a job when he was swept out of office. According to a Jan. 26, 2000 Associated Press article, entitled "Report: \$3 Million in Fees Paid to Carlyle Group Subsidiary," Silvester also had the Connecticut Treasurer's office pay \$2,971,945 to Carlyle Europe Partners for "consultant fees."

Berman, the Carlyle Group, the Bush dynasty

The Carlyle Group is run by some of the leading lights of the former Bush administration, as noted above; but the Bush dynasty's involvement with it does not stop there. Former President Bush has given frequent speeches to events sponsored by the Carlyle Group, for which he received lucrative honoraria. He invested these funds, along with his pay for being a "senior adviser" to Carlyle Asia Partners, back into the firm.

President Bush reportedly advised Carlyle's Asia Partners on where the best pickings are on the corpse of the "Asian Tigers," while opening doors to Asian leaders for the Carlyle troika of Baker, Darman, and Carlucci. (Ironically, the demise of the "Asian Tiger" nations was brought about by hedge fund operative George Soros, who had earlier been a business partner in Harken Energy with Dubya Bush, after Soros bailed out an otherwise bankrupt firm, Spectrum 7, for which Dubya was the managing director. Soros led a massive hedge fund attack against the "Asian Tiger" curren-

cies and stock market valuations, starting with the Thai baht in October 1997.)

As Assistant Secretary of Commerce in President Bush's administration, Berman was the official U.S. government liaison to all foreign business groups. His other political positions have included that of deputy director and executive producer of the 1992 Republican National Convention; senior staff and director of Congressional relations, Bush campaign (1988); and, deputy director of the Reagan/Bush transition team (1981). Berman is now a senior fellow at the Center for Strategic and International Studies in Washington, D.C.

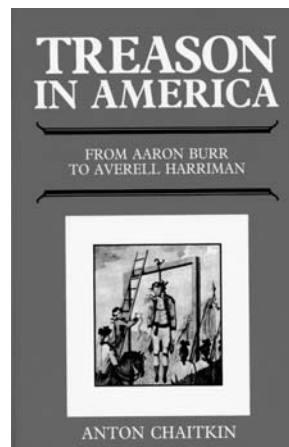
As for G.W. Bush, he was on the board of a Carlyle subsidiary called Caterair (an airline catering service) from the time that Carlyle took over the firm in 1989, until 1994, when Dubya was elected Texas Governor.

Berman held many of the early fundraising events that launched Dubya's campaign for the GOP Presidential nomination. He did the same thing as well for Dubya's younger brother, Jeb Bush, who made a successful run in the 1998 elections for Florida Governor.

Berman refused to answer *EIR's* questions about his alleged involvement in the RICO conspiracy, and had his staff direct calls to his attorney Fred Fielding, who was one of the lawyers representing President Richard Nixon in the Watergate affair. Fielding did not return *EIR's* calls either.

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