
Crime in the Senate

McCain, Lieberman, and The Bantustan Casinos

by Anton Chaitkin and Scott Thompson

A criminal apparatus reaching from Russia to Israel to Africa, to Miami and New York, has turned Sen. Joe Lieberman's Connecticut into a world capital of gambling casinos. Today's billionaire mobsters Marc Rich, Solomon Kerzner, Michael Steinhardt, and their partners, are the same Meyer Lansky and Lucky Luciano circle which put Senators Lieberman and John McCain (R-Ariz.) into power in Washington. They have returned the favor and taken new payoffs, clearing the way for opening the world's two largest gambling casinos, less than ten miles from each other on either side of the Thames River in Connecticut.

In other reports, *EIR* has documented how a succession of gangsters—including Lansky's gambling managers and mega-swindler Charles Keating—created McCain's career; how thugs of the Lansky mob's Cuban regime paid to elect Lieberman; and how Michael Steinhardt, the Lansky money launderer and son of a Lansky partner in Cuban casinos, has shaped Lieberman's life since his election (see *EIR Special Report* on McCain and Lieberman, Aug. 16, 2002). This is the same political and covert-operations apparatus sponsoring the fascists of Ariel Sharon's Likud party-led regime in Israel, for which Senators Lieberman and McCain are the two most dangerous representatives in American politics.

Scam of 'New' Indian Tribes

These international gambling and organized crime interests have created the two Connecticut casinos, Foxwoods and Mohegan Sun, as a scam using a pathetic "Indian tribe" pretext. Foxwoods opened in 1992 under the nominal ownership of the Mashantucket Pequot Indians—funded by overseas Chinese casino billionaire Lim Goh Tong of Malaysia. John McCain led the way for launching the monster Connecticut casinos, by gaining Federal recognition for a new version of an extinct Pequot tribe, and by sponsoring legislation to legalize Indian casinos throughout America.

The Mohegan Sun casino, created in 1996, is an extension of Sol Kerzner's casino monopoly in apartheid-era South Africa. Kerzner's bantustans, enclaves for desperately poor quasi-slave black Africans, were used as centers for traffickers and wealthy whoring whites. Kerzner's lawyers, anthropologists, and lobbyists obtained Federal recognition for the "Mohegans" in Connecticut, and Kerzner then built the casino

and netted vast sums. Joe Lieberman was Connecticut's Attorney General when the Pequots were recognized, and was a U.S. Senator when Foxwoods was built, over local protests. Dupliciously claiming to oppose gambling, he refused all pleas for help in blocking the onslaught, and betrayed those he pledged to defend.

The scale of loot is unprecedented. Mohegan Sun's annual gross revenues, by September 2001, were reported at \$857 million, compared to all 12 Atlantic City casinos' gross revenues of only \$288 million combined, as of January 1997. The Pequots' Foxwoods casino, acknowledged to be the world's largest, will not reveal its gross revenues, but the 20% of its revenue from slot machines alone—their fee to Connecticut for a license to operate these "one-armed bandits"—amounts to \$200 million.

Both McCain and Lieberman have grandstanded against Indian gambling, while the casinos have quietly financed their political campaigns.

McCain Boasts on the Bus

Federal recognition of the rebirth of the long-extinct Mashantucket Pequot was initially blocked by skeptical government officials. But in 1983, recognition went through. That was the year John McCain entered Congress. He had just married the heiress to the Hensley beer distributorship created by Kemper Marley, known as the Arizona manager of the illegal wire service for Al Capone's and Meyer Lansky's patrons gambling on horse races at a distance. McCain became an instant multi-millionaire. And Phoenix-based Charles Keating, the infamous bank fraudster who induced thousands to gamble on worthless bonds, simultaneously adopted McCain as his new Congressman (and later, a "Keating Five" Senator).

What did freshman House member McCain, elected in Arizona with Hensley/Marley and Keating money, have to do with the Indians in Lieberman's Connecticut?

McCain was in New Hampshire, seeking the 2000 Republican Presidential nomination, when he told reporters on a campaign bus of his role in the Pequot affair 17 years earlier. He said that upon entering the House of Representatives, he had immediately joined the Indian Affairs subcommittee, and went to work on the Pequots. *Boston Globe* correspondent Curtis Wilkie reported on Jan. 28, 2000, "McCain said he looked into the case and discovered 'the Republicans had been the ones blocking it.' He determined that the Indians' plea was legitimate and won recognition. 'Know which tribe?' McCain asked, then answered his own question. 'The Pequot, now the proud owners of the largest casino in the world.' "

Perhaps unknown to the reporters on the bus, McCain's 2000 Presidential campaign received 35 individual donations totaling \$15,750 from "Mashantucket Pequot" members or casino officials. (Pequots made only 139 donations overall in the 1999-2000 election cycle, for all Federal election races.)



Within a 150-mile radius of the world's two largest casinos—Foxwoods and the Mohegan Sun, only ten miles apart off route I-95 in Joe Lieberman's Connecticut—21.8 million people live. Tens of thousands hit these new casinos every day with bumper-to-bumper traffic. But both also recruit international "high rollers," especially from Asia, giving them special incentives to come.

One of these donations—ironically channeled through McCain's "Straight Talk America" PAC—was \$500 from rising Foxwoods casino boss Kenneth Reels. Twenty-four of these McCain contributions were registered on a single day, June 30, 1999, according to the Federal Election Commission (FEC). McCain's Republican rival George W. Bush got no Mashantucket Pequot contributions, and Democrat Al Gore got only one, for \$200.

McCain deserved such recognition as the "Godfather" of Indian casinos. Gangster money had promoted him from the House to the Senate in 1987. In 1988, he wrote and was the prime Republican sponsor for the Indian Gaming Regulator Act. Tribes—and their gambling industry backers—got the right to open casinos whose finances would be secret, acting under the cloak of the "national sovereignty" of each tribal entity.

New Mexico attorney Alexis Johnson, an experienced investigator of the tribal cover for casinos, has explained that as the law has been redefined to create "jurisdictional confusion, you get 'the guys' surfacing." As Jeffrey Robinson added in his 2000 book, *The Merger: The Conglomeration of International Organized Crime*: "These are not poor Indians running casinos across the country, these are mobbed-up Indi-

ans. . . . You can't run a casino without all kinds of ancillary businesses . . . people who understand how to run the floor, how to find employees that are discreet, how to get the employees that have been buffed up and run past a couple of other regulatory bodies, . . . how to get the comped guys here and there, who can go to whose network and launder the money, who can take the skim to Las Vegas or the Bahamas or the Caymans."

Indeed, the bandits have made off with the proceeds. Only a tiny fraction of bought-off Native Americans have received an income boost from the proliferation of casinos. Unemployment and misery are the rule, with no development of America's vast agro-industrial-mineral potential for the benefit of the tribes.

Senator McCain has since starred on the Senate Indian Affairs Committee; he was Committee Chairman in 1995-97.

McCain has constantly trumpeted his "personal" anti-gambling morality, while acting as lead agent for the gangsters. When organizing the passage of his 1988 Indian Gaming Regulatory Act, McCain told the Senate: "I oppose, personally, gambling in my state. I oppose gambling on Indian reservations, but when Indian communities are faced with only one option for economic development, and that is to set up gambling on their reservations, then I cannot disapprove" (*Boston Globe*, Dec. 10, 2000). McCain warns of gambling corruption, which must refer to himself above all. He stuck a loophole clause into this year's celebrated McCain-Feingold campaign finance bill, which will exempt Indian tribes from the general prohibition against donating to an unlimited number of Federal candidates!

Making Connecticut Safe for the New Mob

Joe Lieberman was first elected to the Senate in 1988, with money and backing from Cuban exile Jorge Mas Canosa, Miami boss of the old Meyer Lansky-led casino crowd from pre-Castro Cuba. Senator Lieberman immediately joined the new Democratic Leadership Council (DLC), a Wall Street pressure group founded by billionaire hedge-fund operator Michael Steinhardt. Steinhardt's fortune came from laundering the Lansky mob's cash pouring in through Steinhardt's father, who had been Lansky's "fence" and Havana casino partner. Michael Steinhardt, in turn, made Lieberman the longest-serving chairman of the DLC, from 1993-2001.

The casinos have brought Connecticut a decade of bitterness. A senior officer of the Connecticut State Police Bureau of Criminal Investigations told *EIR* that Ledyard—home of Foxwoods—and nearby North Stonington have suffered a massive increase in drug-trafficking, prostitution, and other crimes. Some of the drug-trafficking cases have been made against employees of the Pequots' casino, and their clientele, and an investigation is under way to determine whether the Mashantucket Pequot "owners" of the Foxwoods casino were involved.

Joe Lieberman went shopping for re-election cash as this



One-armed bandits by the hundreds line up in front of the garish center of the world's second-largest casino, the Mohegan Sun in Uncasville, Connecticut, set up with the support of "conscience of the Senate" Joe Lieberman. Lieberman's and the world's largest casino, Foxwoods, is just across the Thames River at North Stonington, Conn.

hell was unleashed in his state. FEC records show that during the 1994 campaign cycle, Lieberman received:

- two donations totalling \$1,500 from G. Michael Brown, chief executive of the Pequots' Foxwoods Casino;
- \$250 from lobbyist Charles J. Duffy, chief Pequot negotiator who arranged the deal whereby revenues from Foxwoods (and later Mohegan Sun) slot machines began financing the depression-wrecked Connecticut state budget;
- \$250 from attorney Jackson T. King, who had represented the townspeople opposing the casino, misled and sold them out, and become the Pequots' chief counsel;
- \$500 from Katharine R. Boyce, the Pequots' Washington lobbyist (with Patton Boggs law firm) working with the Senator's and gangsters' friends within the Federal bureaucracy.
- Bigshot casino operator Donald Trump made a \$1,000 personal contribution to Lieberman's campaign two months later.

During that same 1994 election cycle, while publicly proclaiming the immorality of gambling, "conscience of the Senate" Joe Lieberman held a major fundraiser at the Las Vegas Sands casino.

The contributions to Lieberman from G. Michael "Micky" Brown open a special can of worms. It was "Micky" Brown who introduced the corrupt Malaysian billionaire, Lim Goh Tong, to the Mashantucket Pequots. Before representing Lim's expanding resort and casino operations, Brown had

earlier served at the bequest of then-New Jersey Gov. Brendan Byrne as head of the New Jersey Gaming Commission, to put a figleaf on Atlantic City casino operations at a time when the Federal Bureau of Investigation was running the unconstitutional Abscam witch-hunt to blackmail Congress and local politicians. Before that, "Micky" Brown had been a prosecutor, who cleared out the "Mustachioed Petes" in New Jersey, so that people like the mobbed-up billionaire Donald Trump could build his Taj Mahal in Atlantic City.

At the time that Brown was in charge of the Gaming Commission, Sol Kerzner bought Merv Griffin's Resorts Hotel Casino in Atlantic City. When the president and CEO of the huge Foxwoods Casino resigned, Brown took over that post, even though it took him four years to gain the requisite Class II casino gaming license. (It is suggestive, as reported in the April 18, 1997 issue of the *Hartford Courant*, that international gangster Sol Kerzner got his license only after Christo Nel, the Attorney General of South Africa's Transkei region, had withdrawn charges of a \$600,000 Kerzner bribe in 1986 to Chief George Matanzima, the Prime Minister of the Transkei bantustan,

where Kerzner had been expanding his Sun International operations.)

According to the June 27, 1997 issue of the *Hartford Courant*, "Micky" Brown was fired from his position as president and CEO of Foxwoods, where he maintained the link for expansion capital from Lim, because of a "conflict of interest." The *Courant* reported that Brown had bought shares of IWERKS, knowing that it would be awarded a large construction contract by Foxwoods casino. Today, among other projects, "Micky" is setting up at least one of six "Indian" gaming facilities (the Seneca Indians' casino in Niagara Falls) authorized recently by the New York State Legislature in upstate New York and the Catskills. And, a spokesman for Foxwoods casino said that the Pequots are still paying off Lim Goh Tong.

Lieberman's 'They Have a Dream'

Fast forward to June 2000, five months after Presidential candidate/Sen. John McCain's boast of his importance to the Connecticut casino scene. Joe Lieberman was running again for the Senate. Connecticut local officials, despondent over tax-revenue loss, crime, and chaos from the casinos, wanted to believe Lieberman's anti-gambling rhetoric. Local leaders met in Lieberman's Washington office on June 28, 2000, seeking his help against the continued expansion of the Pequot mega-casino.

According to Jeff Benedict's book, *Without Reservation*,



The "Tribal Council Management Board" of the Mohegan tribe which appears to have been created to site the casino.

one town official suggested that the Mashantucket Pequots were not really an Indian tribe at all. He was told that McCain and other leaders of the Indian casino cause would not appreciate that point. But the local leaders were advised to continue fighting in the courts against casino expansion. Lieberman soothed them, "If you fail at the appellate court, I think it would be an appropriate time to have Congress address this issue." He concluded the meeting by assuring them: "I understand your concerns and understand we haven't given you answers to the questions you've been raising. But we will."

Six weeks later they got their answer. Al Gore chose Lieberman as his Vice Presidential running mate. Lieberman told the Native American Caucus at the Democratic National Convention in Los Angeles, "talk about dreams coming true. These two tribes [Pequots and Mohegans] have made those dreams real, not only for themselves but for an extraordinary number of people." Lieberman got his picture taken at the podium embracing Pequot boss Kenneth Reels. Then the Pequots treated the Connecticut Congressional delegation to a fancy reception at a French restaurant in Los Angeles. The Connecticut town leaders read the next day's press stories of Lieberman's perfidy.

Bantustans for America

As a guest speaker at a conference on casino development at Foxwoods in November 2001, Senator Lieberman was asked by a *Boston Globe* reporter whether he would act to correct the billion-dollar ripoff of the Mohegan Indians by the Kerzner casino empire. Lieberman evaded the question, and he and his aides persisted in stifling the issue and protecting Kerzner—who is a significant player in the underworld sponsoring Joe's career.

Solomon "Sol" Kerzner had a monopoly of the gambling casinos in South Africa until the racial apartheid system fell.

Gambling was allowed only on the bantustans, enclaves which the police state declared "autonomous" but which had no rights except criminal lifestyles. Kerzner's operation controlled the Bophuthatswana enclave and made it available for global smuggling and intrigue. The casinos there were set amidst ghastly poverty, disease, and death, with white South Africans coming to revel in dope and prostitution. Kerzner's Sun City casino complex featured "a 6,000-seat indoor superbowl, a 46-acre man-made lake for watersports . . . and a themed resort [with a] man-made jungle in which over 1 million trees were transplanted."

Kerzner was the uncrowned king; his was the main legal business of Bophuthatswana. His business partner, gun-running mobster Shabtai Kalmanowitch, was Bophuthatswana's "Ambassador to Israel," until Israel arrested Kalmanowitch as a Soviet spy, overlooking Kalmanowitch's ties with the Zionist Mafia. One source told *EIR* that Kerzner also had ties to the KGB-controlled, East German secret police (Stasi), which had established a nest at Kerzner's Sun City International in the bantustan of Bophuthatswana. Kerzner himself was then known to have travelled frequently within the former Soviet bloc.

A New York commodities trader, Rabbi Ronald Greenwald, was the ambassador to the United States for Kerzner's enslaved bantustan, and had brought Kalmanowitch into the picture there. Greenwald was a major intermediary between the Israeli and Soviet bloc secret services, involved in spy swaps and movements of fugitives. Greenwald sponsored the career of Russian mobster Evsei Agron, a murdering crime boss in Brooklyn.

This entire cast of Kerzner's supporting criminal characters were financial partners of Marc Rich, the billionaire fugitive wanted by American authorities for tax fraud and trading with the enemy. Rich, Kalmanowitch and Greenwald represented Israel's Mossad intelligence and covert operations service, and the fascist Likud apparatus of Ariel Sharon. For many years following Marc Rich's 1983 Federal indictment, Rich's investments in New York were handled by gangster speculator Michael Steinhardt. At first, the Kerzner/Rich operative Rabbi Greenwald tried unsuccessfully to get the prosecuting U.S. Attorney to back off the Rich case. Finally, Steinhardt, after turning over the Democratic Leadership Council to his protégé Lieberman, began a global campaign to get Rich off. Steinhardt coordinated with Mossad officer Avner Azulay, head of the Rich Foundation in Israel; they brought in top Israeli politicians, and convinced President Bill Clinton to pardon gangster Rich in the last hours of

Clinton's Presidency.

Rabbi Irving "Yitz" Greenberg, who is the rabbi to both Joe Lieberman and Michael Steinhardt, wrote a letter urging Clinton to pardon Rich on the letterhead of the U.S. Holocaust Commission, whose board includes Lieberman's wife Haddasah Freilich Lieberman. Rabbi Greenberg was subsequently fired from the Commission that he had chaired, for this reason.

This is the same Mossad/Likud swamp that Lieberman and McCain have both been wading in, as they help drag America toward a suicidal war with Iraq.

Shall We Have Bantustans?

The fall of apartheid ended Kerzner's reign in Bophuthatswana. Foxwoods thrived, and Kerzner jumped into Lieberman's Connecticut. Kerzner and his cousin Len Wolman set up Trading Cove Associates, which spent millions to gain U.S. recognition of the Mohegans, so as to open a new casino. Since he, in effect, created the tribe, an agreement gave Kerzner's crew a "buyout" of \$1 billion, despite the fact that Kerzner had not completed a feature of his contract with the Mohegans to complete a \$400 million hotel. It was this "buyout" that led to investigations by the U.S. Interior Department's Inspector General, as the sums being siphoned off to Kerzner exceeded the 30% of net profit permitted by the 1998 Indian Gaming Act.

So far there have been no indictments. The Inspector General did rule, in Spring 2002, that the process of the recognition of the two Connecticut tribes—including that of the Mashantucket Pequots ushered in, in part, by Sen. John McCain—was "highly unusual."

The staff of the National Indian Gaming Commission initially balked at the Mohegan deal, but were overruled by Commission chairman Harold Monteau, who was on the take from the Indian gaming trade association. Monteau prohibited any background check on Kerzner. And Lieberman protected Kerzner even after the *Boston Globe* exposed the residuals to be paid to Kerzner for years after he was to sell out, and the hundreds of millions in other extra payments he was to get from the tribe.

Today, Kerzner ("the King of Kitsch") has done a \$1.1 billion refurbishment of the original Resorts International on Paradise Island (formerly Hogg Island) in the Bahamas, which has been renamed Atlantis Casino. It is complete with a submarine and a Mayan Temple. Resorts had been built with input from the Meyer Lansky Crime Syndicate and the local Mafia known as the Bay Street Boys.

The economic catastrophe now unfolding thus presents to the people of North America, especially the poorest, such as the Indians and Mexicans, the question: Shall you be enslaved to gangsters, as was once done to the South Africans? Rejecting this fate must begin with the political overthrow of John McCain and Joe Lieberman, and everything they stand for.

LaRouche Helping Defeat Nevada Pot Legalization

by Mark Sonnenblick

A Nevada ballot initiative heavily financed by "Dope, Inc." as a pioneer move to legalize marijuana nationwide, was initially thought a cinch to pass this Nov. 5. But three weeks from Election Day, Nevada political insiders and pollsters have told *EIR*, there's no way it's going to pass. A major cause of the reversal in voter opinion was an intervention by Lyndon LaRouche's Presidential campaign against the referendum. In a Sept. 8 release, LaRouche charged that the people of Nevada had been snookered by "mega-speculator George Soros" and the dope legalization lobby which he has funded, nationally and internationally. LaRouche went through the details of an *EIR* investigation (see *EIR*, Sept. 20), showing how Soros profits from destroying national currencies and then uses the money to promote drugs.

"Preliminary investigations by associates of LaRouche have confirmed that the Nevada referendum is being run by a Washington, D.C.-based group, the Marijuana Policy Project (MPP), which receives direct funding from Soros, through the Drug Policy Foundation, which has received more than \$15 million from Soros in recent years," the release said. "Soros has poured at least \$25 million into various dope legalization schemes over the past five years, and has vowed to substantially increase his bankrolling of the dope lobby efforts."

Billy Rogers, whose salary continues to be paid by the MPP, was sent to Las Vegas from Texas to run a deceptively named-front group, "Nevadans for Responsible Law Enforcement." A tight wall of silence about the actual content of so-called "Question 9" was maintained during May and June, while 110,000 signatures were collected to put it on the ballot. "Nevadans were told that they were signing a petition just to legalize medical marijuana," said one resident. The MPP paid \$1-2 for each signature, at a cost of \$375,000. Though IRS 990 Federal tax forms show it, the MPP will not talk about Soros' funding.

The Nov. 5 referendum authorizes anyone over the age of 21 to buy up to three ounces of marijuana from dealers, licensed and taxed by the state at the same rates as tobacco products. The state would also regulate pot cultivation and would guarantee "the distribution of marijuana at low cost" to medical patients; the latter could place the state in the dope business—a precedent that Soros and the dope lobby would like to set.

Once the referendum gained ballot status, media reports pegged it a sure winner. An MPP spokesman rejoiced that