

ADL-linked law firm nailed in S&L coverup

by Steve Meyer

On March 9, in an agreement between the New York law firm of Kaye, Scholer, Fierman, Hays, and Handler and the Office of Thrift Supervision (OTS), Peter Fishbein was barred from practicing banking law. Fishbein represented Charles Keating's Lincoln Home Savings and Loan when it was called before the Federal Home Loan Bank Board (FHLBB) in 1986 and 1988. (The bank later failed and was seized by federal authorities.)

Fishbein is also an executive of the Anti-Defamation League of B'nai B'rith (ADL). This affair provides fresh

Anti-Defamation League of B'nai B'rith, which has been an integral part of the prosecution team. Despite a clear appearance of bias, Weckstein continues to preside over the "LaRouche" cases. Attorneys for Gallagher, Gallagher, and Hecht have filed a petition for a rehearing.

Terry under fire

These decisions come immediately after increasing public criticism of the Virginia court system and Virginia Attorney General Mary Sue Terry. Earlier this year, the *Richmond Times-Dispatch*, the newspaper of the state's old-line establishment, devoted two lead editorials to attacking Terry for being "politically motivated" in her prosecution of LaRouche's associates in Virginia. The *Richmond Times-Dispatch* cited recently disclosed FBI documents in which FBI agents described Terry's actions as being politically motivated. The editorials also criticized the outrageous sentences meted out against LaRouche supporters, while big-time Wall Street crooks get lenient sentences.

Terry has also come under fire for her bloodthirsty commitment to carrying out executions even when there is clear evidence that the condemned are innocent. Terry and her assistants consistently argue that evidence of innocence should not be considered once a death sentence has been handed down. Virginia is one of the few states in the United States that does not allow courts to hear new evidence in death penalty cases except within 21 days of conviction.—Bruce Director

evidence of the fact that the ADL, a private lobby which has nestled into federal and state law enforcement agencies in an official capacity all over the United States under the guise of being a leading civil rights organization, is really a front for organized crime.

Case for criminal prosecution

The OTS filed an administrative complaint on March 2, charging that Kaye, Scholer had contributed to Lincoln's losses through its representation before the FHLBB. OTS froze the firm's bank account, issued a fine of \$275 million, and was also holding Fishbein personally responsible. In the final settlement, reached in early March, the firm agreed to pay \$41 million in damages.

The unprecedented action by the OTS has sparked a debate inside the legal community over the issue of whether a law firm should be subject to regulatory actions for vigorously defending clients. Indeed, the action by OTS raises real constitutional issues, particularly in the context of the Bush administration's track record of widespread abuse of the authorities of the Executive branch.

While there is little doubt that Fishbein and his team of corporate lawyers at Kaye, Scholer were complicit in the coverup of criminality by Lincoln, many legal experts have argued, correctly, that Fishbein and others should have been criminally prosecuted (as were Lincoln chairman Charles Keating, Drexel Burnham's Michael Milken, and others) for their actions. They would have thus been afforded the full constitutional protections under the Sixth Amendment.

The firm has already been found to have been wittingly involved in the Lincoln debacle. Last year, the firm paid \$21 million in two class-action suits brought by investors who had bought junk bonds issued by Lincoln and who had lost their shirts when the thrift failed.

Peter Fishbein and Dope, Inc.

Fishbein and his law firm have represented some of the most notorious elements of the international dope mafia. According to *The American Lawyer Guide*, his clients include:

- Fishbein has represented Carl Lindner's American Financial Corp. According to several of the recently published books exposing the inner workings of convicted felon Michael Milken's junk bond industry, Lindner and American Financial were at the core of Milken's well-oiled apparatus. Not only was Lindner Drexel Burnham's biggest client, but he was also the closest to Milken personally.

In 1975, just as Milken was getting under way, Lindner took over United Brands after its chairman, Eli Black, took a short walk out his 44th floor office window. Lindner installed as chairman his financial partner Max Fisher, the former member of Detroit's notorious Purple Gang and currently a national commissioner of the ADL. *Dope, Inc.*, EIR's bestselling book on the international drug cartel and its corporate and financial fronts, revealed that, according

to law enforcement sources, United Brands ships carried a substantial portion of the cocaine brought into the United States during the 1970s.

● Kaye, Scholer also represents Trizec Corporation Ltd., the Canadian holding company operated by the notorious Bronfman family. During Prohibition, the Bronfmans were part of organized crime running whiskey across the Canadian border into the United States. According to Canadian intelligence, a maze of Bronfman-connected companies was involved in drug smuggling and money laundering into and out of the United States. Edgar Bronfman, the chairman of Seagram's, is a major funder and executive of the ADL.

● Kaye, Scholer has also been chief outside counsel to Sterling National Bancorp and its subsidiaries. According to organized crime experts, Sterling National Bank was founded in 1929 by one of Meyer Lansky's closest syndicate associates and chief money handlers, Frank Erickson. It is the ADL's major bank. From 1934 until his recent retirement, Theodore H. Silbert was a director of Sterling National Bank and its longstanding chairman of the board. Silbert is a member of the ADL's National Commission.

Until he ran into trouble, Peter Fishbein was the managing partner of Kaye, Scholer. Since 1970, he has been a member of the board of the ADL's powerful chapter in Westchester County, New York. His partner Milton Handler received the ADL's Lawyers Division Human Relations Award in 1979.

Arthur H. Goldberg and Integrated Resources

The firm is also representing Arthur H. Goldberg, a defendant in a shareholders' suit filed against Integrated Resources, a New York-based insurance and investment company that, on June 15, 1989, defaulted on nearly \$1 billion of debt. Goldberg was a founder, director, and officer of Integrated which, since 1978, had been part of Michael Milken's junk-bond industry. Integrated bought and sold junk issues in Milken's daisy chain, invested in leveraged buyouts, and was involved in hostile acquisitions.

The suit alleges that Goldberg was involved in a conspiracy to defraud shareholders by inflating the price of Integrated stock, and using accounting tricks to mask the company's real financial condition. It also alleges that, based on his inside information that Drexel could not roll over Integrated's debt, Goldberg sold 10,000 shares of his own Integrated common stock weeks before Integrated's default, and failed to disclose the sale until well after it collapsed.

Goldberg was also close to Milken. Just two days after Milken was indicted on 98 felony counts ranging from securities fraud and insider trading, to perjury and racketeering, Goldberg signed a full-page advertisement which appeared in major newspapers across the country headlined "Mike Milken, We Believe in You."

The ADL had also believed in Milken. Before his arrest and conviction, Milken presented the ADL with a whopping \$1 million seed grant to start the ADL's World of Difference program.

From Yalta to the Gulf war

A Public Broadcasting Service (PBS) documentary aired one year after the end of the Gulf war revealed how the Anglo-Americans erected a controlled environment around Israel and the Arab states from the days of Israel's founding to the present.

The documentary "The Secret Files: Washington, Israel, and the Gulf," produced by the *Washington Post* and narrated by editor Ben Bradlee, "reconstructs for the first time on television the original U.S. commitments to Saudi Arabia and Israel that lay behind America's involvement in this recent war." The program draws from newly declassified material to reveal how Presidents Roosevelt, Truman, Eisenhower, and Kennedy "used secret agreements and personal contacts with Saudi Arabia and Israel to shape America's national policy that culminated in the

Gulf War," according to a release from PBS.

For example, the program reveals that President Roosevelt went directly from his meeting in Yalta with Churchill and Stalin to the Middle East to negotiate Saudi Arabia's virtual neutrality on the establishment of a Jewish state in Palestine. In exchange, Roosevelt promised U.S. military support. One of the "secret documents" was a State Department cable to Riyadh immediately after Roosevelt's negotiations promising that if Saudi Arabia was "attacked . . . or under threat of attack," the United States would "take energetic measures to ward off such aggression" through the United Nations.

By the 1970s and '80s—during the years shaped by Henry Kissinger's "shuttle diplomacy"—the U.S. Army Corps of Engineers constructed a number of secret military bases on Saudi soil intended to protect it from attack by Arab states—principally Jordan and Iraq—and also from Israel.

It was under cover of those post-World War II secret agreements and from those secret bases that the U.S. launched its war against Iraq.—*Katherine Notley*