

# Money laundering becomes higher priority in war against drugs

by Joyce Fredman

Two prominent law enforcement executives stressed the importance of a concentrated effort against drug money-laundering, in interviews on June 26. Both the president of Interpol and the director of the Federal Bureau of Investigation in Puerto Rico have emphasized the need to aim high in order for the war on drugs to be effective, and high means the money.

Going after the money-laundering networks has become a more and more prominent feature in the past few years. "Operation Dinero," disclosed last December, grabbed headlines with its multi-agency sting of the Cali Cartel. Thomas Constantine, head of the Drug Enforcement Administration, said at the time of the arrests, "The laundering of illegal drug profits is as important and essential to drug-trafficking organizations as the very distribution of their illegal drugs. Without these ill-gotten gains, traffickers cannot finance the manufacturing, transportation, and distribution, or the violence, murder, and intimidation that are essential to their illegal trade."

More recently, the indictment of former Justice Department lawyers, such as Michael Abbell, raised the specter of so-called establishment types protecting and facilitating the drug mafia.

Bjorn Eriksson, president of the International Criminal Police Organization (Interpol), recently spoke in Zambia at the 13th African Regional Conference. In his speech, he warned of the dangers facing nations that have adopted policies of "economic liberalization," i.e., free trade. "By exploiting the liberalized market economy," criminals "buy professional assistance from lawyers . . . [and] have gained a high position in the society by the business in which they have invested their proceeds from crime. In this position, it is more easy for them to associate with politicians and thereby to influence important legal decisions, for example actions against money laundering."

Eriksson, who became president of Interpol last fall, is the Commissioner of the National Swedish Police, a position he has held for the past seven years. Prior to that, he was head of Swedish Customs. In a recent interview, Commissioner Eriksson, who has a wife and two daughters, reiterated some of the points he has traveled the globe discussing.

It is indeed heartening to hear law enforcement officials espouse views which this news service put forth in 1978, with the publication of *Dope, Inc.* Considered to be radical at the time, the book noted that only by hitting at the money laundering can the drug traffickers be stopped.

---

## Interview: Bjorn Eriksson

---

**EIR:** What money figures did you give?

**Eriksson:** The turnover worldwide is expected to be \$400 billion, of which 25% is estimated to be money-laundered, in the legal banking system.

**EIR:** Can you elaborate?

**Eriksson:** If we start with the African angle of it, I mentioned that there was a clear risk for Africa, that they would get more and more involved in it. Partly because with South Africa as a base and the surrounding countries with some facilitation, you have a communications system, you have a network. . . . You could add to this that a country like Zambia, for example, [went] from, I think it was two commercial banks, up to, was it 40, during the last 10 years. There are a lot of indications that this might be a very hot place.

If you take money laundering in a more general sense, I, and many people with me, always argue that the only point where you can reach the big fish, so to speak, is actually the money. Because normally they don't participate in drug trafficking and, consequently, it's very difficult to get them "hooked" on that aspect. And you can see that in their security system. Normally if you're talking about the drugs, you have a producer, a distributor, and a seller, and they all have different levels, which makes it up to 10 or 12, or 13 levels between the actual big fish and the little man on the street who's buying. Whereas, when you talk about money, there is only one or two persons in between, because you can't take the risk of having too many people involved. And consequently, that's the weak point.

**EIR:** Is there anything else you would like to add?

**Eriksson:** The conclusion of this is, of course, that organizations like Interpol, have a say. I know I am speaking as president of Interpol, because being a global worldwide organization we have some advantages over the regional organizations, just due to the fact that we cover the globe. There are many moves nowadays between the continents, and I think this is something Interpol should take advantage of.

---

## Interview: Richard D. Schwein

---

Puerto Rico has emerged, unfortunately, as one of the leading strongholds for drug running. In March of this year, 27 out of 29 members of the Puerto Rican Senate submitted to drug tests. The governor, Pedro Rossello, had asked the U.S. Department of Justice to investigate allegations that four legislators are linked to the drug business itself. One of the senators, suspended as vice president of the Senate, was accused of “transferring millions of dollars to banks in Switzerland, the Cayman Islands, and Panama.”

One of the key fighters on the anti-drug front there is Special Agent in Charge, FBI San Juan, Richard D. Schwein. Known as the “director” in Puerto Rico, Special Agent Schwein handled “Operation Golden Trash,” the indictment of a large-scale cocaine-trafficking and money-laundering ring based in Colombia. Schwein has been with the FBI for 38 years, and has been stationed for the past 13 months in Puerto Rico. He is originally from Cincinnati, Ohio, and has been married for 35 years. He has two children, one of whom is also an FBI agent, and two grandchildren.

Recently, *El Nuevo Día*, a Puerto Rican daily, drew attention to the problem when it quoted Schwein saying that “Puerto Rico is the main drug-laundering center in the world . . . megamillion of dollars’ problem.” SAC Schwein clarified his comments to this reporter.

**EIR:** What exactly did you say, and what did you mean?

**Schwein:** I said that Puerto Rico is among the leading places for money laundering, which it certainly is—it’s big, big business here. Whether it’s number one or number ten, I don’t know, nor does anyone else. I meant, and sometimes the translation isn’t very good, it is a *major* money-laundering center.

**EIR:** Can you give us an instance?

**Schwein:** For example, we indicted a case about six months ago which involves somewhere around 80 people who laundered somewhere between \$40 and \$80 million. We ran an operation against them and were very successful.

But the reason Puerto Rico is [so ideal], is its location, off the coast of South America; we have an American banking system, and once you’re in country, there’s no customs prob-

lem. Flights between here and the mainland are [considered] domestic flights. So all of that makes it very attractive for money laundering.

**EIR:** In the same paper, it was asserted that the governor of Puerto Rico, Pedro Rusello, stated that Puerto Rico is more fertile ground for drug traffic than Florida. Again, this wasn’t in quotes, so I’m not clear exactly what was said.

**Schwein:** I would not want to comment on what the governor said or on what he meant, but yes, Puerto Rico is very fertile ground.

**EIR:** Many say that the United States needs to do more in this area. Now, I have interviewed people in the Office of National Drug Control Policy, including Director Dr. Lee Brown, and I know they have been setting up these High-Intensity Drug Trafficking Areas (HIDTAs), including one in Puerto Rico. So it seems to me as though the United States, especially now, is making substantial efforts in this area.

**Schwein:** Great efforts, yes, very great efforts. Our staff has, as has the DEA; and we have HIDTA, which is just being implemented now. It’s a target-rich environment, however. We have a lot of targets to work on.

**EIR:** Yes, I saw what is happening with the Senate—the level of alleged corruption. Can you explain for our readers what jurisdiction the United States has over that?

**Schwein:** Federal jurisdiction applies to the citizens of Puerto Rico, like it does to the citizens of Ohio. Everybody here is a U.S. citizen by birth.

**EIR:** So these Senate members or anyone else—

**Schwein:** If there is political corruption, we work on it and the U.S. Attorneys indict it and prosecute it, and it would be handled here just like it would be anywhere else. Under the corruption laws, under our white collar crime program.

**EIR:** And where would that take place?

**Schwein:** We have U.S. District Court here; this is America. Puerto Rico is a commonwealth, of course, semi-self-governing in that it has a governor and a legislature, like Ohio or Alabama. But all federal laws apply here. And everyone here gets treated just like everyone else who is a U.S. citizen, as far as the federal law goes. We have seven federal judges, a United States Attorney, a United States Marshal, FBI, and DEA. There’s just no difference, other than geographical. . . .

**EIR:** It seems that money laundering in particular is more and more in the limelight.

**Schwein:** Oh yeah! It’s the money, who’s got the money. Money laundering has to be an integral part of any drug investigation. That’s where the real profits are. Without the money, where would they be? You have to go after that.