

Oliver North's 'Confederates' still targeting Contra opponents

by Jeffrey Steinberg

John Edward Hurley is, by his own description, "apolitical." The northern Virginia businessman, lay Catholic activist, and self-styled historian of the South is not registered as a member of either major political party. He has never run for office. In matters political, it is fair to describe him as "naive."

Hurley has devoted most of his leisure time over the past decade to the restoration and maintenance of the Confederate Memorial Hall, an old brownstone mansion located on a tree-lined street in northwest Washington that once served as a retirement home for Confederate war veterans. The last of those veterans died years ago, and by 1980, the memorial hall had fallen into disrepair and was near bankruptcy; at that point, Hurley stepped in to revive the facility as a library-museum.

That is where John Hurley's troubles began. Early this year, Federal District Court Judge Thomas Penfield Jackson, in a highly unusual ruling, ordered Hurley, his attorney, and one other board member of the Confederate Memorial Association (CMA), which maintains the hall, to pay an estimated \$70,000 in legal fees to the Washington "white shoe" law firm of Steptoe and Johnson on the grounds that Hurley and friends had filed a frivolous lawsuit.

A front for intelligence operations

The lawsuit in question was a civil Racketeering Influenced and Corrupt Organizations (RICO) action initiated several years ago after Hurley and several other CMA directors found themselves under political and legal assault from some of their erstwhile Memorial Hall colleagues who had designs to take over the facility and use it as a safehouse and money-laundering front for the Nicaraguan Contras and other Reagan-era secret intelligence schemes. *EIR's* own investigation into the CMA affair has identified a cast of characters who were also involved in a similar dirty scheme involving the collapse of the Omaha, Nebraska Franklin Credit Union of convicted swindler and accused pedophile Larry King.

The ruling by Judge Jackson, a one-time attorney for the Watergate burglars, capped a back-and-forth legal battle that has been ongoing since 1988, which has pitted Hurley against the combined political muscle of the Oliver North "secret team" of Iran-Contra fame, leading elements of the Bush political apparatus, and a major component of the powerful

tobacco and cotton lobbies centered in the Carolinas. The Hurley affair underscores the continuing active involvement of the "secret parallel government" in the nation's political affairs.

Recently, this same apparatus scored a big political coup by purging several longstanding senior staffers from the office of Sen. Jesse Helms (R-N.C.). The staffers had reportedly been involved in an investigation of corrupt covert operations by the Bush administration in central Europe. Among the targets of the probe was Agency for International Development (AID) chief Ronald Roskens, a 33rd Degree Freemason of the Southern Jurisdiction Scottish Rite.

Ollie's fundraising

Things began to turn from bad to worse for John Hurley in early autumn 1986, when in his capacity as the chairman of the Confederate Memorial Association, he canceled a "Freedom Fighters' Night" at the hall on the grounds that the event was a political affair that violated the CMA's charter as a charitable-educational group. The host of the affair was to be Navy Adm. James Carey. The guest of honor was to be Lt. Col. Oliver North.

Soon after the "Freedom Fighters" event was canceled, Hurley found himself the target of a smear campaign and an all-out assault to take over the CMA. He was accused of financial mismanagement and of harboring homosexuals at the hall. When Hurley fought back against the slanders, he was dubbed a "LaRouchie," despite the fact that he had never been in contact with any representative of Lyndon LaRouche.

The "LaRouchie" allegation is revealing. In Spring 1986, LaRouche was also a target of Oliver North's covert operations because of his opposition to the Contra program, according to government documents.

A string of lawsuits was filed against Hurley and other board members allied with him following his cancellation of the Contra support rally. He found that some of the board members he had bounced from the CMA after the North "Freedom Fighters" incident had been laundering funds of undisclosed origin through Confederate Memorial bank accounts. Those funds were later traced to the First American Bank, an outfit covertly owned by the Bank of Credit and Commerce International, a haven for secret intelligence slush funds and drug money.

Ollie's cronies

The single most active member of the cabal that moved to take over the Confederate Hall on behalf of the Contra "secret team" was Richard T. Hines, a former South Carolina legislator who held a number of posts within the Reagan administration. Hines was a protégé of Max Hugel, a long-time business associate of CIA head William Casey and briefly his chief of CIA covert operations; and of Gerald Carmen. Hugel and Carmen, who today run a Washington, D.C.-based "consulting firm," also were key GOP sponsors of Franklin Credit Union crook Larry King.

After serving as one of Carmen's chief deputies at the General Services Administration during the Reagan administration, Hines, who according to an FBI official was implicated in a bribery scheme in South Carolina involving a convicted cocaine dealer, moved into the corporate world, becoming a vice president of the defense firm EDS, a senior vice president of Automated Sciences Group, and, most recently, a well-paid consultant to Philip Morris Tobacco Co.

In 1983, Hines approached Hurley and offered to help in the restoration of the Confederate Hall. An editor of the Buckley family-linked *Southern Partisan* magazine, Hines began funneling a small army of Southern conservative activists through the hall, including White House official Morton Blackwell and Department of Energy attorney Steven Page Smith. Hines also brought along a group of "volunteers" who were all former military pilots, who would put in a few days of work painting and repairing the building, only to disappear for weeks at a time.

Hurley is now convinced that Hines was deployed by the North "secret team" to take over the CMA and turn the Memorial Hall into a front for the Contra program. The hall was to be used as a Washington safehouse for Contra operators from the South on temporary assignment in Washington, and as a money-laundering front.

According to Hurley, Hines's takeover scheme was proceeding on schedule when the "Freedom Fighters' Night" flap occurred, following which Hines and his entire group were purged from the CMA board.

It was at that point that the protracted legal battles ensued, and Hurley suddenly found himself up against a formidable machinery run by Hines's "friends in high places."

In a highly unusual move, for example, Judge Jackson dismissed Hurley's civil RICO suit against the Hines group without filing a written opinion. He then dismissed the remaining civil counts with prejudice without a written opinion, despite the fact that the case was a state court matter outside his jurisdiction. When Steptoe and Johnson, representing Hines, filed under Rule 11 for financial sanctions against Hurley, a second CMA board member, and attorney David Bartone, Judge Jackson readily ruled in their favor.

Hurley is skeptical that he will get any better treatment before the appeals court, where the matter now stands. One

of the judges who will be reviewing his case is James Buckley, whose family is another patron of Richard Hines. While the Buckylys are generally associated with New York City—William F. Buckley publishes *National Review* there and James Buckley served as its U.S. senator—the family has deep roots in the South as well. In 1988, South Carolina public television sponsored a string of presidential candidate debates hosted by William F. Buckley and the current Bush administration ambassador to Russia, Robert Strauss. Also, Fergus Reid Buckley is a writer for *Southern Partisan*.

Entrenched in Washington

If Hurley's enemies are entrenched in the federal judiciary, their strength inside the Bush administration is even greater.

Hines's wife, Patricia Mayes Hines, is the daughter of Jim Mayes, the largest cotton grower in South Carolina and the driving force behind the National Cotton Council, and has held a number of senior posts in both the Reagan and Bush administrations, starting with a staff position at the Reagan White House. During her Reagan White House days, Patricia Hines forged a close alliance with fellow staffers Gary Bauer and Deborah DeMoss. DeMoss is now a driving force on the staff of Senator Helms.

The DeMoss Foundation, based on the family's fortune, constitutes one of the largest sources of funds for Christian evangelical activities in the United States, Mexico, and Central and South America. Mark DeMoss, Deborah's brother, was chief of staff to Jerry Falwell and the administrator of the Christian Embassy in Jerusalem, according to Washington sources. The embassy serves as a bridge between Christian evangelicals and right-wing Israeli Zionists, and is an important component of the Temple Mount plot to foment a religious war over the holy sites in Jerusalem, which some evangelicals see as a harbinger of the Final Judgment.

Since leaving the White House staff, Patricia Hines has served as assistant secretary of education and deputy assistant secretary of the Army for education, training, and simulation. She still holds the latter post.

According to Washington sources familiar with both the CMA battle and the purges at Helms's office, the same characters were behind the two incidents. These sources point to the Charleston, South Carolina Scottish Rite lodge as the power base of this crew of would-be Confederates, all of whom have entered into an alliance with the Zionist lobby. In recent years, Helms has himself been inducted into the 33rd degree of this lodge, a position already obtained by AID chief Roskens.

Some people view this Southern Jurisdiction Freemasonry as little more than a symbolic club, of little importance in the world of Washington power politics. But in reality, this Freemasonic connection is as dangerous as it was 150 years ago when the Charleston lodge was the center of the British-run secessionist movement.