

Dope, Inc.'s man at the Justice Dept.

by Jeffrey Steinberg

Within the next few weeks, a bipartisan coalition of senators will introduce a law making it a felony for bank and casino officials to launder dope money and other crime revenues (see *Congressional Closeup*, pages 68-69). While it remains to be seen whether the bill will contain provisions holding top bank executives responsible for their banks' failure to guard against dope-money contamination, the bill would certainly give teeth to President Reagan's recently invigorated war on drugs.

It is likely that even as the Senate Judiciary Committee is marking up this controversial piece of legislation, it will be holding hearings on the nomination of Boston U.S. Attorney William Weld as chief of the Criminal Division of the Department of Justice, the fourth-highest position at the DoJ.

If members of the Senate Judiciary Committee are serious about shutting off the annual flow of hundreds of billions of dollars in dope money through the U.S. banking system, they will kill the Weld nomination before it ever reaches the Senate floor. For William Weld is Dope, Inc.'s man inside the Halls of Justice.

Bank of Boston: 'a gentlemen's agreement'

On Feb. 7, 1985, Weld's office announced that a plea bargain settlement had been reached with the Bank of Boston—the largest bank in New England and an institution with deep ties to the Weld family-founded White Weld and Co. investment house. Conflict of interest was written all over the sweetheart deal that the U.S. attorney negotiated with his fellow bluebloods from the Bank of Boston.

It seems that the Bank of Boston had, in a period of slightly over one year, allowed \$1,218,682,281 in hot money to be laundered through its accounts into nine overseas banks. In every one of these transfers—1,163 separate criminal acts—the bank had failed to report cash transactions of over \$10,000 each, in violation of a federal bank secrecy act. The principal overseas recipient of the dirty money had been the Zurich main branch of Crédit Suisse, a financial institution that Swiss investigators describe as virtually synonymous with drug-money laundering.

A survey of Crédit Suisse's dirty dealings, taken among law enforcement agencies of several Western countries, confirms that Crédit Suisse may well be the "king" of Swiss laundromats. A small portion of that file shows:

- The "Pizza Connection" heroin-trafficking ring that ran between New York and Sicily, led by Italian mafioso Gaetano Badalamenti, had a "friend" at Crédit Suisse, particularly at the Bellinzona branch, where the gang's couriers deposited nearly \$5 million in less than two years. An indictment handed down by



U.S. Attorney for the Southern District of New York Rudolph Giuliani, lists the numbered Crédit Suisse accounts that received the heroin money: Account 651: \$3,218,300; Account 386: \$1,425,000; Account 11648301: \$81,000.

- Operation Greenback, the first major federal investigation of drug-money laundering, involving the Enforcement Division of the Treasury Department and the Drug Enforcement Administration, nailed Crédit Suisse's Miami branch in repeated violations of currency transaction reports.

- Robert Vesco and Investors Overseas Services used Crédit Suisse as their major bank during the entire time that Vesco, who is now running the cocaine trade out of Havana, Cuba, was swindling investors to build his personal fortune. Crédit Suisse even made itself legally responsible for IOS paper, deploying its officers to act as salesmen for Vesco.

- Former Assistant Secretary of the Treasury John Walker, who is now a federal judge, testified before the U.S. Senate in March 1985 that of the \$1.22 billion in cash transferred back and forth between Boston and Switzerland—without being reported, as required by law—some \$600 million was in small bills. Walker called these transactions a "classic case of drug-money laundering."

But "tough prosecutor" Weld issued a one-count indictment, in which not a single official of the Bank of Boston was named as a defendant. A measly \$500,000 in fines was levied by Federal District Court Judge A. David Mazzone.

Senator Al D'Amato (R-N.Y.) rightly described the fine against the Bank of Boston, as "a pittance," an absurd "four ten-thousandths" of the money laundered. Even Bank of Boston chairman and CEO William Brown, in the course of being grilled by congressional committee members in spring 1985, was forced to admit that the bank had made off with fantastic profits on the dirty-money dealings—even after the fines and legal costs had been paid. Senator D'Amato, however, never delved into the *personal* connections of Weld to Crédit Suisse.

In 1978, during the final years in which William Weld's father, David Weld, was chief executive officer of the family-owned White Weld, 31% ownership was sold to Crédit Suisse in a mega-deal that saw the majority of White Weld absorbed into Merrill Lynch—then chaired by Donald T. Regan. When the dust settled on the complex deal, Crédit Suisse owned outright the London and Geneva branches of White Weld (branches that accounted for two-thirds of the company's

profits) and merged them with another Boston Brahmin institution, First Boston Corporation, forming Crédit Suisse-First Boston. The chairmanship of the Geneva branch of White Weld (renamed Clariden Bank) was retained by Robert Genillard, the man who originally established the White Weld-Crédit Suisse connection in the 1960s, under the auspices of David Weld.

According to William Weld's *personal* financial disclosure, he is tied to *both* sides of the bank transfers involved in

the cash transactions that were willfully concealed by the Bank of Boston. In his 1978 unsuccessful election bid for state attorney general, Weld received campaign contributions from two Bank of Boston officials: William C. Mercer, an honorary director, and Peter M. Whitman, senior vice-president. Furthermore, William Weld's cousin Christopher is the managing partner of the Boston lawfirm, Sullivan and Worchester, attorneys for the Bank of Boston.

Potentially even more important, William Weld today

What does the DoJ's Criminal Division do?

The following description is excerpted from the "U.S. Government Manual":

The Assistant Attorney General in charge of the Criminal Division formulates criminal law enforcement policies, enforces, and exercises general supervision over all Federal criminal laws except those specifically assigned to the Antitrust, Civil Rights, Land and Natural Resources, and Tax Divisions. The Criminal Division also supervises certain civil litigation incidental to Federal law enforcement activities.

Organized Crime and Racketeering Section conducts investigations and prosecutes cases to suppress the illicit activities carried on by organized crime groups in major U.S. cities. . . .

Narcotic and Dangerous Drugs Section investigates and prosecutes high-level drug traffickers and members of criminal organizations involved in the importation, manufacture, shipment, or distribution of illicit narcotics and dangerous drugs, with particular emphasis on litigation attacking the financial bases of those criminal organizations.

Internal Security Section investigates and prosecutes cases affecting the national security, foreign relations, and the export of military and strategic commodities and technology. . . . The Section has exclusive prosecutorial responsibility for criminal statutes regarding espionage, sabotage, neutrality, and atomic energy.

Fraud Section directs and coordinates the Federal effort against fraud and white-collar crime, focusing primarily upon frauds against government programs and procurement, transnational and multidistrict fraud, the security and commodity exchanges, banking practices, and

consumer victimization. . . .

Public Integrity Section investigates and prosecutes corruption cases involving public officials and the elective system at the Federal, State, and local levels.

Appellate Section assists the Office of the Solicitor General in obtaining favorable constitutional and statutory interpretations in criminal cases being heard on appeal before the United States Supreme Court and the 12 United States Courts of Appeals.

General Litigation and Legal Advice Section investigates and prosecutes crimes under a broad spectrum of Federal criminal statutes regarding crimes against the Government and the public. . . .

Office of International Affairs supports the Department's legal divisions, the U.S. attorneys, and the State and local prosecutors regarding international criminal justice enforcement matters pursuant to treaties concerning extradition, mutual legal assistance, and prisoner exchange. . . .

Office of Enforcement Operations oversees the use of sensitive and sophisticated investigative tools, such as witness protection and electronic surveillance. . . .

Office of Legislation develops legislative proposals, legal memoranda, and congressional testimony and prepares comments upon pending and proposed legislation affecting the Federal criminal justice system. . . .

Office of Policy and Management Analysis develops and recommends positions on policy and management issues. . . .

Office of Special Investigations detects, identifies, and takes appropriate legal action leading to the denaturalization and/or deportation of Nazi war criminals in the United States who were involved in the atrocities committed against civilian populations during the Second World War and who subsequently entered the United States illegally.

Office of Administration provides all administrative support to each of the various sections. . . .

Asset Forfeiture Office develops uniform policies and assists in the prosecution of both civil and criminal asset forfeiture cases, particularly regarding narcotics trafficking and organized crime. . . .

serves as trustee of six trusts established by his late father in his will, for the benefit of his heirs. There has not been, to date, any investigation into whether these trusts are related to either the Bank of Boston, Crédit Suisse, or any of the other banks identified in the transactions for which Bank of Boston was indicted.

Gossips in Washington, D.C. identify William Weld as the "first U.S. attorney to make a major bank sweat under a federal criminal indictment," but this is far from the truth. Boston sources reported to *EIR* that Weld's slap on the wrist to the Bank of Boston was part of a desperate effort to keep the bank's relationship to the organized-crime Angiulo family—a relationship that saw an additional estimated \$2.2 million laundered through the Bank of Boston, which had granted the Angiulos an exemption to federal reporting requirements—totally out of the one-count felony indictment. In point of fact, Weld had jurisdiction over and knowledge of the Bank of Boston-Angiulo connection, from no later than 1983. It was the Angiulo investigation which first uncovered the \$1.22 billion in unreported cash transactions.

The Angiulo family is known in law enforcement circles to be the number-one mob family in New England. Yet, top officials of the Bank of Boston issued currency exemptions to a string of Angiulo business fronts. Were the Bank of Boston-Angiulo connection to be pursued, the scope of the Weld protection racket would trigger a scandal that would rock the Boston financial establishment.

Several months after the Bank of Boston "felony rap" had been swept under the rug, so confident were the bank officials in Weld's coverup abilities, that they "discovered" an additional \$73 million in currency-reporting violations and reported the information to Weld—who took no legal action.

But it would be a grave error of judgment to think of William Weld as a lazy prosecutor, simply because of his lackadaisical attitude toward prosecuting the Bank of Boston's ties to bigtime dope traffickers. Other banks in Boston, which were not financially tied to Weld, were prosecuted for laundering the Angiulos' money, while the "gentlemen" at the Bank of Boston were not.

Then there's the case of his five-year-long prosecution of the Democratic Party political machine of Boston Mayor Kevin White. The First District Court of Appeals, in throwing out one of Weld's flagship prosecutions against White campaign official Thomas Anzalone, described Weld's methods as bordering on the Soviet legal principle of "guilt by analogy." The court concluded: "We cannot engage in unprincipled interpretation of the law unless we foment lawlessness instead of compliance."

The *National Law Journal* of June 13, 1983 described the Weld vendetta against the White machine as "a textbook example of a prosecutor misusing his powers to bully witnesses and manipulate the political process." Weld was cited for using improper pressure tactics, unfounded allegations, leaks to the press, and harassment of witnesses, including late-night sweeps by dozens of subpoena-serving FBI agents.

Dope lobby pulls Weld's strings

by Michele Steinberg

Since October 1984, a grand-jury investigation, launched by Boston U.S. Attorney William Weld, has operated with a vengeance against Democratic Party political figure Lyndon LaRouche, Jr. So blatant is this witchhunt, that Weld's office has filed for over \$430,000 in fines to be imposed against organizations associated with LaRouche—which compares poorly to the \$500,000 fine against the Bank of Boston for its money-laundering crimes.

In the LaRouche case—a two-year, multimillion-dollar witchhunt, launched on the basis of bogus accusations of credit card fraud—Weld has reached deep into the gutters of the dope lobby to bring forward "witnesses."

One such "witness" is Dennis King, a former leading member of the communist Progressive Labor Party, whose delirious writings on LaRouche have appeared in the pages of *High Times*, the organ of the American pro-dope lobby. King's major published work on LaRouche was a 13-part series in 1979-80 in the pages of *Our Town*, a New York City throwaway sheet owned and managed by a convicted felon, Edward Kayatt.

Other sources have reported that Weld has also tapped the services of a federal witness named James Brewer, who was exposed by *EIR* years ago for running a homosexual and prostitution blackmail ring against a number of congressmen and other public officials, while on the FBI's payroll. Brewer has been named as a member of the North American Man/Boy Love Association (NAMBLA), a crime syndicate believed to be responsible for a nationwide kidnapping ring targeting young boys.

During Brewer's long career as a federal informant, he was indirectly involved with Richard Mamarella, a financial swindler who received over \$22 million in loans from the First Fidelity Bank in New Jersey. Top officials of the bank are suspected of having been involved with Mamarella in the phony deals that saw millions of dollars in bank deposits fall into the hands of loan sharks and big-time dope dealers. same First Fidelity Bank is at the very center of the Weld action against LaRouche.

From the outset of the Weld "Get LaRouche" effort in October 1984, it was First Fidelity Bank, with its ties to the corrupt Resorts International, that first stole approximately \$250,000 from the account of LaRouche's presidential campaign committees, and then launched federal civil litigation for purposes of harassment. First Fidelity attorney Alfred Besser, a former counsel to dope kingpin Robert Vesco,