

the Wall Street firm of Willkie, Farr, and Gallagher, whose managing partner, Kenneth Bialkin, was a top official of the ADL, soon to become the League's national chairman. A former Willkie, Farr lawyer and longtime Bialkin intimate, Willard Zucker, was installed as IOS's in-house counsel following the Vesco coup.

Details of the Willkie, Farr role in the theft of over \$270 million came out in the course of a federal civil suit, filed in 1980 in the Southern District of New York [74 Civ. 1980 (CES)], which named Vesco and Willkie, Farr as defendants. Eventually, a jury ordered Willkie, Farr to pay over \$30 million to investors who were robbed by the shutdown of IOS.

How did Bialkin, Zucker, and the other Willkie, Farr lawyers carry out the grand larceny? Between April and December 1972, under Vesco's instructions, IOS liquidated over \$220 million in blue chip stocks. The cash was funneled into a string of dummy companies that Vesco, via Willkie, Farr and others, had set up all over the Caribbean. The funds were washed back and forth within a hermetically sealed network of these Vesco offshore banks and dummy companies. Ultimately, the emptied shells would declare bankruptcy, thereby breaking the paper trail from IOS to the secreted Vesco cash. The sums removed may have exceeded \$1 billion. In 1969 alone, IOS had generated \$500 million in cash that had been funneled off into secret accounts.

In all these activities, Vesco was by no means the boss. He was a well-paid employee. And, while large numbers of honest investors lost their shirts in the looting of IOS and in the preceding stock market manipulations, the vast majority of the "disappeared" cash consisted of the cash proceeds of the Lansky syndicate's far-flung criminal enterprises. The money would move on to bigger and better forms of offshore "creative" financing schemes, including the launching of the Colombian cocaine and marijuana pipeline into America. Indicative of the Rothschild-Vesco-Lansky plans for the future were two failed takeover bids that Vesco maneuvered with the cash he siphoned from IOS. First, he came a hair's breadth away from successfully purchasing Resorts International, the Caribbean gambling enterprise that got started with construction loans from IOS. And a few months later, Vesco moved to take over the Beirut-based Intra Bank, owner of the world's largest gambling casino, Club Leban.

From IOS to Contragate

Vesco and IOS disappeared from the Swiss landscape before the end of 1973, but the network employed by Vesco's Rothschild and Club of the Isles' controllers remained in place, and went on to become involved in some fascinating and sleazy operations.

Willard Zucker, the ex-Willkie, Farr attorney who played "Mr. Inside" in the looting of IOS, obviously knew that he'd soon be out of a job, because in September 1971, he created

his own firm, Compagnie de Services Fiduciares SA (CSF), to "give advice on fiscal, financial, judicial, and economic matters and [to] handle all financial goods of the customer," according to Swiss corporate filings. A decade later, CSF was swimming in business. Its prime client: the George Bush-run and Oliver North- and Richard Secord-managed Iran-Contra "Enterprise." Zucker's CSF managed all of the Crédit Suisse

From Vesco-IOS to Milken-Drexel Burnham

IOS went out of existence in 1972-75, and during the same years, Drexel Burnham Lambert was transformed into the premier deal-making, money-laundering firm in the world, pioneering the junk bond mania of the 1980s, wreaking havoc on corporate America, and eventually sending its best-known trader, Michael Milken, off to federal prison.

The emergence of Drexel was part of the shakeout of IOS, orchestrated by the Rothschilds for the Club of the Isles. Drexel was IOS's lead investment bank and underwriter. IOS officials knew, from the inside, just how Cornfeld, and then Vesco, structured their global hot-money laundry.

Drexel enjoyed the personal backing of Baron Edmond de Rothschild, who helped orchestrate protégé Max Fisher's takeover of United Fruit Company in 1975. Fisher, a Prohibition Era member of the Purple Gang, in turn helped bankroll Cincinnati businessman Carl Lindner, who became one of Drexel's primary frontmen in a series of insider takeovers of a string of American companies. In this effort, Lindner was joined by other Drexel "blue chip" clients, including Meshulim Riklis, the Minneapolis Anti-Defamation League (ADL) operator who helped insert Robert Vesco into the driver's seat at IOS; New York City investor and Jacob Rothschild business partner Saul Steinberg; Miami gangster Victor Posner; and hotel and media takeover artist Laurence Tisch.

When, in the mid-1980s, the Drexel junk bond bubble blew sky high, the firm went under and Milken, the Beverly Hills, California high-flying trader who handled the accounts of all the above-cited clients, went off to jail.

Before his wings were clipped, Milken tossed \$1 million into the coffers of his favorite "charity," the ADL, Robert Vesco's chief allies in the original IOS scam.