

## Justice Dept. admits search was illegal

The illegality of the search carried out on Monday, Oct. 6 against Leesburg offices of Campaigner Publications and other companies, was conceded the following morning by the U.S. Attorney for the Eastern District of Virginia, Henry E. Hudson.

Attorneys for Campaigner filed a "Motion for a Protective Order" on Monday afternoon in federal court in Alexandria, Va., asking the court to order the FBI to allow legal observers to be present during the search. Early Tuesday morning, Oct. 7, Hudson personally notified the attorneys that observers would be permitted, and then filed a response in court saying that attorneys could be present during the search, and that therefore "the issues raised in the defendant's Motion for Protective Order are now moot."

Under the Federal Rules of Criminal Procedure, federal agents executing a search warrant must permit an observer to be present during the search and inventory of property being seized. Shortly after the raid began on Monday morning, FBI agents refused to allow observers to be present, and Hudson would not return phone calls from Campaigner's attorneys. By allowing observers to enter Tuesday morning, and then arguing that Campaigner's court motion was "moot," Hudson conceded Campaigner's argument.

However, by the time legal observers were permitted into the offices, the search was being completed. Federal agents had worked through the night, carting out at least two large truckloads of documents, and apparently copying thousands of other documents which were not covered by the search warrants. Offices had been broken into with axes and crowbars, and doors and locks smashed, despite offers of cooperation by Campaigner's attorneys as soon as the raid began. Many rooms were ransacked and left in disarray. Federal and state agents vacated the two buildings being searched between 10:00 and 11:00 a.m. Tuesday morning.

Attorneys for Campaigner and other companies are now evaluating the damage and the scope of illegal conduct during the raid.

### Commonwealth of Virginia provides cover

Despite the production of a 77-page affidavit to justify it,

the Commonwealth of Virginia had no legal basis for participating in the Leesburg raid.

The affidavit not only contains no complaints from Virginia residents, but also only mentions one loan contracted by a target organization with a Virginia resident.

The first 11 pages of the affidavit describe the professional credentials of the affiant and the various investigators. The next 30 pages provide a detailed description of an undercover operation by an agent who pretended to be a potential supporter of LaRouche, in order to get a tour of the offices targeted by the raid. Yet, through all this description, there is no report of any action which might in the wildest stretch of the imagination be interpreted as illegal.

The next 10 pages describe which offices and facilities should be searched. Then, 26 pages describe a grand total of nine "Loan Transactions," eight of which occurred outside the state of Virginia. Six of these were loan transactions which occurred before the offices of the companies in question were located in Virginia. The one Virginia lender mentioned continues to be on good and good-faith terms with the target organization.

Unlike the federal government, the Commonwealth of Virginia has never requested or subpoenaed documents from Campaigner or other companies. Therefore, if the affidavit is to be believed, the Attorney-General of Virginia deployed 150 state troopers, and 75 other local law enforcement officers, because one resident of the state made a number of politically motivated loans to a target organization. The average size of each loan was \$2,000-4,000. This was interpreted to be a "possible violation" of state laws pertaining to trading of "unregistered securities."

Now, who's kidding whom?

### Grand jury indictment is worthless

The "117-count" indictment handed down by William Weld's federal grand jury in Boston on Oct. 6, twenty-three months after its inception, is a hastily-thrown together, worthless document, designed solely for purposes of issuing inflammatory press releases.

1) The indictment alleges that the "defendants . . . fraudulently made in excess of two thousand unauthorized credit card charges totalling in excess of \$1,000,000.00 by the unauthorized use of credit card account numbers in excess of one thousand individuals from all parts of the United States." This is not further supported by any facts whatsoever; it is merely arbitrarily asserted. The \$1,000,000 figure is a blatant lie and a complete fabrication.

2) 115 of the 117 counts of the indictment involve specific credit card transactions. The actual amount of credit card chargebacks, which the grand jury alleges involved "credit card fraud," is only \$59,925.00, spread out over 115 individual credit card transactions, involving only 57 donors or customers and four fundraisers. The text of the indictment reads: "This nationwide scheme included the making of at least one hundred and fifteen separate unauthorized credit

of fifty-seven separate totalling \$59,925.00 on the credit card accounts of fifty-seven separate individuals residing in the New England area." Each one of these cases is documented in the text by name of "defendant," name of cardholder, amount, and date.

3) After almost two years and an expenditure of taxpayer money estimated between \$7,000,000 and \$10,000,000, William Weld's grand jury could identify only \$59,925 worth of credit card irregularities. This amounts to less than the dollar amount of the material damage caused to the offices of Campaigner and other organizations during Monday's "panty raid." The cost to the taxpayer of the raid itself was estimated to be ten times the disputed \$59,925 amount.

4) The \$59,925 amount represents less than 1 percent of the total amount of more than six million dollars raised by the two LaRouche campaign committees during the 1984 election. The \$59,925 is comprised either of chargebacks, or so-called "unauthorized" charges. A rate of less than 1 percent of chargebacks, "authorized" or "unauthorized," is one of the lowest rates of chargebacks ever reported by any vendor using credit cards for receipt of payment. The industry average of chargebacks and "unauthorized claims" among mail-order vendors and others relying on credit card payments is about 4-10 percent.

The question is: Will every vendor with .95 percent "unauthorized claims" and above face a raid of 400 armed troopers, helicopters and armored personnel carriers? If so, the existing size of the United States armed forces will not be sufficient to do the job.

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## Documentation

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### The Weld memorandum

*The following are excerpts from a memo issued by the office of U.S. Attorney for Massachusetts William Weld on Jan. 14, 1986, to orchestrate a nationwide witchhunt against Lyndon LaRouche. The document was obtained through the Freedom of Information Act. Emphasis is added.*

. . . For the information of the Bureau and all receiving offices, the Boston division, in coordination with the U.S. Attorney's Office, Boston, and the Secret Service, has made plans for a conference in Boston from February 12 through 14, 1986, to share information and coordinate efforts in the investigation of the wide-spread fund raising fraud by the Lyndon LaRouche campaign organization and related entities.

By way of background, Boston's investigation into

LaRouche began in November, 1984, following receipt of complaints from Boston area banks and individuals hat [sic] their MasterCard and Visa cards had been charged by The LaRouche Campaign and the Independent Democrats for LaRouche without their authority. The case has been worked jointly with the Secret Service in Boston.

The Independent Democrats for LaRouche and The LaRouche Campaign maintained credit card depository accounts at a bank in NY. Analysis of records subpoenaed from those accounts indicate that over \$800,000 in charge-backs were made to those accounts. Additional records subpoenaed for four other LaRouche related entities indicated charge-backs in excess of one million dollars.

Boston has identified four locally based fund raisers who were responsible for the credit card fraud in this division. They worked out of a Boston based office covering the New England area and Canada. There were similarly organized offices in most of the major metropolitan areas of the U.S. A review of [sic] complaints made to the FBI and Secret Service indicates that while the funds raising [sic] may have been decentralized it was centrally controlled and organized. Boston's subjects who will be indicted in the near future have fled the Boston area and are now believed to be residing in the Leesburg, Virginia area as part of the LaRouche compound. *The lack of a cooperating witness on the inside means that Boston as yet lacks venue and evidence to charge this as a national conspiracy.*

It is obvious that the fund raising continues. The scheme appears to have been modified from credit card fraud to requesting long-term, low-interest loans be made to LaRouche organizations. Many of these loans are in excess of \$10,000 and are solicited from the elderly and mentally incapacitated [sic].

*William F. Weld, U.S. Attorney for the District of Mass., Boston, Mass., is extremely interested in this case and has encouraged other U.S. Attorneys across the country to develop their own cases were [sic] venue permits to more fully address the magnitude of the fraud.* He believes that a conference of interested offices and U.S. [sic] Attorneys would be beneficial in [sic] this matter to coordinate a prosecutive and investigative effort. The [sic] and his staff plan to make a presentation regarding the prosecutive theories and problems which Boston has encountered. All attendees should also benefit from discussions relative to the situations in the respective areas of the attendees, the status of their investigations, and *a more comprehensive knowledge of the extensive records which Boston has available to assist other offices in their investigations.* . . .

The Alexandria office has advised it [sic] wishes to invite the Sheriff of Loudon [sic] County, Virginia, where [sic] the Lyndon LaRouche headquarters compound is located and the obvious site for possible future searches and/or arrests. The U.S. Attorney's office in Boston concurs. All attendees will be added to Boston's Federal [sic] Grand Jury 6E disclosure list.