

Soros's fund bankrolled Weld's 1996 campaign

by Jeffrey Steinberg

Top officials of Soros Fund Management, the New York-based speculative fund of George "Mr. Drug Legalization" Soros, poured at least \$50,750 into the 1996 U.S. Senate campaign of William Weld. More than a dozen of Soros's top executives gave the maximum contribution allowed under Federal election law. In many instances, family members simultaneously kicked in to the Weld coffers, and, in some instances, Soros employees listed their Weld contributions under other corporate affiliations, linked to the Soros fund, in what may have been an effort to conceal the full extent of the Soros Fund cash flow into Weld's campaign.

The Soros-Weld ties take on special significance as Senate Republicans battle over the fate of Weld's nomination as U.S. ambassador to Mexico. Senate Foreign Relations Committee Chairman Jesse Helms (R-N.C.) has vowed that there will never be a hearing on Weld's nomination. Helms, correctly, says that Weld's track record on drugs is an abomination, and his appointment would severely undermine U.S.-Mexican anti-drug collaboration.

Sen. Richard Lugar (R-Ind.), a longtime rival of Helms, has picked up the Weld banner, and is challenging Helms's prerogative powers as committee chairman, to unilaterally determine whether there will be hearings on the Weld nomination. As this issue of *EIR* went to press, the "Weld wars" inside the GOP were intensifying, as the Foreign Relations Committee prepared to hold a public meeting to discuss its autumn agenda. Helms vowed once again, on Sept. 10, that Weld's nomination will not be on that agenda. Weld is a former official of the Reagan-Bush administration, a George Bush intimate, and the former Republican governor of Massachusetts.

As *EIR* reported in August, there is good reason to believe that President Bill Clinton approved the nomination of Weld without being adequately informed of Weld's role in covering up major cases of drug trafficking and drug-money launder-

ing, while he was a federal prosecutor in Boston, and later as head of the Criminal Division of the U.S. Department of Justice.

As the Mexican daily newspaper *Reforma* reported on Sept. 3-4, while U.S. Attorney in Boston, in 1985, Weld personally covered up a \$1.2 billion drug-money-laundering scheme, involving executives of the Bank of Boston. The most culpable official of the Bank of Boston was Weld's first cousin, Ogden White. Weld settled the case in a plea agreement, in which no bank official was indicted, and the bank itself got off by paying a \$500,000 fine—an absurdly small amount, especially when weighed against the vast profits the bank enjoyed from the money-laundering scheme.

As governor of Massachusetts, Weld embraced two of Soros's drug legalization ploys: so-called "needle exchanges," i.e., the distribution of free hypodermic needles to heroin addicts; and, the legalization of "medical marijuana."

In August 1997, Soros's Open Society Fund announced a \$1 million grant to the Tides Foundation in San Francisco, to purchase and distribute free hypodermic needles to addicts. The announcement came days after Clinton administration drug policy adviser Gen. Barry McCaffrey (ret.) warned that the United States was being flooded with high-grade, cheap heroin, coming from the very Colombian drug cartels that have been the leading beneficiaries of Soros's legalization drive in Ibero-America and the United States.

Soros earned the wrath of McCaffrey and Drug Enforcement Administration head Thomas Constantine, in November 1996, when he bankrolled a multimillion-dollar media disinformation campaign, that resulted in the passage of referenda that legalized the "medical" use of marijuana in California, and the "medical" use of marijuana, heroin, cocaine, and LSD in Arizona. McCaffrey denounced the "medical marijuana" ploy as a cover for Soros's goal: the legalization of all illicit drugs. He called the idea that marijuana is a legitimate medi-

cine “a Cheech and Chong medical show.” Through a concerted bipartisan effort, led by McCaffrey, with the active support of President Clinton, the Arizona legislature largely overturned the referendum.

Soros-Weld ties

Up until *EIR* researchers reviewed the Federal Election Commission (FEC) records of Weld’s unsuccessful 1996 campaign against incumbent Sen. John Kerry (D-Mass.), there was no solid link between Weld and Soros. The Soros connection is yet further proof that Weld is unqualified for the sensitive diplomatic post — and any other government position as well.

For the past five years, Soros, the Queen’s personal speculator (Soros’s offshore Quantum Fund handles an undisclosed portion of the Queen’s personal \$3-4 billion investment portfolio), has been pouring tens of millions of dollars a year into the drive to legalize drugs in the United States. As the Aug. 29 issue of *EIR* detailed, Soros is simultaneously involved in bankrolling the drive to legalize the production of cocaine in Colombia and other Ibero-American countries.

The flow of Soros Fund Management cash into Weld’s campaign came in the form of personal contributions from 20 top officials, led by Stanley Druckenmiller, the Fund’s managing director. Druckenmiller contributed a total of \$2,000 to the Weld campaign (he also gave between \$1-2,000 to such “Conservative Revolution” luminaries and fronts as Newt Gingrich, John Kasich, Malcolm Forbes, and the Adam Smith Political Action Committee). His wife gave \$2,000, and his parents contributed \$4,000.

Other Soros Fund Management officials who kicked in to the Weld campaign chest were: Scott Bessent, Steven Gilbert, Gary Gladstein, Jeffrey Griffin, Robert Jermain, Harvey Karp, Bruce Langone, Elizabeth Larson, Alexander McAree, Paul McNulty, Gabriel Nechamkin, Steven Okin, Dale Precoda, Leif Rosenblat, Mark Sonnino, Filberto Verticelli, and John Zwaanstra. Several other Soros Fund Management employees made contributions to Weld, but listed other corporate affiliations with the FEC, including Duquesne Capital Management, Mueller Industries, and Invemed. Other employees of those firms also contributed to the Weld campaign.

Apart from Druckenmiller, most of the other Soros Fund Management officials who gave to Weld did not contribute to any other political campaigns or political action committees during the 1996 election cycle.

Never one to put all his eggs in one basket, Soros personally gave a \$1,000 “hedge” contribution to Kerry’s reelection effort. But this was dwarfed by the largesse of his top employees toward Weld.

A special case

One of the Soros Fund Management executives, whose \$2,000 contribution to Weld was his only campaign gift in 1996, was Arminio Fraga. *EIR* has not yet been able to deter-

mine whether Fraga, who runs Soros’s fund operations in Brazil and elsewhere in Ibero-America, is a U.S. citizen. He listed his address with the FEC as Short Hills, New Jersey.

Fraga was the director of the Brazilian Central Bank during the Collor de Mello government in the late 1980s and early ’90s. Collor de Mello was forced to resign as President of Brazil, after he was indicted in 1992 in a corruption scandal which engulfed his administration. The scandal revolved around money-laundering activities by his campaign treasurer, P.C. Farias, which many investigators suspected involved drug money. Farias was later found dead, in bed with his girlfriend, the victim of an alleged “crime of passion.” The police have recently reopened their probe of his death, based on new evidence suggesting that he was murdered.

Reforma blasts Weld

On Sept. 3-4, the Mexican daily *Reforma*, blasted Weld. In the first of the two articles, Carmen Alvarez singled out LaRouche as one of Weld’s most prominent “political enemies,” who provided the greatest amount of detail on Weld’s cover-up of the Bank of Boston case, “the greatest case of money-laundering in U.S. criminal history.” Alvarez wrote, “In his accusation, LaRouche . . . points out the ties of the Weld family with ex-President George Bush, to whom he attributes an important influence in his election as governor of Massachusetts. ‘At the same time that Weld blocked the criminal charges against his close money-laundering friends, he launched criminal actions which answered to the interests of Bush, against key Bush opponents, such as this writer and his friends,’ LaRouche says.”

Also quoted was David Jordan, President Ronald Reagan’s ambassador to Peru, and Walker Todd, an adviser to Helms, who both emphasized that Weld’s presence in Mexico City would jeopardize the U.S.-Mexico anti-drug cooperation.

The second article featured an interview with Jack Blum, the former special counsel to the Senate Foreign Relations subcommittee that probed Reagan-Bush administration collusion with Ibero-American narcotics traffickers during the 1980s Nicaraguan Contra “secret war” against the Sandinistas. Blum charged that Weld was guilty of fostering the drug epidemic now hitting Mexico.

“Weld’s bad administration as head of the Criminal Division,” Blum charged, “helped create the problems which Mexico faces today, since he did not stop the industrialization of drugs, which took off during the Contra war with the Sandinistas.” Blum attempted to get Weld’s assistance in probing Reagan-Bush administration collusion with the Colombian drug cartels. “Instead of cooperating, Weld made it impossible to obtain the information,” Blum said. “We are looking at a man who was in a politically key position, and instead of confronting the drug problem as many of us would have wanted him to, what he did was cover it up. . . . In fact, I would argue that many of the problems which Mexico faces today, stem from errors made in the United States.”