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Fact Sheet

Trial of LaRouche associates shows Nazi justice reigns in Virginia

by Warren A.J. Hamerman

On Jan. 7, 1991, a self-admittedly biased jury in southern Virginia returned guilty verdicts against three leaders of the LaRouche movement accused of selling unregistered securities with intent to commit fraud. The jury, which fixes punishment for crimes under Virginia law, recommended sentences of 41 years for Paul Gallagher; 46 years for Anita Gallagher, his wife; and 40 years for Laurence Hecht—in effect, life sentences for each. The 12 members of the jury deliberated less than five hours following a trial of two full months, then delivered their verdicts and sentences with their backs turned to the defendants.

The trial, which began Nov. 5, 1990, was the most recent in a series of prosecutions designed to destroy the LaRouche political movement by the Virginia section of the "Get LaRouche" task force, headed up by Attorney General, and would-be governor, Mary Sue Terry.

Behind every prosecution of the LaRouche movement to date stands President George Bush who, between his 1988 election and inauguration, jailed his presidential opponent Lyndon LaRouche. LaRouche, who warned that the collapse of both the Soviet and Western economies would lead to global depression and a Mideast war, is Bush's "man in the iron mask." As part of their war preparations, Bush and his accomplice Henry Kissinger are determined to finish off the LaRouche movement through rigged trials. Since all the prosecutions are really one case, a single legal victory would open up the possibility of a new trial, and freedom, for today's foremost political prisoner, Lyndon LaRouche.

All the prosecutions of the LaRouche movement were publicly launched with a Grenada-style invasion of the movement's offices in the northern Virginia town of Leesburg on Oct. 6, 1986. The search, conducted jointly by the state of Virginia and U.S. Attorney Henry Hudson of the Eastern District of Virginia, featured armored personnel carriers, automatic weapons, helicopters, and an assault force of 400 state and federal law enforcement officials. Over 435 boxes of documents, approximately 75% of the movement's documents, were seized, including its entire list of political and financial supporters.

On Feb. 17, 1987, a Loudoun County, Virginia grand jury in Leesburg, which by law kept no written minutes, indicted 16 individuals and five corporations on charges of securities fraud. The state of Virginia charged that political loans by individual supporters to the movement's political corporations were "securities," and that the indicted persons and corporations 1) had sold unregistered securities; 2) had acted as unregistered securities broker/dealers; and 3) had sold unregistered securities to certain named individuals, all with the intent to commit fraud.

The facts expose the vendetta

The determination that political loans were "securities" was not made by Virginia's State Corporation Commission until two weeks after the LaRouche associates were indicted. *This finding has never been applied to any political organization or individual other than the LaRouche associates, although newspapers across the state reported political loans raised during the 1989 state election campaign virtually daily.*

The day after the 16 individuals were indicted and arrested in a media circus, the State Corporation Commission met for the first time to consider whether or not political loans were securities. Commissioner Elizabeth Lacy terrified the prosecution by refusing to rule that the political loans of the LaRouche movement were securities, instead declaring Mary Sue Terry's novel legal theory "a case of first impression," requiring further legal argument.

A Feb. 23, 1987 article by the *Richmond Times-Dispatch*'s prosecution-connected reporter Bill McKelway leaked the Attorney General's fears: "Privately, investigators close to the LaRouche case say they are stunned by the delay and by the possibility that the Virginia investigation could turn up empty-handed. 'Depending on what the commission does, the entire case, including the felony cases, could be down the tubes,' one investigator said."

Everything that took place in those two weeks of frenetic activity by Terry's office is not known. However, on Feb. 27, 1987, ten days after the arrest of the defendants, the full hearing was held. On Feb. 28, 1987, the *Richmond Times-Dispatch* reported that Commissioner Elizabeth Lacy was under consideration for a seat on the Virginia Supreme Court. Lacy's husband, Patrick Lacy, is the former law partner of

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Defendants Paul Gallagher, Anita Gallagher, and Laurence Hecht, the latest associates to face trial on concocted "securities fraud" charges. The Roanoke Virginia jury recommended, in effect, life sentences for raising political loans.

then-Gov. Gerald Baliles of Virginia. According to statements made by Mary Sue Terry, Governor Baliles was personally involved in launching the state's prosecution of the LaRouche movement.

At trial, it was clear that the prosecution never intended the jury to make a rational decision about so novel and complex an issue as "securities law." The very idea that loans to one of the most controversial movements in the world could be considered securities investments is absurd. The prosecution's strategy was simply to inflame this biased jury by putting on testimony from or about elderly people who were "defrauded."

The facts are quite different. 1) Most of the people who gave money as loans to the LaRouche movement were not elderly. 2) Many of those who gave loans in 1984-86 did not know that the U.S. government later made repayment impossible by filing an involuntary bankruptcy against the corporations to which the loans were made. 3) In the wake of that bankruptcy, initiated by the same U.S. Attorney who initiated the criminal action, every supporter who gave major loans was visited by the FBI, the Virginia State Police, or both, and pressured to complain.

Many of the prosecution's own witnesses admitted that their motive for making loans was their political or philosophical agreement with the movement, that they were told of the risk of lending to a controversial political movement, and had continued to financially support the movement after their loans were overdue—all of which could never characterize an investment.

Why the venue was moved

Before the first "securities fraud" case was tried by the state of Virginia, Federal Judge Albert V. Bryan of the Eastern District of Virginia, known as the "rocket docket," ran a trial that convicted Lyndon LaRouche himself within two months of his indictment! LaRouche's conviction and 15-year jail sentence were massively publicized while the jury was being selected in nearby Leesburg for the state of Virginia's opening trial of Rochelle Ascher. LaRouche associate Rochelle Ascher was sentenced to a barbaric 86 years by that massively contaminated Loudoun County jury, later reduced to 10 years, in accord with northern Virginia practice, by Judge Carleton Penn. At this point, the defendants' motion for a change of venue was granted, in a manner similar to Christ's Golgotha cry, "I thirst," which was answered by vinegar from the Roman centurions. The remaining cases were transferred 200 miles south to Judge Clifford Weckstein in the small town of Salem, in Roanoke County.

In the new Roanoke venue, picked because Judge Penn found that massive adverse publicity precluded finding any

impartial jury *after* Rochelle Ascher's case, LaRouche associate Michael Billington was convicted of securities fraud charges on Oct. 24, 1989, and the jury imposed a sentence of 77 years. Judge Weckstein refused to reduce the sentence, citing the prevailing custom in southern Virginia, where the sentence by the jury is viewed as a statement of "community values."

History is replete with comparable horrors unleashed whenever raw, uninformed democracy is given free rein. In southern Virginia today, exercising one's constitutional right to trial by jury means risking a sentence of decades. The practice of jury sentencing has been upheld on appeal only because the judge has the power to adjust it so as to afford equal protection under the law. However, in southern Virginia, 99% of the time, the judges play Pontius Pilate before such "community values."

On Feb. 1, 1990, a Roanoke jury under the direction of Judge Clifford Weckstein found LaRouche associate Donald Phau guilty of four counts of securities fraud, and sentenced him to 35 years in prison. Judge Weckstein reduced the sentence to 25 years.

Who is Judge Clifford Weckstein?

Judge Clifford R. Weckstein, age 41, is an asset of the Anti-Defamation League (ADL) of B'nai B'rith, a pro-drug, pro-pornography collection of gangsters that has nothing to do with Judaism but a great deal to do with British Freemasonry. Stuart M. Lockman, president of the Michigan Regional Advisory Board of the ADL, publicly boasted, as reported in the Detroit-based May, 19, 1986 *Jewish News,* that the "ADL is clearly identified as an opponent of the National Democratic Policy Committee—the LaRouchites of the old U.S. Labor Party—and virtually all of the public exposure of that group is either ADL produced or generated."

The ADL is a leading member of the non-governmental, private part of the "Get LaRouche" task force. It was a major player at the April 1983 meeting convened by New York investment banker John Train at his New York East Side apartment, to plot how to stop LaRouche. Irwin Suall, head of the National Fact-Finding Division of the ADL, and Mira Lansky Boland, the head of the Washington, D.C. Fact-Finding office, attended that meeting, as did LaRouche slanderer Pat Lynch of NBC, Dennis King and Chip Berlet of the pro-drug *High Times* magazine, and various defector-insiders from LaRouche's political association.

Judge Weckstein is connected to the ADL like a hand is connected to its arm. Between April 12 and May 15, 1990, in response to a motion to recuse himself because of his ADL connections, or alternatively, to disclose all correspondence, Weckstein produced more than ten pieces of correspondence about the LaRouche cases between him and the office of Murray Janus, the ADL national committee member in Virginia, and Ira Gissen, the regional director of the Virginia ADL.

Weckstein knew Murray Janus at least from the time both traveled around the state giving a series of seminars on drunk-driving cases. Some say that attorney Clifford Weckstein first came to the attention of Virginia's "old boys" when he succeeded in getting Roanoke's state senator, Chip Woodrum, acquitted on a drunk-driving charge. The same sources note that the policeman who caused Woodrum's arrest was driven out of the police force.

The "cut-out" for this blatantly illegal correspondence between a judge and the political enemies of the defendants in ongoing cases, was the son of Weckstein's former law partner, Jon Lichtenstein, who now, with Weckstein's recommendation, works in Murray Janus's office.

The subject of Weckstein's letters was leaflets criticizing him for his 77-year sentence of Michael Billington, put out by Billington's associates. Incredibly, on May 10, 1990, Weckstein admitted in open court that *it was he himself* who had initiated the correspondence with the ADL! Weckstein released a letter showing that in response to his call for help against the LaRouche movement's criticism, the ADL sent him several scurrilous pamphlets. These pamphlets were sent secretly to the judge, without the knowledge of the defendants, to influence him, an action totally against legal ethics.

The same letter also enclosed an ADL resolution proposing that the next vacancy on the Virginia Supreme Court be awarded to a Jewish judge. Weckstein failed to rebuke the ADL's attempts to influence him in ongoing cases, and became so enraged when the defense raised his connection to ADL national commissioner Murray Janus, that he fined each defense lawyer $2,000. Later, realizing how bad this looked, Weckstein canceled the fines, but continued to hold back additional letters which were referenced in those that were disclosed.

Following these astonishing admissions and prior conduct of the LaRouche cases, Weckstein refused to recuse himself for the third time in the case of Gallagher, Gallagher, and Hecht. Despite the universally recognized standard for judicial recusal, which is whether a reasonable person would think, under the facts of the case, that the judge *could* be biased, Judge Weckstein refused to recuse himself, arguing that since the Virginia Supreme Court had appointed him, he must sit. Before trial opened, a three-judge panel of the Virginia Court of Appeals clearly debated the issue, but compromised by turning it back to the Supreme Court, which ruled in Weckstein's favor.

The jury bias

The state Supreme Court, the judge and Attorney General's office collaborated to move the trial not to the City of Roanoke, where Judge Weckstein maintains his office, but to the village of Salem, a "post-industrial," white collar enclave, to which Judge Weckstein journeyed every day from his office in Roanoke. After the first day of screening the panel, Special Assistant Commonwealth Attorney John D. Russell asked the defense attorneys, "Now that you see the

jury pool, are you ready to plead?" (In LaRouche cases in Boston and Illinois which ended in mistrials, urban juries declared that they would have acquitted LaRouche associates.)

Of the 60 people in the original jury pool, four were dismissed without substantive questioning. Of the 56 remaining prospective jurymen, 27 said that they had heard of LaRouche and had negative or extremely negative feelings toward him and his movement. Of the pared-down panel of 24 prospective jurors, 9 said they held very negative opinions of LaRouche. Of the final panel of 12 jurors and two alternates, 5 admitted extreme prejudice against LaRouche and his associates. To seat a jury, Judge Weckstein leaned heavily on the question which has gutted jury selection safeguards in the United States today: "Can you put those opinions aside, and be a fair and impartial juror in this case?" Even a juror who admits prejudice can thus be "rehabilitated" and seated.

The Roanoke area was saturated with negative publicity about LaRouche for years before the 1986 raid and subsequent trial, both black and gray propaganda, aimed against the "outsiders" disrupting the way of life of a small Southern town. Before the first LaRouche associate was tried in Roanoke, 179 negative articles appeared in print, leaving aside other media coverage. In fact, Roanoke was as polluted as Leesburg itself, while, unlike Leesburg, the defendants were not present to undermine these libels with their activities.

One incident during jury selection demonstrates the massive prejudice. The defendants and their staff were billed for the lunch of four women prospective jurors, which the defense, being in a large party, inadvertently paid. Some prospective jurors actually seriously discussed whether a $3 lunch was a bribe attempt. One of the four women in the party was so prejudiced that when the judge instructed the jury pool that he had investigated the incident and determined the defendants' explanation was truthful, she said she still could not accept it! One of the people who served on the jury was a member of that woman's party.

At the apex of the prosecution's case, one of the jurors brought in a Time-Life Books biography of Judge Roy Bean, popularly known in America as "the hanging judge of the Old West," and asked a bailiff to give it to the judge. The one-page write-up referred to Bean as a "Solomon of the Southwest." The defense moved for a mistrial, contending that this was a message to Judge Weckstein to "hang them high." Judge Weckstein refused to allow the bailiff to be asked which juror requested that the book be given to the judge—knowledge which the bailiff clearly had. When an inquiry was made to the entire group of 13, approximately five of the jurors, including the juror who later was chosen foreman, acknowledged familiarity with it. Judge Weckstein denied the mistrial motion, claiming that 1) its interpretation was unclear, yet refusing to clarify it; 2) it was a joke; 3) the defense was "over-reacting," while he quoted by act and scene from Shakespeare's *The Merchant of Venice,* a *bête noire* of the ADL.

During the defense's portion of the trial, a Jewish cemetery in Roanoke was reported desecrated. The *Roanoke Times and World News* ran an editorial linking the cemetery desecration with the supposed "anti-Semitism" of the defendants on trial. Judge Weckstein's father-in-law, John Eure, was for many years the managing editor of the *Roanoke Times and World News* and still participates in discussion of editorial policy. Judge Weckstein's brother-in-law Robert Eure is currently the paper's political reporter. The local NBC affiliate, WSLS-TV, also linked the cemetery desecration to the defendants. In the brief group questioning allowed by Judge Weckstein, four of the prospective jurors indicated some familiarity with this incident; the juror who later became foreman indicated that he had read the headline of the editorial, which linked LaRouche associates and the cemetery desecration.

The conduct of the trial

The three defendants gave up their absolute right to individual trials in exchange for an agreement from the prosecution that the "Get LaRouche" task force's financial warfare against the LaRouche movement would be allowed as a relevant defense. This also included the relevancy of involuntary bankruptcy forced on the LaRouche companies by the U.S. government on April 20, 1987, which shut them down and prevented the repayment of loans.

Prior to the trial, Judge Weckstein summarily denied every defense pre-trial motion, without even setting a hearing. These included:

a) a motion charging selective and vindictive prosecution—no similarly situated organization or individual had ever had its loans ruled securities;

b) a Brady motion for exculpatory material—on the eve of trial, the prosecution claimed that its four-year investigation and interviews of hundreds of people uncovered no statements or facts that would tend to exculpate the defendants;

c) a motion addressed to double jeopardy—that the federal prosecutions on fraud charges barred subsequent state prosecutions for the same offense. This was, in fact, the reason the state of Virginia framed its indictments around the bizarre theory that political loans constituted sales of securities;

d) a motion to dismiss the case for failure of due process—inasmuch as the question of whether the defendants political loans were securities had not been *civilly* determined before they were *criminally* prosecuted.

These, and every other pre-trial motion, such as the motion to recuse the ADL-linked Judge Weckstein, were denied without a hearing.

Judge Weckstein further violated the Joint Defense Agreement by refusing to issue subpoenas for any of the leading figures of the private section of the "Get LaRouche" task force. These included Irwin Suall of the national ADL,

local ADL officials Murray Janus, Jon Lichtenstein, Mira Lansky Boland, and New York investment banker John Train.

Striking at the heart of the defense, Weckstein refused to issue a subpoena for Henry Kissinger. It was Kissinger who in 1982 wrote to William Webster, then FBI director, asking for action to stop LaRouche and proposing an investigation of the LaRouche movement's finances. Task force policy has never deviated from that strategy to the present day. Although that single letter from Kissinger to Webster was admitted into evidence, every other act by Kissinger and his lawyers, such as Edward Bennett Williams, to attack the movement's finances, was precluded.

The right to subpoena witnesses in one's defense is a fundamental right under the U.S. Constitution. It is so uncontested that subpoenas to in-state witnesses do not even require a judge's signature. Judge Weckstein instructed the clerk's office that in this case, it was to issue no in-state subpoenas without his approval!

When the LaRouche associates subpoenaed in-state residents Lt. Col. Oliver North and Gen. Richard Secord, leaders of the illegal Contra support apparatus, attorneys for both stated out of the jury's presence, that their clients would plead the Fifth Amendment against self-incrimination. Judge Weckstein refused to require them to take the Fifth Amendment before the jury in response to specific questions.

LaRouche had aroused the ire of the Project Democracy "secret government," which made Contra policy over the heads of elected officials, by exposing the folly of U.S. support for the drug-running Contras. An example of this hostility is a telex message from Richard Secord to Oliver North released under the Freedom of Information Act (FOIA) by the office of special prosecutor Lawrence Walsh, which shows LaRouche high on the "enemies list" of the Iran-Contra networks: "Our man here claims Lewis [President Bush's dirty tricks operative in Texas] has collected info against LaRouche."

Judge Weckstein refused to issue out-of-state subpoenas to Project Democracy operatives Walter Raymond and Roy Godson, formerly of the National Security Council (NSC). At that point, the testimony of Richard Morris, the executive assistant to former National Security Adviser William Clark, had already identified Raymond and Godson as LaRouche's chief enemies on the NSC.

Judge Weckstein participated in tearing up the Joint Defense Agreement by refusing to allow the defense of financial warfare. The defendants argued that, after the victory of two LaRouche associates for lieutenant governor and secretary of state in the Illinois Democratic primary in March 1986, over 15,000 negative articles appeared in the press and crippled their fundraising ability. National Democratic Party chairman Paul Kirk appeared on television and urged that Lyndon LaRouche be stopped "by legal or other means." Judge Weckstein quashed the defendants' subpoena to Kirk.

Illegally bankrupted corporations can't repay

One of the central issues in the trial is the involuntary bankruptcy brought by the United States government in April 1987 against Caucus Distributors, Inc., Fusion Energy Foundation, and Campaigner Publications, Inc., the three entities which took the political loans which were declared securities after the indictments were issued. The prosecution hammered at the fact that the defendants took loans that were not repaid. But all repayment ceased when U.S. Attorney Henry Hudson, who had directed the joint federal-state raid on Oct. 6, 1986 for purposes of criminal prosecution of the defendants, proceeded in April 1987 with an *involuntary* civil bankruptcy action against the defendant corporations, stopping repayment of lenders forever. Before Hudson initiated that action, according to testimony of Assistant U.S. Attorney John Markham of Massachusetts, Hudson got the approval of the state of Virginia—exposing as a lie its professed concern about the unpaid lenders.

That involuntary bankruptcy was challenged by the defendants immediately. It was the first bankruptcy carried out without notification to the defendants—in a proceeding kept secret from them, with no transcript made—in the 200-year history of the United States. Caucus Distributors, Inc. is a not-for-profit corporation, and Fusion Energy Foundation is a public, tax-exempt 501(c)(3) foundation. Therefore, neither is subject to bankruptcy. Political journals and science magazines have no doubt been shut down before in the U.S.S.R., but never before in the United States.

It took federal bankruptcy Judge Martin Van Buren Bostetter two and one-half years to figure out that the federal government had lied. In October 1989, Judge Bostetter ruled that 1) the bankruptcy was illegal, 2) U.S. Attorney Henry Hudson had acted in bad faith, and 3) the U.S. government had committed a fraud upon the court. Soon after, Kenneth Starr, the Solicitor General of the United States, threw in the towel and declined to appeal Judge Bostetter's ruling.

If the government illegally shut down the corporations which owed money to lenders, how can the same U.S. government, or any other branch of government, prosecute for non-repayment of loans? In fact, as David Kuney, the attorney for the bankrupted corporations, told the jury, the government had no economic motive for the bankruptcy, but it did have a prosecutorial one, and that design included the actions of Virginia prosecutor John Russell who, Kuney testified, was "all over the bankruptcy proceedings."

How the evidence was hoked up

The state of Virginia, participating in the joint federal-state raid on LaRouche offices on Oct. 6, 1986, was playing second-fiddle to the federal government's fraud prosecution against LaRouche himself. Its legal figleaf was a ruling made two weeks after the indictments that the loans were securities.

Since the defense subpoenaed Lewis Brothers, chief of the State Corporation Commission, and forced him to testify

Victims of illegal government vendetta

Up to the present, the "Get LaRouche" task force has gotten away with the following railroads in its pursuit of Henry Kissinger's 1982 direction to attack the movement's finances:

- William Wertz, Jr.: sentenced to 5 years in federal prison.
- Edward Spannaus: sentenced to 5 years in federal prison.
- Dennis Small: sentenced to 3 years in federal prison.
- Joyce Rubinstein: sentenced to 3 years in federal prison.
- Paul Greenberg: sentenced to 3 years in federal prison.
- Michael Billington: sentenced to 3 years in federal prison; sentenced again to 77 years in Virginia state prison.
- Anita Gallagher: sentenced to 46 years in Virginia state prison.
- Paul Gallagher: sentenced to 41 years in Virginia state prison.
- Laurence Hecht: sentenced to 40 years in Virginia state prison.
- Donald Phau: sentenced to 25 years in Virginia state prison.
- Rochelle Ascher: sentenced to 10 years in Virginia state prison.
- Lynne Speed: sentenced to 6 months in New York state prison.
- Robert Primack: sentenced to 1-3 year in New York state prison.
- Lyndon H. LaRouche, Jr.: sentenced to 15 years on conspiracy counts, in federal prison in Rochester, Minnesota.

how new law was made exclusively for the LaRouche prosecution, Judge Weckstein gave the jury a specific instruction that the defendants *did not have to know* that they were selling a security in order to be guilty. Likewise, he instructed the jury that despite the fact that the statute specifies "knowingly and willfully sell a security with the intention to defraud," that those words did *not* mean what they clearly say: that is, with full knowledge and an intention to break the law, but simply that the defendants did not raise the loans by accident!

Imposter witnesses

Every political, legal, and press attack on LaRouche triggered problems for his political/financial supporters, from family members, bankers, and accountants, exactly as the task force intended. The people who had given money as loans, in the same way American patriots gave "war bonds" to George Washington, found themselves in a Valley Forge situation. Even under such intense attack, only 13 lenders sought cover in the prosecution's lie that these were "investments" undertaken for economic gain, rather than high-risk political loans that depended on the movement's success.

This was the case, despite the fact that for four years, the Chief Investigator of the Virginia State Police, Charles D. Bryant, personally called or visited hundreds of people who gave money in the form of loans.

The defense obtained an audiotape which clearly reveals Bryant's *modus operandi* in every interview. Bryant starts out by telling the interviewee that he or she has been in touch with "really bad people." He next proceeds with a panoply of lies to convince the interviewee that his or her money has been spent on "LaRouche's lavish lifestyle"—despite the fact that Bryant testified that he had no facts at all to back up these assertions! If this technique succeeds, Bryant has lined up another terrorized witness.

The defense was able to prove this when one intrepid senior citizen from upstate New York taped Bryant and a representative of the Attorney General's office when they tried to recruit her to their scheme of fraudulent prosecution. Bryant lied that he had made these statements up until the moment the tape was produced in court—whereupon Judge Weckstein stopped the defense from playing it and ordered the jury out of the room.

Even these Gestapo investigative methods failed to produce enough lender witnesses for the prosecution, especially in the elderly group they count on exploiting before the jury. So the prosecution decided to add eight "impostor" witnesses to testify for deceased lenders or lenders who would not testify. These included hostile family members, bankers, or lawyers who had no understanding of the political and philosophical motivations behind the loans. None of these witnesses were present when any loans were made. All they could testify to was hearsay, or gossip.

The prosecution case was dominated by hearsay evidence. Every alleged statement or thought attributed to anyone in the movement was allowed into evidence, even though none of the defendants were even charged with conspiracy. Audiotapes were played to the jury of conversations involving none of the defendants, but associates of theirs who had already been tried.