

experienced in Russia were not caused by Yeltsin's shock therapy reforms, but by the collapse of the Soviet Union per se.

Commenting on a (not necessarily accurate) *New York Times* account of disputes within the Clinton Administration, a spokesman in Summers' office at Treasury told *EIR* on Jan. 11, 1994, "Everyone here, including Larry, is very happy that the *New York Times* suggested President Clinton sided with him, rather than Strobe Talbott's 'less shock, more therapy.'"

On the same wavelength as Summers at that time was Chubais, then head of the State Committee on Privatization. Three years later, when Chubais had been brought in as first deputy prime minister, came the next Summers scandal in Russia, namely, the leak of a "Dear Anatoli" letter he wrote to Chubais, which revealed the degree of their intimacy, as well as Summers' high-handed attitude toward Russia. As published in *Nezavisimaya Gazeta* in September 1997, the Summers letter ordered Chubais to focus on certain tax reforms ("in such a way that the competitiveness of Western products would be enhanced," according to the report), on pushing through Production Sharing Agreements (PSA) to give foreign investors more ownership rights over Russian raw materials, and on Russia's joining the World Trade Organization.

In mid-1996, with the friends of Summers and the IMF in positions of influence under the just-reelected President Yeltsin and the Victor Chernomyrdin government, the Russian short-term government bond (GKO) market was opened up to foreign investors. The rapid inflation of the GKO bubble, which would blow out in August 1998, was under way. When that happened, Larry Summers was on the case.

About the events of Summer 1998, there are numerous accounts of Summers' hands-on role, in addition to Glazyev's. In a December 1999 article in the *Moscow Tribune*, Prof. Stanislav Menshikov recounted a confrontation he had had with Summers at a World Bank seminar in 1998. Referring to certain factional developments within the IMF and World Bank, Menshikov observed, "Summers' victory led to the further tightening of the screws on IMF policies towards Russia." There had even been a personal pledge by President Clinton for the release of a certain tranche of an IMF loan to Russia. "But," recalled Menshikov, "the President of the United States was overruled by the powerful group in Washington that is behind Summers and other architects of hard-line policies vis-à-vis Russia."

## It's Time To Reopen LaRouche Exoneration

April 2—Attorney General Eric Holder's decision to move on April 1 for dismissal of all charges against former Alaska Senator Ted Stevens raises the issue, once again, of when the Justice Department will exonerate Lyndon H. LaRouche, Jr., a victim of prosecutorial misconduct far more egregious than that employed against Stevens.

Stevens was convicted of seven counts of filing false statements on his Senate financial disclosure forms. The case centered on work done renovating Stevens' Alaska home, which was paid for by Veco Corporation and not disclosed by Stevens on his Senate disclosure forms. Stevens requested a bill for the work in a note to Bill Allen, Veco's former CEO, and the central witness in the government's case against the Senator. Allen testified dramatically at trial that while he received the note requesting a bill from Stevens, he was told by a Stevens confidant that the Senator's bill request was not serious and should be disregarded: "Ted was just covering his ass," Allen stated.

Post-trial investigation of the controversial case by Attorney General Holder revealed that DOJ prosecutors deliberately suppressed an earlier interview with star witness Allen in which he did not recall anything about the note from Stevens, a development which, in turn, suggests that Allen's trial testimony was fabricated.

Former Attorney General Ramsey Clark, who represented LaRouche in his appeal, noted at the time that the LaRouche case involved "a broader range of deliberate cunning and systematic misconduct over a longer period of time utilizing the power of the Federal government than any other prosecution by the U.S. Government in my time or to my knowledge."

With Holder's demonstrated interest in cleaning up Bush Administration prosecutorial misconduct, it is surely time for a new look at the LaRouche case.

### Railroad

LaRouche was indicted in 1988, in Alexandria, Virginia, home of the "rocket docket," for conspiracy to



EIRNS/Stuart Lewis

*Lyndon LaRouche is led from the Alexandria “rocket docket” courtroom, following his unjust conviction, on Jan. 27, 1989. With Attorney General Holder’s decision to clean out the corruption in the Justice Department, it is now time to move for LaRouche’s full exoneration. Right: Eric Holder.*



U.S. Government

tax conspiracy charges—charges which were crucial to bringing and prosecuting the new case. One Marielle Kronberg presented false testimony suggesting that LaRouche took steps to intentionally conceal his actually, virtually non-existent income from the IRS during his 1979-80 Presidential campaign. In fact, he had had no known personal Federal income liability for the year 1979-80. The supposed income was a proffer of payment of author’s royalties to LaRouche, but for which no means to pay existed at that time, or later.

LaRouche was certain that no royalties had existed or would exist, and had no knowledge of the existence of the fraudulent checks which had been uttered by Kronberg, despite the lack of funds available to support them. Kronberg knew this. Yet she kept phony checks in the checkbook in her custody, and her testimony suggested that LaRouche acted to conceal income through the royalties

conceal his tax liabilities from the IRS. He was also charged with complicity in alleged loan fraud and conspiracy to commit loan fraud.

An earlier Federal prosecution in Boston, for credit card fraud and loan fraud, collapsed amidst findings from U.S. District Judge Robert Keeton that the Justice Department engaged in “systemic prosecutorial misconduct.” Jurors in that case stated publicly that had the case not mistried, they would have found LaRouche and his co-defendants not guilty, because of the government’s role in creating the case.

The new Federal case in Alexandria, Virginia, was rushed through indictment and trial, in order to be brought to a decision during the last months of 1988, prior to the scheduled retrial of the Boston case, in January 1989.

The new Alexandria Federal case depended crucially on a key false witness against LaRouche on the

scheme. Without her false testimony, the tax charge against LaRouche could not have been brought, and the rest of the fraudulent Federal case against LaRouche in Alexandria would probably have been kicked back to Boston for lack of credibility on the tax charge.

Kronberg was facing possible criminal charges for kiting checks and other mismanagement of the company which published LaRouche’s books, and testified falsely in order to avoid prosecution and imprisonment on those charges.

After LaRouche’s conviction on the Alexandria charge, the Boston Federal case was dropped by the U.S. Justice Department. Government memoranda released long after the Alexandria trial revealed that the tax case against LaRouche was considered a civil matter by the IRS, until two LaRouche associates won the March 1986 Democratic primaries for lieutenant governor and secretary of state of Illinois. Thereafter,

## After Stevens Case: Will Holder Shut Abscam II?

Even the *Washington Post*, which once played a pivotal role in the black propaganda drive to railroad Lyndon LaRouche into prison, saw the handwriting on the wall in Attorney General Eric Holder's April 1 decision to throw out the conviction of former Sen. Ted Stevens (R-Ak.). Reporting on the Holder action on April 2, the *Post's* Carrie Johnson and Del Quentin Wilber wrote: "Holder's decision invites tough new scrutiny of a unit that polices corrupt officials, and it could foreshadow a shakeup in the way the government prosecutes those crimes. . . . Current and former department lawyers predict an overhaul that will sweep aside senior leaders in the Public Integrity Section."

But Holder will need to go much further than a cleanup of the Public Integrity Section, according to sources familiar with the crisis at the Department of Justice and FBI. According to these sources, FBI Director Robert Mueller has launched the equivalent of "Abscam II," a political targeting of senior members

of Congress, to be framed up using the very tactics that have now blown up in the Stevens case. Sources say that, in the past year, the FBI has shifted scores of corrupt agents into the unit specifically charged with probing allegations of corruption by members of Congress. These agents, according to the sources, have been funneling half-baked allegations, wiretap data, and other illegally obtained or fabricated information to "private" think-tanks and select reporters, to build the climate for politically motivated prosecutions.

One source, who insisted on anonymity, put it in the following, blunt terms: "For the past few decades, the Department of Justice has become a haven for corrupt, incompetent lawyers, who could never make it in the private sector. It is as bad as the political corruption at Fannie Mae and Freddie Mac." The source concluded, "It is going to take a serious clean-out to solve the problem. The eight years of Bush and Cheney compounded the problem, tremendously, but this is a longer-term disease."

A second source, also speaking anonymously, concurred. "This problem goes back almost 30 years. Look at Abscam, and you see the roots of this political targeting."

—Jeffrey Steinberg

the simmering efforts to indict and destroy LaRouche and those associated with him were significantly escalated.

The loan fraud portion of the LaRouche case involved witness "deprogramming" and other witness tampering by government prosecutors, rewards to key government witnesses, use of the Loudoun County Sheriff's Department and private agents and investigators employed by the Anti-Defamation League of B'nai B'rith (ADL) to engage in witness tampering, illegal searches, and black-bag jobs. The use of these tactics, thoroughly documented in LaRouche's post-trial filings, was adamantly denied by the Justice Department, despite defense requests for disclosure prior to LaRouche's trial.

As documented in the post-trial filings by LaRouche's legal team, the government's participation in a constant black propaganda media campaign and deliberate financial attacks against LaRouche and his as-

sociates, dates from President Reagan's endorsement of LaRouche's Strategic Defense Initiative program in March of 1983. Yet, by early 1987, according to government documents released after LaRouche's trial, the government discovered that individuals who had loaned money to companies associated with LaRouche still refused to testify against him, despite thousands of negative media articles, huge raids, and Federal indictments. As a result, in April of 1987, the United States brought an involuntary bankruptcy proceeding against the LaRouche companies holding the loans. The bankruptcy ensured that lenders would not be repaid and, according to post-trial disclosures, facilitated the government's witness recruitment efforts.

The unprecedented involuntary bankruptcy was subsequently denounced by U.S. Bankruptcy Judge Martin Bostetter as "a fraud on the court." The fraud had been the work of the Federal prosecution in the LaRouche cases.