

Irangate heats up as two scandals merge

by Herbert Quinde

Two legal cases that are making headlines in the nation's capital have put the Iran-Contra scandal back on the front burner of popular interest.

The Aug. 9 edition of the *Washington Times* dropped a political bombshell from its front page which is rapidly rolling in the direction of the White House. In a lengthy interview, Craig Spence, the homosexual powerbroker at the center of a male prostitution ring under investigation by federal law enforcement authorities that compromised key officials of the Reagan and Bush administrations and Washington's political elite, identified Donald Gregg, President Bush's ambassador-designate to South Korea, as one of the high level people he could access in Washington. (See *EIR*, July 21, 1989, p. 60).

For months, Donald Gregg's ambassadorial nomination has been stalled in the Senate as intense scrutiny was applied to his role in the mechanics of the Iran-Contra affair. As national security adviser to Vice President Bush, Gregg has become the President's "bodyguard of lies" concerning the details of President Bush's hands-on involvement in a foreign policy fiasco which still has him politically blackmailed. The Senate recessed for the summer and scheduled a vote on Gregg's nomination which political observers assured would lead to his confirmation, a vote which the White House has believed would be the definitive end to the Iran-Contra affair. But sources report that Republican homosexual Spence's fingering of Gregg has already raised enough interest that Gregg's confirmation by the Senate is again in doubt.

On Monday, Aug. 7, Secret Service agents served a subpoena on Craig Spence to appear before a federal grand jury which is investigating the Washington D.C.-based homosexual prostitution ring which also catered to congressional aides, U.S. and foreign businessmen, and military officers. Spence is wanted for questioning after it was revealed that he was a major client of the prostitution ring. He not only used the male prostitutes for his own enjoyment but procured them for his political and business associates who participated in "orgies" at his mansion which was electronically "bugged" with video camera and audio recorders by a "friendly" intelligence service, according to Spence, who often bragged that he was working for the CIA.

The high and mighty were guests at Spence's house for dinner and "power cocktail parties." Sources report that Spence's house was also the "gay safehouse" affectionately known by some as the "Fruitloop" regularly frequented by

the gaggle of Republican closet homosexuals who worked for Oliver North in supporting the Contras' cause.

The grand jury is also interested in how Spence managed to get a midnight tour of the White House last year accompanied by his adolescent male date and other male prostitutes. Two uniformed Secret Service agents have already been suspended because of the security breach. One of the agents worked as a part-time bodyguard for Spence who liked to surround himself and have one-night stands with young good-looking Marine types.

Spence indicated that Donald Gregg was one of the "high-level" persons who helped him set up the after-hours White House tour. The naming of Gregg in the interview with the *Times* has an almost deathbed confession quality, since Spence is dying of AIDS and has been suicidal since his former powerful friends have forgotten his name. Gregg, who has not impressed numerous senators with his concept of truthfulness, dismissed Spence's allegation as "absolute bull."

On Aug. 8, E. Robert Wallach, a longtime friend of former Attorney General Edwin Meese was convicted in a New York federal court of influence peddling in the Wedtech case. Wallach was convicted on racketeering and fraud charges for taking money from Wedtech representatives to influence Meese and other government officials as part of Wedtech's efforts to gain government business.

The Wallach conviction is seen by many aficionados of the Iran-Contra affair as the back door to reopening the entire sordid affair. Wallach was hired in 1985 by Swiss businessman Bruce Rappaport to gain influence with the Reagan administration in support of a proposed Iraqi oil pipeline. Rappaport became involved in the Irangate affair and reportedly is a target of Special Prosecutor Lawrence Walsh after the \$10 million donated by the Sultan of Brunei to the Contra cause was "mistakenly" deposited by Ollie North friends in Rappaport's Swiss bank account.

Wallach's conviction means Meese could be next. And since Meese was Reagan's closest confidant, some sources close to the former President believe that if Meese is indicted, Reagan's future could look bad.

One cabinet-level source who served in the Reagan administration says that many Reaganites believe that President Bush is prepared to sacrifice not only Meese but even Reagan to protect himself from the Irangate scandal.

Apparently confirming the speculation is Republican New York City mayoral candidate and former U.S. Attorney Rudolph Giuliani's attack on the Reaganites. The *New York Post* on Aug. 10 quotes Giuliani saying, "No one did more about rooting out corruption in the Reagan administration than I did. . . . Significant figures in the Justice Department and in the Reagan administration" were involved in Wedtech, including White House aide Lyn Nofziger—and "you couldn't have gotten closer to Ronald Reagan than Lyn Nofziger." Giuliani, who is also running on the Liberal Party ticket, is known as a Bush Republican.