



U.S. Virgin Islands

Bush family retainer Sir Allen Stanford is under investigation for drug-money laundering for Mexico's notorious Gulf Cartel.

George Soros Nailed In Dope Banking

by Anton Chaitkin

George Soros, chief funder and controller of the campaign to legalize narcotics, has been caught in the banking network that launders the criminal proceeds of dope sales.

An *EIR* investigation has uncovered the British-agent billionaire's hand in Colombian and related drug banking, beginning in 1994, when Soros employed his vast offshore funds to shore up the Cali cocaine cartel and its allies against a determined U.S. government effort to shut down the dope.

In January 1994, the Colombian government sold a 75% stake in the Banco de Colombia to Soros's henchmen, the Cali, Colombia-based Gilinski family—Isaac Gilinski and his son Jaime Gilinski, for \$432 million. Banco de Colombia had long been identified by the United States Drug Enforcement Administration as under the control of Colombian drug traffickers, for money laundering, in conjunction with the Eagle National Bank of Miami, Florida.

Then in May 1994, the Gilinskis applied to the Colombian government for permission to sell just over 9% of the Banco de Colombia. In August 1994, Soros himself invested an estimated \$70 to \$80 million to become minority owner with a 9% stake. His man Jaime Gilinski was chairman; Gilinski also acquired the dope cartel's Eagle National Bank in south Florida.

Four years later, Russia's *Argumenty i Fakty*, one of the world's largest-circulation papers, reported (Feb. 18, 1998) on the Gilinskis and the Colombian mafia using billions in cocaine revenue to buy up Russian resort properties, trading cocaine for automatic weapons and surface-to-air missiles that went to narcoterrorists inside Colombia.

Reporter Aleksandr Kondrashov wrote that Russian and Colombian security services were cooperating, and had given out "the valuable information on how the Colombian clan of drug baron Gilinski, is laundering dirty narco-dollars in our country, buying up resorts of

swindlers" should be laughed off the stage—the reality is that drug money laundering is top down, not the other way.

Just how large is the drug money laundering? The accompanying table looks at 20 "offshore" centers, which process the vast majority of the world's dirty money. When money is deposited in a country's banking system by a non-national, it is classified as a "bank's foreign deposit." Deposits are a subset of a bank's liabilities. Therefore, in the table, we report the offshore banks' "foreign liabilities," mostly composed of money that foreigners deposited. Liabilities and assets roughly match, so we could have used either one. Note that between June 1998 and June 2008, the offshore banking centers' foreign liabilities increased from \$851 billion to \$14.3 trillion, an increase of 17 times! This reflects the massive swelling of the monies of the drug trade, and other dirty money, as well as the hedge funds, which operate offshore. The two sources of money are highly intermixed.

The combined population of the listed countries, most of which are Anglo-Dutch satrapies, is 147.9 million, only 2% of world population, but the banks domiciled here control 44% of the world's foreign liabilities, and a nearly equivalent amount of its assets. *EIR* estimates that the world's drug flow, and associated criminal activity, such as illegal weapons, contraband, etc., amounts to \$2 to \$3 trillion. The offshore centers are the engines of this operation. Shut them down, and the narcotics trade would go up in smoke.



Colombia's Cali cocaine cartel made millions of dollars available to the 1994 Presidential campaign of Ernesto Samper Pizano, as revealed in the famous "narco-cassettes."

Crimea and Russia through figureheads"; and that about \$2 billion was estimated to be put into Russia that year, 1998, from cocaine profits.

The report was elaborated on by Dr. Phil Williams of the Strategic Studies Institute at the United States Army War College:

"The Colombian Gilinski family was using drug profits to buy resort property in the Crimea and Russia, and reportedly hired Armenian and Chechen hit men to remove members of Slavic crime groups opposing their activities." (See "Cooperation Among Criminal Organizations," by Dr. Williams, in *Transnational Organized Crime and International Security*, 2002.)

The international banking axis that had been taken over by Soros and his Gilinskis, was bluntly identified in a Public Broadcasting System broadcast Oct. 4, 2000, by Carlos Toro, an informant for the Drug Enforcement Agency who helped put Colombian mafia boss Carlos Lehder and others in jail, and then went into the U.S. Federal Witness Protection Program.

Mr. Toro: The Colombian banking industry that ... had subsidiaries in Miami and Panama worked very closely with us [the mafia].... We had Colombian banks, Banco de Colombia, Banco [unintelligible], Banco Cafetero [phonetic], Eagle National Bank of Miami. ... In those days ... Eagle National Bank was a powerful aid for us between 1980 and 1984.

Interviewer: But the cartel did not own the bank. It was simply allied with the cartel.

Mr. Toro: The cartel didn't own the bank in front of FDIC, but we own the bank. ..."

The U.S. Federal Reserve issued a cease and desist order, on March 31, 2005, to Eagle National Holding Co. of Miami, Florida, shutting down suspected money-laundering by the Gilinskis.

The *South Florida Business Journal* reported (Jan. 14, 2005) on Federal actions then in process against Gilinski:

"Eagle National Bank [was] publicly reprimanded by federal banking regulators for violating anti-money-laundering laws.

"The regulators honed in on accounts opened at the bank by foreign political figures and their families, friends and associates that may involve money-laundering, the proceeds of foreign corruption, terrorist financing or other suspicious activity.

"Regulators ... reprimand[ed] Eagle for allowing the bank's largest owner, Colombian businessman Jaime Gilinski and his family, to use the 48-year-old federally chartered bank for personal use with lax oversight.... Gilinski is ... reported to have substantial holdings in Colombia and around the world.... [C]hairman of the Eagle National's holding company, [he] lives in London and could not be reached for comment...."

"The bank is prohibited from entering into any new business transactions with Jaime Gilinski, his spouse, children, parents or siblings, [and] any persons who act in Jaime Gilinski's behalf...."

The Soros Group in Colombia

The year that Soros and Gilinski took over Banco de Colombia, 1994, the U.S. government fought to counter the narco takeover of that country. The Clinton Administration, the Justice Department, and Sen. John Kerry (D-Mass.) attacked Gustavo de Greiff, the corrupt chief prosecutor of Colombia from 1992 to 1994, for sabotaging the prosecution of the Cali cocaine cartel, allegedly in exchange for mammoth bribes from the cartel.

Audio tapes were made public (the famous “narcocassettes” in the “8000 Process” case) showing that the Cali cartel had made millions available to the 1994 Presidential campaign of Ernesto Samper Pizano. De Greiff’s daughter, Monica de Greiff, was treasurer of that Samper Presidential campaign. Gustavo de Greiff notoriously dismissed the case, and had to leave his post as chief prosecutor.

In a confidential February 1994 memo, later declassified, U.S. Ambassador Morris Busby had reported on his meeting with Samper Pizano and Monica de Greiff, in which she claimed the Cali cartel would “reduce the amount of cocaine . . . on the streets of New York,” if the U.S. would strike a deal with them.

In April 1994, Soros’s Drug Policy Foundation put Gustavo de Greiff, then still chief prosecutor, on a United States tour against drug law enforcement. The Soros group staged a Washington, D.C. press conference for him on April 23, since, “The chief prosecutor has been attacked with increasing vigor by a series of U.S. government officials.” At the conference, de Greiff demanded that the U.S. attacks on him stop, and the U.S. War on Drugs be closed down.

The next month, the Gilinskis applied to de Greiff’s government for permission to sell part ownership of the Banco de Colombia to George Soros.

Over the succeeding years, Gustavo de Greiff went into exile in Mexico, where he had been Colombian ambassador for a time. He is now the chief spokesman for the Soros-Gilinski partnership, while serving as the spokesman and attorney for the Gilinski family, as they and George Soros have carried out a decade-long legal battle to squeeze more money out of the Banco de Colombia (now called Bancolombia), whose control they have lost.

At the same time, de Greiff is one of the leading hemispheric spokesman for the Soros drug legalization movement, operating for various Soros entities in North and South America (such as the group Law Enforcement Against Prohibition), pulling together the lobbying forces of narcotics producers and their financiers, demanding the surrender of law enforcement.

The Gilinski family continues to operate a string of banks in Colombia and offshore in the Caribbean, including the Colombian bank Sudameris, Banco Tequendama, the cash dispensers and ATM network Servibanca in Colombia, and the Sudameris assets in Panama and in the drug-money-laundering center, the Cayman Islands.

The Opium War

200 Years of British Drug Wars

by Mike Billington

The British Imperial drug war against civilization got its start with the British East India Company’s production of opium in British India, and 29 years of Opium Wars against China, to force the acceptance of free trade in deadly opium upon the 5,000-year-old Chinese culture. The 1840-60 Opium War consisted of two phases of direct British military campaigns against China (usually called the First and the Second Opium Wars), and a British-controlled peasant revolt, known as the Taiping Rebellion, which followed the common Imperial pattern of British-instigated religious fundamentalist movements, aimed at disrupting the national unity of the target population. Altogether, these wars effectively left a broken China under the financial control of the East India Company drug dealers, killing more than 20 million Chinese along the way.

The British East India Company

In the 17th and 18th centuries, the privately constituted British East India Company established trading houses in Indian cities, and eventually expanded its control over the entire subcontinent, building a 150,000-strong private army in the process, all under the banner of free trade.

The British were less successful in breaking through China’s barriers against foreign intervention and trade. The reigning Qing Dynasty strictly forbade foreign presence or trade outside the single trading post in Quanzhou (Canton).

The Chinese banned opium in 1729, a ban that was strengthened in 1799, in the face of British opium smuggling from Bengal. The British ignored the ban, and made lucrative alliances with Chinese merchant families in Guangzhou willing to flout the law, while the Company expanded its smuggling routes to the cities along the southern coast. These criminal activities were led by William Jardine and James Matheson, whose infamous partnership in 1828, Jardine Matheson & Co.,