

LaRouche's enemies falling: Cisneros down in Venezuela

by Jaime García

The demise of the corrupt Carlos Andrés Pérez (CAP) government in Venezuela appears to be leading also to the fall of the house of Cisneros, led by the brothers Gustavo and Ricardo Cisneros, archenemies of Lyndon LaRouche's international movement and viewed by international business magazines as "the owners of Venezuela."

On March 2, a Venezuelan judge issued 83 arrest warrants against the board of directors, managers, and advisers of the Banco Latino, the once-powerful Venezuelan bank whose failure last month triggered a financial and political crisis in the country. Among those facing arrest for crimes ranging from fraud to "criminal enterprise" is director Ricardo Cisneros Rendiles, of the notorious Cisneros clan, whose head Gustavo Cisneros was responsible for securing a nationwide ban against the Spanish-language edition of the book *Dope, Inc.* in 1985. That book, by the editors of *EIR*, identified the Cisneros family as linked to international interests involved in drug money laundering. Among other things, Banco Latino has now been accused of illegal money laundering.

The truth will come out

Just before President Pérez was suspended from the presidency in May 1993, LaRouche's co-thinkers in the Venezuelan Labor Party (PLV) published a pamphlet entitled "The Truth About CAP," which detailed the mafia ties of his government to bankers, drug traffickers, and criminal organizations, both domestic and international. A section of the pamphlet was dedicated to the history of the shady ties between the President and the Cisneros-Banco Latino group, the head of which in Venezuela has come to be known as CAP's

"twelve apostles."

In the following months, an unprecedented wave of terrorism was unleashed in the country, including letter bombs to magistrates of the Venezuelan Supreme Court and car-bombs set off in various locations in Caracas. These attacks did not succeed in preventing the Supreme Court from confirming Pérez's ouster from the presidency by late August, nor did they keep the leading opposition candidate to Pérez and his free trade economic policies, former Venezuelan President Rafael Caldera, from winning the December presidential elections.

During this period, the PLV continued to campaign with the slogan "CAP Has Fallen; Down with His Gang," (i.e., the "twelve apostles"). Nearly 100,000 copies of "The Truth About CAP" were distributed throughout Venezuela. Caldera himself, just before the elections, charged that the terrorism and other destabilization efforts were being carried out by "the financial and military mafia of Carlos Andrés Pérez."

The Banco Latino swindle

In mid-January 1994, just 15 days before Caldera's presidential inauguration, the government and the Central Bank of Venezuela decided to intervene into the bank of CAP's "apostles," the Banco Latino, which was facing bankruptcy because of mismanagement by its directors and flight capital in the previous weeks which drew down the bank's reserves by more than \$2 billion. Among the leading stockholders and directors of the bank, who were (in most cases belatedly) prohibited from selling their assets and leaving the country, were the bank's former president Gustavo Gómez López (an intimate of the Cisneros clan) and Ricardo Cisneros Rendiles,

vice president of the Cisneros Organization. Before fleeing Venezuela, Ricardo Cisneros managed to transfer a large portion of his personal property, including his luxury home, to front-men, to the tune of some \$15 million.

The limited information that leaked out to the public from a congressional investigation into the bank failure was very revealing: Behind the façade of the Banco Latino were another four parallel banks which carried out illegal operations without any guarantees or supervision, using money from depositors as well as from the government; unsecured multimillion-dollar loans had been made to companies belonging to the bank's own directors; through unregulated exchange houses and offshore branches in Curaçao, Miami, and Bogotá, Banco Latino functioned as a centrifuge drawing dollars out of the country; previous charges of irregular operations conducted jointly with Chase Manhattan Bank and Jersey Island, England, were confirmed; members of the investigating commission also discovered evidence of dollar laundering.

The collapse of Banco Latino, which had gone from 14th to 2nd place among Venezuela's banks under the Pérez administration, has directly affected 1.2 million depositors, as well as thousands of key state companies and institutions (such as the military and the oil companies) which had their pension funds and savings with the bank. When oil workers threatened a national strike and thousands of depositors began to march in the country's leading cities demanding that their savings be returned and the embezzlers punished, many individuals, starting with the Cisneroses, began to tremble.

Cisneros goes mad

On Feb. 16, PLV leader Alejandro Peña Esclusa was interviewed on the morning news show of Radio Caracas TV, "Lo de Hoy," where he demanded an end to widespread "reverential fear" of the Cisneros group if Venezuela was to be saved from imminent civil war. He explained the links of the Cisneros group with the Banco Latino fraud, and demanded the immediate confiscation of the personal assets of Gustavo and Ricardo Cisneros, to enable payment to the swindled bank depositors. Further, he denounced the destabilization being wielded against President Caldera by the friends of the Cisneros in the United States, through the visits of Henry Kissinger, Luigi Einaudi, and George Landau, as well as by the "left hand" of the State Department, represented in Venezuela by the Radical Cause party, linked to the narco-terrorist São Paulo Forum.

That same day, Peña expanded on these charges at a heavily attended press conference, which was extensively covered by all the news media, including television. But while Peña attacked the Cisneros group's activities, the Cisneros-owned TV station Venevisión broadcast a special program denouncing Lyndon LaRouche and Alejandro Peña. In addition to the usual slanders against LaRouche, Cisneros deployed his leftist agents in the Radical Cause party to go after Peña and to recommend that he "go to a psychiatrist."

Ironically, this deployment was not the only symptom of the Cisneroses' crisis of nerves. On the day following Peña's press conference, Gustavo Cisneros called a meeting in his home of the country's leading bankers, the heads of the leading AD and Copei parties, and the presidents of the national congress and of the bicameral commission, to speak in private about what measures the government should take to save the bank. The meeting, which was intended as a show of force, ended up a fiasco instead. Several bankers and government representatives excused themselves from attending, and those bankers who did attend were sharply critical of speculative practices and urged that those responsible for the Banco Latino fraud be punished.

Even worse, the minutes of the supposedly private meeting were leaked to the press, and the congressional leaders and political party representatives who did attend were forced to spend several days denying to the media that they were at the meeting to receive instructions from Cisneros regarding a case in which the leading criminal suspect was their own host! Abandoning their "reverential fear" of the Cisneros, the Venezuelan Congress decided to open up an investigation into the meeting at Cisneros's house.

Mafia-style tactics

Despite their efforts, the Cisneros clan's misfortunes appear to be multiplying. In order to distance itself from the gigantic fraud of the Banco Latino and to reingratiate itself with a population which is growing increasingly impatient that justice be done, the Cisneros group is using the media under its control to attack its former partners on the Banco Latino board, including the use of documents to try to prove that it is "them, not us" who embezzled the public's money.

The response was not long in coming. Former Banco Latino president Gustavo Gómez López, heir to the late "apostle" Pedro Tinoco and until now a Cisneros intimate, responded from abroad that he will not be made a scapegoat, and has begun to talk. In a Feb. 25 communiqué, Gómez López debunked the Cisneros propaganda attempting to separate the clan from the Banco Latino affair. He stated that the Cisneros group does not represent 3.5% of the bank's stocks, as it claims, but rather 25%. He further stated that, through the fronting of various companies, "the Cisneros Organization is the Banco Latino's largest debtor."

Gómez López added: "If the efficient cause of Latino's death, as [Venevisión] states, was its loan portfolio, we can only conclude that its greatest borrowers, that is the Cisneros, are the principal cause of the crisis." He charged that Venevisión seeks, "with two or three disinformational little programs, to have one believe that I am the sole heir of all the hatred, when those truly responsible are alive and well."

Another of Pérez's old "apostles" and a partner of Tinoco and Cisneros in the Latino group, Siro Febres Cordero, has also broken the alliance of many years and come out against Cisneros, in a letter published Feb. 27 in all of the country's

leading newspapers. In addition to giving various details on the Cisneros group's disloyalty to its old partners, and on their "daring and dishonest" management of bank loans, Febres Cordero personally challenged Cisneros's duplicity: "It does not escape the attention of the most ignorant television viewer [that] your intense efforts to confuse the opinion of Banco Latino's depositors [are designed] to save your companies from probable collapse, in light of their difficulty in paying the debts contracted with the bank."

The attacks against the Cisneros clan have appeared not only inside Venezuela. The clan has been forced to denounce articles published by noted economic journalist Carlos Ball in the *Wall Street Journal* and numerous other dailies in other countries, which explain in detail how the Cisneros group expanded in the shadow of political power, and their responsibility for the sinking of Banco Latino.

Ball states that, following the military coup attempt against Pérez (when he was forced to take refuge in a Cisneros bunker at Venevisión!), the Cisneros group began to reduce its activity in Venezuela. In fact, in the past two years, the Cisneros group has associated with Televisa of Mexico, has purchased part of the Univision television chain in the United States, and has withdrawn funds from the CADA and Maxys supermarket chains in Venezuela to invest in the Pueblo supermarkets of Puerto Rico and in the Xtra chain in Florida and the Virgin Islands. The Cisneroses now own Spalding and Evenflo in the United States, have purchased the television station of the Catholic University of Santiago, Chile, and are negotiating the purchase of RTI television in Colombia. They have also just sold Helados Tío Rico in Venezuela to the multinational Unilever, and the Venezuelan food company Yukery to Heinz.

As a result of his exposés of the Cisneroses, Carlos Ball has had to request the FBI's protection in Florida, after he and his family were subjected to a campaign of threats and intimidation. This is not the first such instance of a Cisneros display of thuggery. In late 1992, media owned by the rival Phelps Group implicated the Cisneroses in an assault against Mrs. Hopy Phelps, one of the main stockholders of the group, which left her severely brain-damaged. They stand similarly implicated in a machine-gun attack in July 1993 on the house of Marcel Granier, director of *El Diario de Caracas*, which only days earlier had published the PLV's pamphlet against Pérez and his "apostles" as a Sunday supplement.

It is now up to the judicial authorities and to the Caldera government to judge the responsibility of the Cisneroses in the gigantic swindle of the Banco Latino, and to order the appropriate penalties. There is no question that the case represents a serious "test of fire" for any Venezuelan government, but at least the "reverential fear" against which Peña warned appears to be disappearing. At last word, angry Banco Latino depositors have begun to occupy—for the moment, peacefully—the supermarkets owned by the Cisneroses, demanding the return of their savings.

The decade-long the Cisneros clan

To the common Venezuelan, the battle now being waged over what course their nation must take if it is to survive its grave economic crisis, appears almost personalized as a battle between the once seemingly all-powerful multi-billionaire Goliath, Gustavo Cisneros, and the secretary general of the small Venezuelan Labor Party (PLV), Lyndon LaRouche's friend Alejandro Peña.

Over the past month, Peña has appeared almost daily in the media, reminding Venezuelans that he and his friend LaRouche had warned them that behind the now-exposed corruption of the Cisneros family, stood a *policy* of looting Venezuela and turning it into a drug economy, a policy dictated by the international financial interests which sponsored the nouveau riche Cisneros family, the Rockefeller-Kissinger group in particular. Their chief local political figurehead for years was Carlos Andrés Pérez, deposed last year as President of Venezuela on charges of corruption.

Peña's credibility is based on a near decade-long track record of battle against the Cisneros. As we document below, this is the third time since 1985 that the battle between LaRouche and his friends on the one side, and the Rockefeller-Cisneros interests on the other, has dominated the Venezuelan political scene and news media for weeks at a time.

Like their international sponsors, the Cisneros interests have sought to suppress the real battle over the *policies* at stake, instead employing wild slander campaigns, political arm-twisting and threats, and physical thuggery in their desperate efforts to discredit LaRouche and silence LaRouche's friends in Venezuela. Ever since 1985, every major attack inside Venezuela directed against LaRouche and his friends has originated with the Cisneros interests. In each case, the slanders circulated by Cisneros were but homegrown versions of slanders put out by the anti-LaRouche propaganda mills of NBC News, the *Washington Post*, and the Anti-Defamation League of the freemasonic lodge B'nai Brith in the United States.

In the midst of the battle in 1985, *EIR* forecast the coming demise of the Cisneros and their international sponsors. In a statement issued on Feb. 13, 1985, *EIR* wrote: "No amount of hysterical slanders in the Cisneros' and allied media can disprove the facts contained in *Narcotráfico S.A.*, nor stop