

## The 'Bushgate' clock is ticking louder

by Jeffrey Steinberg

It's becoming more and more difficult for President Bush to spend any time back in Washington, D.C. these days without stepping into the line of fire in one of a number of growing scandals. And although the President has packed his bags and left the White House on a four-week vacation, there is little chance that those scandals will die down by the time he and the Congress return to business after Labor Day.

Looming over the President is the fact that his closest advisers, his political collaborators, and even his family have been intimately connected with the filthy drug money and weapons-smuggling networks involved in the "October Surprise" and the Bank of Credit and Commerce International (BCCI) scandals now under investigation.

His early August Camp David get-together with key political advisers to discuss his expected 1992 reelection campaign is a good case in point. Seated around the table were at least two long-time Bush aides whose names will very likely come up in the course of the BCCI investigations.

### Fuller and Teeley

Craig Fuller, who was Bush's chief of staff in the vice president's office during the Reagan years, is now a top figure at Hill and Knowlton World Services, the public relations firm that has been accused by former U.S. Customs director William Von Raab of shielding BCCI from federal prosecutors. In testimony before a Senate Foreign Relations subcommittee on July 31, Von Raab named Hill and Knowlton chief executive officer Robert Keith Gray as a leading figure in BCCI's "gray network" of Washington lobbyists and power-brokers on the bank's pad. Gray has designated Fuller as his heir apparent as CEO at the giant public relations firm.

Gray was a prominent Reagan-Bush campaign booster and hosted a private New York City banquet for Bush when he was first elected vice president back in 1980. To make

matters worse, Gray was for a number of years a director of First American Bankshares, the Washington-Virginia-Maryland bank corporation alleged to have been illegally owned by BCCI.

Gray was named in July by ABC's "Nightline" as a suspected participant, along with the late William Casey, in a pair of meetings in Madrid, Spain in July and August of 1980, where the Reagan-Bush campaign chief allegedly cooked up a deal with the Iranian ayatollahs to delay the release of American hostages in Teheran until after the presidential elections. The hostages were ultimately released hours after Ronald Reagan was inaugurated as President in January 1981.

The circumstances surrounding that 1980 presidential campaign and the so-called October Surprise will be probed by bipartisan panels in both the Senate and the House of Representatives beginning right after the congressional recess. On Aug. 5, after months of preliminary inquiry, House Speaker Tom Foley (D-Wash.) and Senate Majority Leader George Mitchell (D-Me.) announced that a formal probe would be initiated, under the direction of Rep. Lee Hamilton (D-Ind.) and Sen. Terry Sanford (D-N.C.).

Also seated at the President's early-August Camp David reelection gathering was Peter Teeley, formerly Vice President Bush's communications director. Teeley left the Reagan-Bush White House just prior to the 1988 elections to set up his own consulting firm. Among that firm's first big clients was the government of the Seychelles Islands, the Indian Ocean paradise that has been virtually synonymous with the "Propaganda Two" freemasonic lodge, BCCI, and Indian subcontinent hot-money flows since the mid-1970s.

Although, so far, the largest number of the U.S. politicians linked to the BCCI affair have been prominent Democrats, including former President Jimmy Carter and Lyndon

Johnson's defense secretary and Democratic Party elder statesman Clark Clifford, at least one source extremely close to the various BCCI probes has told *EIR* that "before BCCI is over, the Bush administration won't know what hit it." According to this source, BCCI arranged millions of dollars in political payoffs through a Florida bank, CenTrust Savings and Loan, headed by David Paul. Paul allegedly socked large amounts of money into the Bush campaign as well as into other prominent Republican campaigns. Paul is a Democrat who handled campaign fundraising in 1988 for Joseph Biden.

In a preliminary report issued by a Senate Judiciary subcommittee on Aug. 6, CenTrust was implicated in insider stock trading with Charles Keating's Lincoln Savings and Loan, junk bond deals with Drexel Burnham's Michael Milken, and money laundering with BCCI. The committee will likely hold formal hearings in early autumn.

### **Gates nomination in deep trouble**

September will probably prove to be a make-or-break month for the Bush presidency. Between Sept. 10 and Sept. 16, Congress has scheduled confirmation hearings for U.S. Supreme Court nominee Clarence Thomas and Director of Central Intelligence designate Robert Gates. On Sept. 11, House Banking Committee chairman Rep. Henry Gonzalez (D-Tex.) (who has already introduced a bill for the impeachment of President Bush) is scheduled to begin hearings on BCCI that are expected to revive allegations that Bush White House officials, including Gates, funneled arms to both Iran and Iraq up through the January 1991 outbreak of the Persian Gulf war.

Washington, D.C. lawyers Clark Clifford and Robert Altman are already scheduled to testify before the Gonzalez committee. Gonzalez has also requested extensive records from Henry Kissinger and his Kissinger Associates consulting firm, regarding the U.S.-Iraq trade links. Bush National Security Adviser Brent Scowcroft and Deputy Secretary of State Lawrence Eagleburger are both former Kissinger Associates officials, and both are prominent targets of the Gonzalez questionnaire.

On Aug. 2, the *Los Angeles Times* reported that numbers of former and active duty CIA officers have approached members of the Senate Select Committee on Intelligence with damning information about Gates's performance at the agency. "They've come out of the trenches screaming," one congressman told the paper. Such internal CIA opposition is considered extremely rare.

On Aug. 6, the *Washington Post* revealed that Iran-Contra Independent Counsel Lawrence Walsh has sent a letter to retired CIA officer Dwayne Claridge, a leading Irangate figure, informing him that he is a "target" of Walsh's investigation. A perjury indictment, similar to the one handed down in July against former CIA Central American Task Force chief Allan Fiers, is expected any day now. Other former senior CIA officials who have been named as prominent

targets of the Walsh probe are Clair George and Donald Gregg. George headed the Directorate of Operations under the late CIA head William Casey, while Gregg was Vice President Bush's senior national security staffer and is now ambassador to South Korea. Reportedly, Walsh's investigation gained new life in June when several CIA people stepped forward to help the special prosecutor decode tapes of conversations between headquarters officials and field agents. This led to the perjury plea-bargain by Fiers and the expected new round of indictments.

### **The Bush family jewels**

Reporters from several major news outlets are also focusing attention on President Bush's son George W. Bush, Jr. of Midland, Texas. George Jr. is the President's oldest son, a Yale graduate, and, like the President, a member of the elite Skull and Bones secret society. In an article in the July 12 *Texas Observer*, writer David Armstrong revealed that Harken Oil, a firm directed by the elder Bush son, shocked the oil industry in January 1990 by winning an exclusive contract to explore and market Bahrain's offshore oil and natural gas reserves. George Bush, Jr. denies that his father's position had anything to do with the potentially multibillion-dollar deal, and terms accusations that the U.S. troops were sent into the Persian Gulf last year to defend Harken's Gulf ventures, "far-fetched."

George Bush, Jr.'s partner in the oil firm is Allan Quasha, the son of a Manila attorney who was the general counsel to the Nugen Hand Bank, a hot-money-laundering outfit linked to CIA heroin trafficking in the Far East. Nugen Hand went belly-up in early 1980 when one of the bank's two founders, Frank Nugen, was found in an abandoned car in Australia, the victim of an apparent "suicide."

According to media sources, George W. Bush, Jr.'s business ventures are linked to other shady CIA personalities, and this story is also expected to come out publicly.

One of the reasons that the Harken-Bahrain story could strike a raw nerve with the American public is the fact that one year after the start of the Gulf crisis, many people are beginning to question the sanity of President Bush's Operation Desert Storm. Recent polls show a marked drop in public support for the President's handling of the entire Gulf affair. The criticisms range from disappointment that Saddam Hussein remains in power, while the Kuwaiti regime remains as repressive as ever; to horror at the level of devastation brought to the innocent civilian population of Iraq by the war and the continuing sanctions; to the harm done to U.S. interests.

The situation around the Bush presidency may have not yet reached critical mass, and the Democrats may still be in disarray themselves. But this should offer little consolation to President Bush as he begins his four weeks of "no politics—just relaxation." In all probability, come September, all hell is going to break loose, and George Bush is going to face the greatest challenge of his presidency.