

CORRUPTION: **The Satanic Drug Cult Network** **and Missing Children**



VOLUME
4

The Gunderson Report

A series of four volumes on the most important threat to our children today

Presented by: Ted L Gunderson International

TED L. GUNDERSON, F.B.I. SENIOR SPECIAL AGENT-IN-CHARGE, RET.
2118 Wilshire Blvd. • Suite 422 • Santa Monica, CA • Ph: (310) 364-2280 • (310) 650-5674

PROFESSIONAL EXPERIENCE

- 1979 - Present **TED L. GUNDERSON & ASSOCIATES, Santa Monica, California.**
Founder, owner and operator of this international security consulting
and investigation firm.
- Hosts the "Ted Gunderson Intelligence Report" radio talk show,
weekdays as follows:
1. American Freedom Satellite Network, GE 1 103° West
(2° to the West of Space Net 4) Channel 7, Sub Audio 5.8 Frequency
10AM to 12PM Central Standard Time (C.S.T.)
 2. WWCR Short Wave Radio 12.160 Frequency, 11AM to 12PM (C.S.T.)
- 1984 **LOS ANGELES OLYMPIC COMMITTEE**
Security and Anti-Terrorism Consultant
- 1981-1982 **CALIFORNIA NARCOTICS AUTHORITY**
Appointed by Governor of California as
Narcotics Consulting Agent
- 1979 **PAN AMERICAN GAMES, San Juan, Puerto Rico**
Security and Anti-Terrorism Coordinator
Special Appointee of United States Attorney General Griffin B. Bell
- 1951-1979 **FEDERAL BUREAU OF INVESTIGATION**
- | | |
|---------|---|
| 1977-79 | Senior Special Agent-in-Charge, Los Angeles, California |
| 1973-77 | Special Agent-in-Charge of Memphis, Tennessee and
Dallas, Texas |
| 1973 | Chief Inspector |
| 1965-73 | Assistant Special Agent-in-Charge, New Haven,
Connecticut and Philadelphia, Pennsylvania |
| 1960-65 | Special Agent Supervisor, FBI Headquarters,
Washington, D.C. |
| 1951-60 | Special Agent |

Received many other awards, including Law Enforcement Officer of The Year. Author of "How to Locate Anyone Anywhere Without Leaving Home" (Penguin Books 1989) and other publications. Has appeared on numerous radio and TV shows including, "Larry King Live", "Geraldo", "48 Hours", "Hard Copy", "Inside Edition" among others. Currently forming an organization known as "Current and Former FBI Agents For Honest Government".

VOLUME IV. TABLE OF CONTENTS

- I. President William Clinton
- II. Former President George Bush
- III. Executive Orders
- IV. Department of Army---Civilian Labor Camps
- V. Joint Russian/American Military Operations
- VI. Plans for Global Civilization
- VII. Up to One Billion Dollars Per Day Shipped to Soviet Mafia
By Federal Reserve
- VIII. Federal Government Taking Our Guns
- IX. POWs in North Korea
- X. The National Security Agency's \$1 Million an Hour Operation
- XI. High Frequency Active Auroral Research Project
- XII. The IRS and Federal Reserve
- XIII. Tax Reform
- XIV. WACO
- XV. Vince Foster
- XVI. Ron Brown
- XVII. Media Control--Who Is Behind it?

PRESIDENT WILLIAM CLINTON

Clinton says he is a Rhodes scholar—he's not; he never finished. He went to Moscow during the Cold War; he organized and participated in anti-American rallies in London, England during the Viet Nam War. As Governor he said he balanced the budget 11 times; he never balanced the budget. He said he didn't raise taxes; he raised them 126 times.

During his tenure as Governor he was instrumental in establishing the Arkansas Development Finance Authority— supposedly to provide loans to students, churches, and schools. The agency was actually used to launder billions of dollars from a \$100 million per month drug operation out of Mena, Arkansas. Millions of dollars from the drug operation were channeled to Clinton's personal political campaign---money laundered through BCCI banks in Florida; Atlanta, Georgia and former U.S. Senator Rostenkowski's bank in Chicago. I have personally talked to some of the CIA agents who brought drugs into Mena, Arkansas and shipped arms out. Every loan for the Arkansas Development Finance Authority was signed-off by Bill Clinton. Many of the loans were never paid off. In some instances not even one payment was made on the loans. During a 10 year operation not one indictment was handed down and not one truck or plane load of drugs was ever confiscated. During the first week of his presidency, he revoked random drug-testing of his White House Staff. A clear departure from the standard practice of his predecessors, who were more mindful of how testing relates to national security issues. Five Arkansas state troopers have volunteered that he had over 100 sexual escapades, with as many women, during the period they guarded him. I have personally interviewed one of these women who is now in hiding to protect her life. The documentation for the above information has been furnished to U.S. senators and congressmen and still nothing has been done. Why hasn't Congress investigated the Mena, Arkansas drug smuggling operation? Why hasn't Congress called the key witness, Larry Nichols, former Marketing Director for Arkansas Development Finance Authority to testify during the Whitewater and Vince Foster hearings? Nichols has stated that he alerted President Clinton to the drug operation and he was ignored. President Clinton's response was that it was a "Federal" matter—not a "State" matter. The FBI claims Foster's suicide note is authentic whereas three independent handwriting experts say it is fraudulent. Why has Congress not called former CIA drug smuggling pilots as witnesses? I personally know of two who would be willing to testify. Three attempts have been made on Larry Nichols' life. Law enforcement officers working toward meaningful prosecution have been forced to resign or have been reassigned. One has been falsely accused of a crime and another survived an attempt to poison him. Since August 1991, thirty individuals associated with the drug operation and investigation of Clinton have died as a result of questionable suicides, murders, or in plane crashes. Former U.S. Congressman Bill Danameyer has described President Clinton as a draft-dodging womanizing pathological liar who should be impeached.

Drug net draws closer around Bill Clinton

THE longer Bill Clinton resists pressure to release his medical records, the stronger the suspicions that he is hiding something important, perhaps even something that could affect the outcome of the presidential election.

The White House press secretary, Michael McCurry, was distinctly ambiguous when reporters asked in public whether the president was suffering from a sexually transmitted disease. It seemed almost as if McCurry wished to encourage this line of inquiry. The White House calculation, apparently, is that nobody cares too much about encounters long ago. The impact in post-puritan America would be nil.

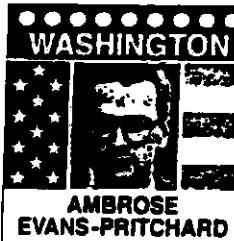
But not everybody has fallen for this diversionary tactic. In a biting editorial last week the *Wall Street Journal* asked whether Clinton was covering up a history of drug use. Drugs are a much more serious matter. If the American people were ever led to believe that Clinton was a heavy user of cocaine while Governor of Arkansas, the scandal would be thermonuclear.

Stories about past drug use by Bill Clinton are a staple of Right-wing radio talk programmes. But no major newspaper in the US has ever published an investigative expose.

This is not because drug use is too much of a tabloid issue. Far from it. The mainstream media were quick to print the uncorroborated allegations of a convicted felon who claimed to have sold marijuana to a young Dan Quayle.

In the case of Bill Clinton, a number of people have come forward with direct knowledge of drug use, but the press always finds a reason to impugn the source's credibility. Nothing short of documentary proof will induce them to examine the claims. Hence the intense speculation in Washington about the medical records.

But there are other records. A freelance journalist, Scott Wheeler, has obtained copies of the Arkansas State Police



veillance audio-tapes from the 1984 investigation of Roger Clinton, the President's younger brother. (Roger was eventually convicted for dealing in cocaine and sent to prison).

The tapes reveal that Roger Clinton was a drug trafficker — not just an addict who crossed the line. He can be heard describing how he used to smuggle large amounts of cocaine

term as Governor. "Bill was so messed up that night, he slid down the wall into a garbage can," she said.

The story has credibility because she told it under oath to a federal grand jury in Little Rock in December 1990. At the time she was an informant for the Seventh Judicial District drug task force in Arkansas. Jean Duffey, the prosecutor in charge of the task force, talked to Wilson days after her grand jury appearance.

"She was terrified. She said her house was being watched and she'd made a big mistake," said Duffey. "That was when she told me she'd testified about seeing Bill Clinton get so high on cocaine he fell into a garbage can... I have no doubt that she was telling the truth."

Shortly after Wilson's testimony the drug task force was closed down. Duffey was bounded out of her job and now lives at a secret address in Texas.

Wilson was charged with drug violations. In 1992 she was sentenced to 31 years for selling half an ounce of marijuana and \$100-worth of methamphetamine to an informant.

She protested that she was "set up" to eliminate her as a political liability and she appealed on the grounds of entrapment.

With the help of a brilliant Arkansas lawyer, John Wesley Hall, her case went all the way to the US Supreme Court. Finding a violation of her constitutional rights, the court ordered the state of Arkansas to give Wilson a fresh trial or set her free. Her release date is now set for November.

What about those grand jury transcripts? They are secret, of course, sealed in perpetuity. But every witness has the right to the transcripts of their own testimony if they make a formal request.

The Republicans are at last beginning to twig. Last week I received a number of phone calls from bashful operatives on the deniable fringes of the Republican Party. They wanted to know where, perchance, they might find a person called



'Nose like a vacuum cleaner': Bill Clinton

'She'd testified about seeing Bill Clinton get so high on cocaine he fell into a garbage can... I have no doubt that she was telling the truth'

through airports hidden under his clothes. But most interesting is the comment he makes about the Governor: "Got to get some for my brother; he's got a nose like a vacuum cleaner."

Then there is the case of Sharlene Wilson, currently serving a prison term in Arkansas for drug offences. She told *The Sunday Telegraph* two years ago that she had supplied Bill Clinton

FORMER PRESIDENT GEORGE BUSH

The Money Laundry

The Dirty Side of High Finance

A quarter of the massive funds circulating the globe each year are the illicit proceeds of gun-running, drug-trafficking and money-laundering operations.

by David G. Guyatt
1996

5 Mucking Hall Cottages
Mucking Hall Road
Barling Magna, Essex SS3 0NJ
England, UK
Phone/Fax +44 (0)1702 21 7523

Ever since the Nugan Hand Bank affair of the late 1970s, bank crashes have followed a slick and familiar template. Narcotics trafficking, gun running, CIA covert ops, money laundering and fraud on a massive scale are just some of the ingredients that have sent bank after bank crashing to its knees. Once the smoke clears, bank depositors and shareholders are left picking up the tab.

With a spate of billion-dollar financial scandals hitting the headlines, 1995 wasn't such a good year for harassed bank regulators and shareholders. Calls for tougher regulation of the burgeoning financial markets in the wake of the Daiwa, Barings and other debacles are little more than PR palliatives designed to calm the nerves of a cynical public who still form the hard backbone of bank depositors. With the best will in the world, regulators can't keep pace with an evolving and sophisticated money machine that daily shuffles upwards of 24 billion E-bucks around the globe in the blink of an eye.¹

Yet tough regulation, even when emplaced, is easily and regularly evaded. Banking and crime are Cimmerian handmaidens for the simple reason that banks are where the money is. Having access to the money and being 'connected' is the name of the game where the stakes are other people's money. This is the dark side of the financial community, a hidden face that largely goes unreported—until, that is, a major banking scandal hits the front pages. Squirming under the glare of public attention, successive bank disclosures have revealed the sinister connections that leading banks have with organised crime and the intelligence community. The money-shufflers of 'Spooksville' need 'black funds' to finance covert operations and appear happy to exchange guns and military hardware for dope that is, in turn, peddled for dollars used to finance other black operations. This happy-go-lucky 'Ferris wheel' approach to money-raising on the part of the intelligence community reveals a long history of entanglements with the Mafia.

Organised crime syndicates are now the single largest business sector on the planet and are set to grow. They just love banking. Having accumulated a staggering US\$820 billion from investment interest over the last decade, the Mafia is now estimated to earn US\$250 billion a year from its legitimate investments.² Dozens of nations who maintain strict bank secrecy laws are, *de facto*, providing full banking services to these mandarins of dirty money. A large number of banks are actually owned by Mafia syndicates.³ Some of the largest and most respectable appear content to turn a blind eye and earn massive commissions from laundering dirty money.⁴ The prudent image of bankers is just that: an image. Banking survives purely on depositor confidence, making it the biggest ongoing "confidence trick" the world has ever witnessed. That confidence has been dented by one scandal following on the heels of another.

THE CIA'S HEROIN CONNECTION

One of the earliest scandals was the Nugan Hand Bank affair. Michael Hand, an ex-CIA operative from the Bronx, joined up in 1973 with Frank Nugan, an Australian play-boy and inheritor of a Mafia fortune, and incorporated the Nugan Hand Bank. The bank sported an interesting and exclusive board of directors. President of the bank was (Retired) Rear Admiral Earl Yates, former chief of the US Navy's strategic planning. Legal counsel was the CIA's William Colby, and Walter McDonald, former deputy director of the spook agency, was listed as a consultant. An in-house commodity trader on the bank's payroll was also a leading heroin importer, while Richard Secord, later to be implicated in the Iran-Contra affair, was said to have a business connection.

Seven years later, the bank collapsed following the discovery of Frank Nugan's body slumped in his Mercedes. Clutching a gun in one hand and sporting a hole through the

head, Nugan was also holding a bible that contained an embarrassing list of names including William Colby, DCI of the CIA, and Bob Wilson, the House Armed Services Committee's ranking Republican. Others names listed had a variety of backgrounds, ranging from known narcotics traffickers, politicians and businessmen to personalities from sport and the media. Beside each name were listed amounts running into five and six numbers. Following public outrage, the US Senate held an investigation into Nugan Hand's operations. Amongst other things it discovered that the bank operated a branch in Chiang Mai, Thailand—heart of Triad country. The branch was dedicated to laundering the Golden Triangle's heroin revenue. Connected to the bank's office by an interconnecting door was the DEA's (Drug Enforcement Administration's) local office—premises that were also shared with the CIA.*

At about the same time that Frank Nugan's skull was developing powder-burns, Michele Sindona, a free-wheeling financial whiz-kid and *consigliere* for the Sicilian Mafia, had purchased New York's Franklin National Bank and driven it to the wall with losses totalling US\$40 million. Ranked the 29th largest bank in the US, the Franklin crash became the biggest on record at that time. Establishing a fictitious company, Fasco AG, in Liechtenstein, Sindona was able to obtain a majority interest in the Italy-based Banca Privata Finanziaria. BPA was an excellent acquisition for Sindona, for not only did it have a close relationship with Britain's blue-chip Hambros Bank but it also had a preferential partnership arrangement with Continental Illinois Bank of Chicago, owned and presided over by David Kennedy (later to become Finance Minister in the Nixon administration). Continental Illinois was later to crash spectacularly in the mid-'80s, only to be rescued with an estimated four billion US tax dollars.

MOBSTERS, MASONS AND THE ITALIAN CONNECTION

Described by *Time* magazine as "the greatest Italian since Mussolini", Sindona used his relationship with David Kennedy to get close to Bishop Paul Marcinkus, head of the Vatican Bank (the Institute for Religious Works [IOR]), and thereafter set in motion a tangled web of financial fraud that almost brought the IOR to its knees. His empire rapidly grew, pulling a number of financial

institutions into his ownership, including, in addition to his BPA, the Banca Unione, the Germany-based Wolf Bank, the Generale Immobiliare, Geneva's Finance Bank, Edilcentro, a finance company set up in the Bahamas, New York's Franklin National Bank plus 140 other companies spread throughout the globe.

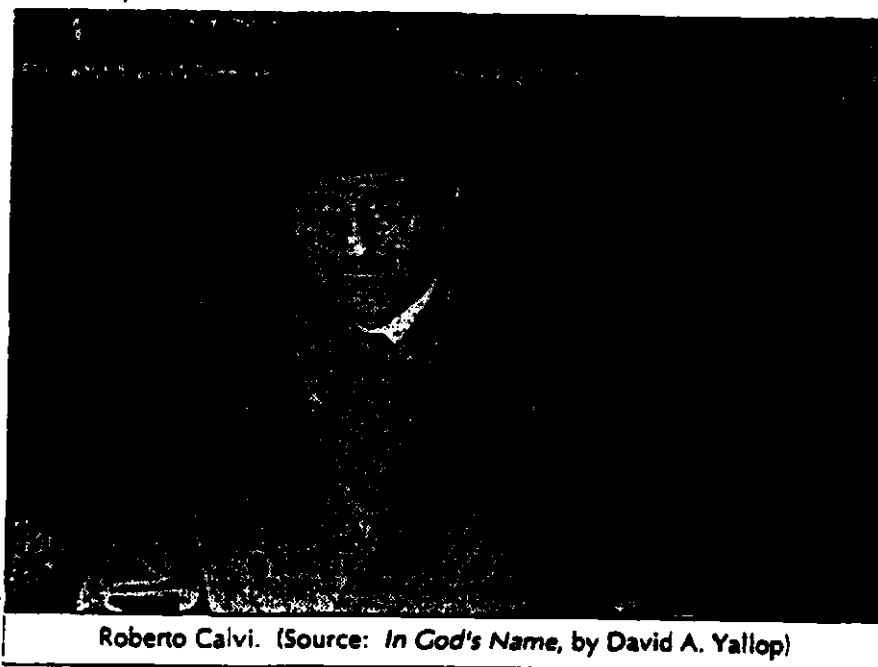
Sindona's connection to the Mafia probably dates back to World War II when he joined in the Mafia preparations for American landings in Sicily. However, it was during the '70s that the Sicilian Mafia chose him as their money man. Four years later, in 1974, Don Michele's world began collapsing around him. It was later discovered he had been skimming off the mob's narcodollar, which he was charged with laundering. Incarcerated in prison for his part in the Franklin Bank crash, Sindona was later found dead in his cell. A dose of strychnine laced in his coffee brought a 25-year sentence to an abrupt end.* If Sindona's death was anything, it was too late. His intimate involvement with another bank that crashed with massive losses was to have calamitous and far-reaching effects on Italy's ruling elite as well as the spooks of Langley.

Banco Ambrosiano was the largest private bank in Italy until it collapsed in 1982 with losses approaching a massive US\$2 billion. At the centre of the scandal was Roberto Calvi, Chairman of Ambrosiano and Lodge brother of Licio Gelli, the shadowy Grand Master of the Italian P2 (Propaganda 2) Masonic Lodge. Gelli, once an *Oberleutnant* in Himmler's SS, held the reins of power and knew how to use them—for which he was dubbed "The Puppet Master". A consummate blackmailer, he kept a secret record of wrongdoing of all those he came into contact with, and wasn't shy in using it to his advantage. P2's membership roll included highly placed politicians, cabinet members, heads of the Italian armed forces and the intelligence services, together with leading industrialists, media magnates, judges, Mafiosi, members of the Vatican Curia and, of course, high-flying financiers—including Sindona. P2's 'elite' membership, linked by their extreme right-wing political views, perfectly dovetailed with the CIA's long-standing desire to eradicate Communism from the Italian political scene.

The P2 and Banco Ambrosiano scandal broke when Calvi was found 'suicided' on 17th June 1982. With his hands tied behind his back and a rope around his neck, he had been suspended from

London's Blackfriars Bridge in what some saw as a ritual killing. Calvi was P2 banker and had been involved in embezzling massive sums of money out of his bank and into secretive 'offshore' companies in Liechtenstein and elsewhere. A number of these companies were linked to the Vatican Bank. P2 was responsible for number of CIA-backed political atrocities at the time, including the bombing of Bologna railway station in August 1980 where 8 innocents were slaughtered—and mischievously attributed to left-wing terrorists.

It took 10 years before the real story came out. Francesco Mannino Mannonia, a *pentito* (defector) from the Sicilian Mafia, confirmed in 1992 that Calvi was strangled by Francesco di Carlo, the mob's heroin 'traffic manager', at the instruction of Pippo Calvi, the Corleone family. We now know that Calvi, together with Gelli and Sindona, was embezzling the Mafia out of a fortune. Gelli was 'handling' for the Corleonesi a large sum of money which he passed to



Roberto Calvi. (Source: *In God's Name*, by David A. Yallop)

Calvi who promptly used it to shore up his failing bank. Smart to the last, Gelli helped the mob recover "tens of billions of lire" before bolting out of sight. Despite his best efforts, he was eventually arrested in Switzerland to where he had travelled to arrange the secret transfer of US\$120 million of Ambrosiano's lost loot. Bribing a guard with \$20,000, he managed to escape. Once over the French border, he climbed aboard a helicopter for the short trip to Monaco, home of P2's 'super-Lodge'. From Monaco he travelled to Paraguay—a favourite bolt-hole of many of his wartime Nazi comrades—and disappeared from sight. The missing billions have never been recovered.

The Ambrosiano affair was significant for revealing the web of interconnections that existed within Italy's ruling class. On the one hand, the CIA was using P2's 'covered' (secret) Lodge and illicit funds to conduct covert warfare on Italy's Communists. At the other extreme, it demonstrated the Mafia's total infiltration of Italian business and politics—a feat achieved following their induction into Masonry. Antonino Calderoni, a Mafia defector, revealed that, during 1977, Mafia bosses were formally invited to join a covered Masonic Lodge. They agreed to join on the understanding that they would learn the secrets of Masonry but would not reveal Mafia secrets. "Men of Honour who get to be bosses belong to the Masonry: this must not escape you," another Mafia defector, Leonardo Messina, revealed. "Because it is in the Masonry that we can have total contact with businessmen, with the institutions, with the men who administer power..." Messina went on to add that the Mafia's secret association with Masonry is "an obligatory passage for the Mafia on a world level". Masons, like the intelligence community, bankers and the Mafia, share a common interest in secrecy. Similarly, they all have a common interest in money, especially other people's money.

HISTORY'S BIGGEST-EVER SCAM

The 'connections' that had been forged and which lay behind Italy's greatest-yet banking debacle were to be re-enacted years later in America. The Savings and Loan (S&L) scam—by far the greatest banking rip-off of all time—saw the same cast of players at work. "Something very significant happened during our country's savings-and-loan crisis, the greatest financial disaster since the Great Depression. It happened quietly, secretly, without any fanfare and attention. It happened before our very eyes and we knew it not. What we missed was the massive transfer of wealth from the American taxpayer to a select group of extremely rich, powerful people." These ominous words opened the introduction to Pete Brewton's massively researched book, *The Mafia, CIA & George Bush—the untold story of America's greatest financial debacle*.¹⁰ Brewton, an award-winning investigative journalist, spent years tracing the subterranean web of interconnections that sat at the heart of this affair that looted the American taxpayer of close to US\$1 trillion. However, there was more to the S&L affair than these words portrayed.

The "select group of extremely rich, powerful people" that Brewton fingers, includes the CIA, President George Bush, Senator Lloyd Bentsen, a swag-sack of other influential Texans

and well-known members of the Mafia. For the CIA, the group had access to a vast pool of 'black funds' that enabled it to engage in illegal activities including Iran-Contra and Middle East weapons deals. Brewton's all-too-realistic view is that this group of interconnected 'businessmen' recognised that the S&L industry was perfectly structured for a mammoth scam. Backed by government guarantees and regulators who would bow to the right kind of pressure, the S&Ls were like ripe plums waiting to be plucked.

Back in his VP days, Bush intervened with federal regulators in a corrupt Florida Savings and Loan that close friends, his sons Jeb and Neil, and a handful of Mafia associates were systematically plundering. The thrift eventually went belly-up to the tune of US\$700 million. For a man who regularly keeps a 'plausible deniability' diary, whose hidden background includes his CIA operational activities pre-dating his appointment to DCI by 15 years, and who, moreover, had questionable links to the pock-faced Panamanian dictator, Colombian cartel money-launderer and one-time CIA asset Col. Manuel Noriega, the thought of his sons cherry-picking thousand-dollar bills off the S&L money tree is all in a day's play."

In any complex financial scam, the really important question is

to discover where the looted funds eventually come to rest. As with the Nugan Hand, Franklin and Ambrosiano debacles, this question has never been satisfactorily answered for the S&L scam. However, despite a perpetual smoke-screen, some interesting facts have emerged. In another Florida S&L bust that cost US\$200 million in a shady land-deal, the cash disappeared down the sunset trail of Du Pont's St Joe Paper Co. The trail went cold in Jersey, one of the Channel Islands. The Channel Isles have long been offshore tax havens with strict banking secrecy, and, as a

The Savings and Loan scam—by far the greatest banking rip-off of all time—happened before our very eyes and we knew it not. What we missed was the massive transfer of wealth from the American taxpayer to a select group of extremely rich, powerful people.

consequence, a large contingent of foreign banks have offices there. It is now believed that the looted funds were ultimately used by CIA cut-outs to procure weapons for Iraq."

A central figure in the S&L sale of the century was Walter Mischer, a close friend of Senator Lloyd Bentsen and a long-time 'acquaintance' of George Bush. Mischer was closely 'connected' to the New Orleans Marcello family, one of the most powerful Mafia families in the country. Never a 'one-family' man, he also did business with Mafia associates from New York and Chicago. Mischer is considered to be the most powerful man in Texas, and certainly one of the richest. His "I'm just a country boy" demeanour belies a sharp, analytical business mind and an icy streak of ruthlessness. With a finger in every pie, his influence stretches wide to include business, crime, finance, the intelligence community, and domestic and international politics. Brewton believes that Mischer "is without peer in Texas and perhaps in the entire country". Regarded as a pragmatist, he generally bets both ways in the political election stakes, placing money on both the rear- and fore-legs of the horse we've come to know as 'Demopublican' politics.

Another figure who weaved his crooked way through the S&L tale is Herman K. Beebe, the so-called "Godfather" of the dirty Texas S&Ls and associate of the Louisiana mob. Beebe and Mischer are long-term business associates. Coincidentally, Beebe also has known connections to the Marcello family. While both

men were busy 'burning out' the odd couple of dozen Savings & Loans, Beebe was transferring US\$3 million in 'seed' money from his bank, Bossier Bank & Trust, to Harvey McLean, Jr to establish the small Washington, DC-based Palmer National Bank that boasted a board which at one time or another largely featured in the White House telephone directory. The board chairman, Stefan Halper, was a member of the Nixon White House. His father-in-law, Ray S. Cline, formerly Deputy Director of Intelligence at the CIA and one of the old OSS 'China' veterans, was a top foreign policy and defence adviser in the Bush presidential campaign. Other board members included John Barnum (Deputy Secretary of the Department of Transportation, 1974-77), Frederick V. Malek (Nixon's White House personnel chief and the Bush-Quayle campaign manager), William Kilberg (Department of Labor, 1973-77, and member of the Reagan-Bush transition team), and John A. Knebel (President Ford's Secretary of Agriculture).

Palmer National was the bank of choice for the National Endowment for the Preservation of Liberty's fund-raising activities that provided US\$10 million to Col. Oliver North's covert gun-running programme that saw weapons shipped south to Nicaragua and east to Iran. This operation was essentially the brainchild of former DCI William Casey who cunningly revived the old 'conduit' system of money laundering that had been used with great success during the '50s to fund secretly the Nazi war criminals recruited to spearhead the ex-SS 'freedom fighters' scheduled for deployment behind enemy lines in the event that the Soviets invaded Europe. Casey used North as his cut-out, thus kick-starting the ongoing row between the Pentagon and the CIA about who should conduct 'covert ops'. North's superiors in the Pentagon have never forgiven him for being the CIA's manikin. At the same time, Ray Cline, who had retired from the CIA and formed a family-owned company called SIFT Inc., was 'advising' Major General John Singlaub—the principal operations officer in the Nicaraguan arms

affair.

While George Bush was wearing his S&L hat on his off-days, his all-singing, all-dancing, gun, dope 'n' money-laundering operations were about to receive a damaging blow as yet another massive financial scandal hit the front pages. Half a dozen regional offices of the Italy-based Banca Nazionale del Lavoro were raided by FBI agents following a tip-off from two junior officers of BNL Atlanta. The BNL affair seamlessly follows the well-oiled template with the involvement of the CIA, Britain's SIS, US Presidents Reagan and Bush, British Prime Minister Thatcher, and

two of Italy's most corrupt senior politicians, Bettino Craxi and the Mafia-linked Giulio Andreotti. It was to reveal the international covert network that was engaged in illegally shipping arms to Iraq's dictator, Saddam Hussein. Even during the height of Operation Desert Storm, CIA operatives were frantically attempting to put together an urgent assignment of US-made SAM missiles destined for Iraq's bloody war-machine. By a happy coincidence, BNL, owned by the Italian Treasury, was run by a close friend and Lodge brother of Andreotti, Alberto Ferrari,

While George Bush was wearing his S&L hat on his off-days, his all-singing, all-dancing, gun, dope 'n' money-laundering operations were about to receive a damaging blow as yet another massive financial scandal hit the front pages.

who reigned as BNL's Director-General, was a notorious member of P2. Nor was he alone in his Masonic affiliations. BNL, dubbed 'the bank of the P2', was quickly shown to have among its upper echelons a veritable nest of P2 operatives... with intimate connections to the most powerful figures in successive US administrations.

THE COCAINE CONNECTION

Weapons-dealing is a highly lucrative 'inter-government' business and hundreds of billions of dollars are involved annually. Equally lucrative is the narcotics trade which generates a staggering US\$500 billion per annum.

As well as having a peripheral role in the Iraqi weapons affair, the Bank for Credit and Commerce International (BCCI)—known as the "Bank for Crooks and Criminals International"—became

one of the major money-laundering operations for the Colombian cartels. Many of the same old cast of players are found picking the bones out of this bank that collapsed with estimated debts in excess of \$10 billion. "BCCI was operated as a corrupt and criminal organisation throughout its entire 19-year history. It systematically falsified its records. It knowingly allowed itself to be used to launder the illegal income of drug-sellers and other criminals. And it paid bribes and kickbacks to public officials."

Over a few short years, the BCCI affair would slowly swell to prodigious proportions, bringing numerous casualties in its wake. One of these was Clark Gifford, Chairman of First American Bancshares, friend of presidents and doyen of Washington insiders. Disgraced, Clifford and his prestigious Washington law-firm partner Robert



Ted Gunderson FBI chief

Altman walked away with a cool US\$18 million." Few individuals or institutions who were touched by the scandal would wholly escape censure. BCCI's founder, Agha Hasan Abedi, assiduously courted power and influence. A close friend was former US President Jimmy Carter.

BCCI aggressively set out to launder the Colombian cartels' massive drugs money that would eventually see up to 40 other banks directly or peripherally involved—many of them blue-blooded luminaries of the banking firmament. Setting up a branch in Panama, BCCI soon cut a deal with Panama's Noriega, opening an account for him in the name of "Zorro". Dirty funds were collected and wired to Europe. From there, Certificates of Deposit (CDs) were issued that could be used as collateral against loans issued. Another technique involved cycling the money through an affiliated company, Capcom Financial Services, whose huge futures and options business was an ideal laundering vehicle.

Discontented with just the narcotics industry, BCCI developed close ties to the 'spook' community, maintaining accounts for Israel's Mossad, America's CIA, Britain's SIS, France's DGSE, plus the security services of Pakistan and Switzerland. The CIA's accounts with BCCI covered several years of covert operations on the part of that agency. Principally, payments were made to finance Afghan rebels and to bribe General Noriega. Almost unbelievably, BCCI's customers also included the notorious Abu Nidal terrorist organisation and the Iran-backed Hezbollah—long regarded as the arch enemies of the Western intelligence community. Abu Nidal's Fatah Revolutionary Council had a US\$60 million account at London's fashionable Sloane Street branch. At the same time, the bank was responsible for financing deals in which Mossad provided weapons to Arab terrorists. Peru, buckling under the burden of sovereign debt, used BCCI to hide its cash reserves away from the grasping hands of creditor banks.

Outdoing the security services of many small nations, the BCCI also ran its own global intelligence network, known as "the black network", employing an estimated 1,500 trained operatives. Based in Karachi, this was a network "of hand-picked individuals who underwent a one-year training course in psychological warfare, spying techniques and the use of firearms".

When major banks aren't colluding with spooks and organised crime, they appear to settle back and engage in dubious 'in-house' business. Most don't hit the headlines, being swept away from the glare of the media by red-faced executives.

One of those that wasn't so lucky was Daiwa Bank Ltd. Squirring with loss of face, Daiwa executives announced to a round-mouthed media that Toshihide Iguchi, a small-time Japanese trader working out of Daiwa's New York office, had racked up a US\$1.1 billion loss trading US Treasury bonds. Stretching credulity beyond belief, Daiwa claimed that the 44-year-old Iguchi, following a modest trading loss of \$200,000, spent the next 11 years writing 30,000 "unauthorised" tickets in an attempt to reverse his misfortune. This equates to a staggering \$400,000 per trading day, making Iguchi one of the unluckiest suckers the world of high finance has ever encountered.

THE BARINGS COVER-UP

Though for sheer bad luck we couldn't do much worse than Nick Leeson, the young and inexperienced British trader at Barings, Singapore, who, with the aid of a 'dump' account known as the "five eights"—signifying in Chinese superstition "all the luck"—bumped up losses of US\$1.6 billion over a three-year period, sending Barings crashing to its knees. Until then, Barings sat at the top of the British establishment tree as the oldest merchant bank in London. Dripping with history and dark secrets, Barings dated back to the mid-17th century. By modern standards it was a small bank with a net worth in the US\$600 million range but still managed to punch above its weight. That is, until it began speculating its depositors' and shareholders' money in Singapore's futures market, SIMEX. [See NEXUS vol. 3, nos. 2 and 3.]

All the signs are that the Barings affair is a straightforward case of 'bonus fever' amongst the senior executives who benefited from excessive annual bonuses. Nevertheless, there may be more to it than that. The fact that their inexperienced young SIMEX trader, Nick Leeson, didn't contribute one dime to the bank's bottom line throughout his three-year tenure as "the big swinging dick" on the

Singapore futures exchange is beside the point. Leeson contrived to report profits by creating false accounting entries, and thus, year on year, was able to conjure a host of ghost profits—carefully hiding his real month-on-month losses that eventually grew to a teeth-grinding US\$1.6 billion. His superiors, the bank's senior executives, delighted with the performance of their star in the east, awarded themselves bonuses of US\$1.6 million-plus for the year ending 1993. Despite crashing with massive losses, the directors walked to new jobs with the Dutch financial group ING which galloped to the rescue. Snug in their new sinecures, they negotiated US\$152 million in back bonuses covering the tragic year 1994—where reported earnings of US\$320 million in reality concealed accumulated losses of US\$260 million, which were soon to increase sixfold.

It is now clear that Leeson didn't operate alone. Those tagged with assisting and/or colluding with him include the CEO, Peter Norris, and the Director of Finance, Geoffrey Broadhurst.

Discovering the degree of complicity involved at senior levels, 23 directors and senior staff were forced to resign by their new Dutch owners. This did not stop the Bank of England, Britain's banking regulator, from publishing a caveat-ridden and poorly investigated report. The report chronicles the Bank of England's less-than-zealous efforts to apportion blame to anyone other than Leeson, but does catalogue a list of impediments to its investigation. These include the accidental destruction of "significant classes" of records within the offices of Barings, London, which are cited as being "missing", "corrupted" or not "routinely retained". The sleuths of Threadneedle Street, however, did not once venture inside the door of Barings' offices during their entire investigation. Had they done so, it is not outside the realms of possibility that they may have discovered "significant classes" of documents corrupting away before their very eyes.

Importantly, nobody is saying which banks provided the immense funding that the Barings operation consumed. Nor is

The sheer volume of money skating around the world's financial markets is staggering, and a huge proportion of it is illegal.

Of a massive US\$6 trillion that annually circulates the globe, one quarter—US\$1.5 trillion—is illicit—and a third of this US\$500 billion is narcodollars.

anybody revealing why these banks would so readily lend funds that amounted to a cool US\$1.4 billion to a small bank with an insignificant net worth. Seeking to clarify this point, I asked the Bank of England to name which banks provided funds to the group and whether they formed a formal or informal syndicate. I was politely told that "we don't have this information, but if we do it's confidential and not available". A curious answer indeed. Meanwhile, the only casualty besides, of course, the bank's shareholders—who, with unspeakably poor grace, continue to grumble about their missing US\$160 million—is Leeson. Found guilty and given a six-and-a-half-year sentence, he now resides in Singapore's Changi prison. Some believe he joins Daiwa's Iguchi as a scapegoat, demonstrating that when the bucks go down in the 'connected' world of high finance, those who have most to gain, do not."

It's not their money they're playing with. It's yours and mine. If a bank goes belly-up, culpable bank-executives slide into other cushy jobs with other banks or disappear down the sunset trail toting a swag-bag of 'lost' loot—sometimes both.

sums at stake, banks and the financial community are, *de facto*, laundering dirty money.

Operating within the CIA is a small team known as the "F Column". Staffed by experienced computer-hackers using a C supercomputer, this group tracks dirty money accumulated secret offshore bank accounts

"scores of high-level US political figures". Once the funds are tracked and the secret authorisation code located, the money is electronically swept up and deposited in the US Treasury. Intelligence sources estimate that in excess of US\$2 billion has been gathered in this manner, and none of the now-poor high-profile figures is contemplating lodging complaints. Illegal? You betcha it is, but no more than any one of a dozen other operations that have previously come to light.

A great many more bank scandals

can be expected in the coming years. Why this should be so simple. It's not their money they're playing with. It's yours and mine. If a bank goes belly-up, culpable bank executives slide into other cushy jobs with other banks or disappear down the sunset trail toting a swag-bag of 'lost' loot—sometimes both. Simply stated, high finance is a 'connected' world where presidents shouldered with mobsters, bankers shake hands with Masons, regulators buckle under political pressure, law enforcement protect crime, the CIA 'does its thing', and fortunes can be and are won.

Bankers say of themselves that theirs is a "prudent" profession. In the last analysis, this is true. Nothing can be more prudent than playing with and losing other people's money.

MORE MONEY SPENT ON DOPE THAN FOOD

The sheer volume of money skating around the world's financial markets is staggering, and a huge proportion of it is illegal. Of a massive US\$6 trillion that annually circulates the globe, one quarter—US\$1.5 trillion—is illicit, and a third of this, US\$500 billion, is narcodollars. US\$200 billion worth of narcotics are shipped to the US annually, roughly one third of the total annual import bill. Random forensic testing throughout the US reveals that virtually every single banknote contains microscopic traces of cocaine. Globally, more money is spent on dope than on food." With these

Endnotes:

1. Following the Barings debacle, the Bank of England has told me that it will resist tougher regulation—fearing that this will drive financial institutions to less-regulated centres. (Phone conversation with this writer, December 1995.)
2. Sterling, Claire, *Crime-Without Frontiers*, Little Brown, London, 1994.
3. Sterling, Claire, op. cit., p. 23. See also p. 111, citing the Yakuza's near-miss attempt to take control of Parisbas, a leading French bank.
4. Kochan & Whittington, *Bankrupt: the BCCI Fraud*, Victor Gollancz, London, 1991, p. 96.
5. 'Sir Kit McMahon, former Chairman of Midland Bank Group Plc, stated during a British TV programme, broadcast in Autumn 1995, that banking is a "confidence trick".
6. Robinson, Jeffrey, *The Laundrymen*, Simon & Schuster, London, 1994, p. 266.
7. Op. cit., p. 272.
8. Sterling, Claire, op. cit., p. 203.
9. Op. cit., pp. 63-64.
10. Brewton, Pete, *The Mafia, CIA & George Bush—the untold story of America's greatest financial debacle*, SPI Books, New York, 1992.
11. For a brief synopsis on Bush's secret background, see Mark Lane's *Plausible Denial* (Plexus Publishing, London, 1992, pp. 330-333).
12. Chapter 21 of Pete Brewton's book deals with this case in some detail (see Endnote 10).
13. "Burnout" is a mob scam where they acquire a failing company, boost its borrowing, strip its assets and then place it into voluntary liquidation.

14. Loftus, John, *The Belarus Secret*, Paragon House, 1989.
15. Casey, an old OSS warrior, saw no shame in using Nazi war criminals—many of them guilty of the most horrendous crimes against humanity—in his fervent anti-Communism. This view permeated the thinking of many of the old Cold Warriors in the CIA and elsewhere. The story of former Nazis connected to the P2, Banco Ambrosiano and BNL affairs remains largely untold.
16. The BNL affair is covered in Alan Friedman's *Spider's Web* (Faber & Faber, London, 1993).
17. Op. cit., p. 85.
18. Kochan & Whittington, op. cit., p. 14. See also Adams and Frantz, *A Full Service Bank* (Simon & Schuster, London, 1991), on the BCCI affair.
19. Kochan & Whittington, *ibid.*
20. Op. cit., p. 130.
21. A finding of the *Singapore Report*, authored by Price Waterhouse, Singapore, on behalf of the Minister of Finance.
22. Leeson and Iguchi are obviously culpable, but the point is that they did not act alone. This is the view of this writer, based on many years' experience working in international banking. In Leeson's case, the authors of the official *Singapore Report* make it clear that they share this view.
23. Robinson, Jeffrey, op. cit., p. 173.
24. "Fostergate", *Unclassified*, No. 34, Feb 1995, pp. 6-9.

About the Author:

David Guyatt was born and educated in Hampshire, England. His career in the stockbroking, investment and banking industries has spanned 28 years, the last 10 of which he spent as a director and treasurer of a major British bank. There he gained insight into the world of international weapons financing and was familiar with all aspects of international capital, foreign exchange and money markets, with global trade finance his specialisation.

For the last five years, David has pursued a career as a freelance writer/researcher, writing or contributing to a number of screenplays, novels, documentaries and feature articles. He is currently researching high-tech, anti-personnel, electromagnetic weapons systems and their focus within 'black' mind-control/behaviour modification programmes in the military and intelligence communities.

His other in-depth research projects present centres on the structure, power and hidden influence of elitist groups and interlinking tax-exempt foundations, including RIIA (Chatham House), Council on Foreign Relations, Trilateralists, Bilderbergers, the shadowy "Le Cercle", the Rockefeller Brothers Fund, Ford, Carnegie, House of IMF, World Bank (ad nauseum)...



A REPORT ON THE ABUSE OF POWER

Editor: Antony C. Sutton

October 1992

Vol. 11, No. 10

Shocking Allegations Against President Bush

Last month *Phoenix Letter* summarized an extraordinary pedophilic, satanic scandal in Omaha, Nebraska. This scandal involves highly placed politicians, businessmen and a former Omaha Police Chief. The high level participants have been able to install and maintain an almost complete blackout and cover up.

The child victims, now adults, have been railroaded into jail. News of the child abuse and related murders has not penetrated beyond Nebraska except for isolated reprinting in Italy, Spain and Australia.

Our initial reaction was one of disbelief on two points:

1. The nature of the scandal and the identity of the influential participants.
2. The extent and success of the blackout. This event has not made any major newspaper in the United States. Except for an issue of *Washington Times*. This is almost total censorship.

However one factor ultimately tipped the balance in favor of belief: the status and prominent track record of these accusers:

1. Former CIA Director William E. Colby wrote the Foreword to the John DeCamp book *The Franklin Coverup*. In the foreword Colby advises DeCamp "Best thing you can do for your personal safety is to tell your story and make sure you have the national press interested in this and looking into it with some really good investigative reporters." Colby also makes the statement: "There really are people too powerful, interests too big, that the rich and the powerful even when doing evil can and will succeed and you can do nothing about it *at that moment.*"
If a former CIA Director makes such a statement we have of necessity to give it credence.
2. Author John W. DeCamp is a former Nebraska Senator, a much decorated Vietnam War veteran who initiated OPERATION BABY LIFT out of Vietnam to provide safety for 2,800 orphaned Vietnamese children.
3. Ted Gunderson, former FBI Senior Special Agent in charge in Los Angeles, a 28 year FBI veteran, Gunderson wrote a report on the pedophilic ring for the Nebraska Leadership Conference and includes the comment "I can state without hesitation that every statement in this book is documented by hard evidence." Gunderson was an FBI child abuse specialist.

The *Phoenix Letter* is mailed monthly and maintains a conservative free market economics philosophy. Editor: Antony C. Sutton. Information contained herein has been carefully selected from sources believed reliable, but all accuracy cannot be guaranteed. Liberty House Press, as printer and stockholder, may or may not have a financial position in investments related to herein. Investment decisions are the sole responsibility of the investor and not this publication. RATES: monthly issues: 2 years—\$167; 1 year—\$87; 6 months—\$49. Air Mail Foreign—add 50% U.S. funds.

Phoenix Letter, Suite 716C, 1517 14th St. West, Berings, MT 59612
Subscription Only (400) 856-7511. All other requests must be directed to the publisher by correspondence to the above address.

This is not a "lone nut" story. It is a story backed by extensive hard evidence and the reputation of these three individuals plus dozens and even hundreds of other witnesses, investigators, legislators, and newspaper writers. **THESE AGREE ON THE BASIC FACTS AS PRESENTED IN PHOENIX LETTER.**

The Franklin coverup/child abuse ring demands Congressional investigation and appointment of a Special Federal Investigator. Nothing less will lay to rest these shocking and apparently valid charges.

Evidence Links Bush To The Omaha Child Abuse Ring

There is extraordinary evidence linking President George Bush to the Omaha child abuse ring. We balanced this evidence against the possibility of fabrication in an election year. If true the evidence will finish Bush as a political figure for all time. If not true it is an injustice of the gravest nature.

What we decided to do is present part of the evidence that links Mr. Bush in some manner, incidental or significant to the scandal and allow you, the reader, to make conclusions.

The naive will suggest that surely Democratic participants in the on going Presidential election would use this evidence against Mr. Bush. Unfortunately Democratic nominee Bill Clinton (also a Yale graduate) has skeletons in the closet, not the least being the Mena affair in which Clinton, as governor of Arkansas, reportedly covered up Bush/CIA misdeeds in Arkansas.

In any event we have copies and partial copies of documents originating within the State of Nebraska. Some documents came from Australia. They could be forged. We do not have notarized copies. That is why a Federal Special Investigator is necessary. We believe them to be authentic.

We hold no brief for Mr. Bush. We have a decade long record of criticizing Bush and his links to the Yale secret society Skull and Bones with satanic features.

However we always criticize on the basis of accurate and verifiable evidence and we have no intention of changing this policy.

There follows documents linking President Bush to the satanic-pedophilic ring. We then reproduce an assessment made 15 years ago on the satanic aspects of Skull and Bones. This last information is apparently not known to the Nebraska accusers but is circumstantial support for their charges. You be the judge.

Nebraska Documents Linking Mr. Bush to Omaha Child Abuse

Document #1 is a report to the Franklin Committee of the Nebraska State Legislature by Committee investigator Jerry Lowe dated May 8, 1989. It summarizes interviews with Eulice Washington. We reprint page 9 of one Lowe report. This places Bush at a pedophilic party and leaving with a "black male she identified as Brandt." (Plus bodyguards)

Jerry Lowe subsequently resigned and was replaced by investigator Gary Caradori. Caradori was killed when his light plane exploded in mid air.

Document #2 is a request for juvenile protection written by Andrea L. Carpenter a Protective Services Worker for the State of Nebraska. This report written some years before the Lowe report also cites Bush at pedophilic parties.

Document #3 is the front page of *inside News*, published in Australia November 1991. This speaks for itself but emphasizes the point of censorship within the United States: Australians know more about Omaha than do American!

You will find more documents in John DeCamp *The Franklin Cover Up* available from AWT Inc., P.O. Box 85461, Lincoln, Nebraska 68501. (\$10.00 post paid) The DeCamp book includes numerous photographs and headline extracts.

See *The Mystery Of The Carefully Crafted Hoax* for an excellent time-line of events prepared by former FBI agent Ted Gunderson. Copies \$7.00 from National Leadership Conference, Box 30165, Lincoln, Nebraska 68503.

Additional Notes

Since writing our original text we have determined:

* Larry King, prime organizer of the pedophilic parties was arrested and charged with financial embezzlement, not child abuse. On arrest King was not detained in local jails, the usual practice. King was hustled out of state without knowledge of his attorney or family. Where to? To the Springfield, Missouri Federal Psychiatric Facility. As readers will recall this is a prime brainwashing facility.

*Larry King was never called before the various State and Federal Grand Jury proceedings although he was the prime subject!

*We are exploring the mid air plane explosion that killed investigator Gary Caradori and his 8 year old son. The accident report is available and will be analyzed. We suspect murder.

Satanic Aspects Of Skull And Bones

Part Four of *Americas Secret Establishment* is entitled "The Secret Cult of the Order" (Liberty House Press, 2027 Iris Lane, Billings, MT 59102 \$20.00).

This section links Skull and Bones to satanism through photographic and symbolic evidence. George Bush is of course a member of Skull and Bones and participated in satanist practices at least during the initiation ceremony.

The photographic evidence (page 207 et seq) consists of Skull and Bones club photographs of members accompanied by "crossed thigh bones and a skull." We also know that assorted human remains are kept within the Bones Temple on the Yale campus. We comment: (p.207) "An obvious point is that these bones and skulls are former human beings. Instead of sacred treatment, they are exhibited and used for ceremonial purposes. Where the bones should be resting decently in a grave, they have become the center of a secret ceremony. In brief, the photographs reveal the men portrayed as grave robbers who reject human dignity and decency and use satanic devices."

This paragraph written in the 1970's and published with evidence in the 1970's shows at least a predisposition on the part of George Bush to be associated with satanic symbolism and ceremony. This makes the Omaha charges more credible.

PERSONAL REQUEST FROM THE EDITOR

We urge any reader with friends or knowledge of organizations devoted to child welfare or missing children to send them a copy of this *Phoenix Letter* along with a copy of *Americas Secret Establishment*. They will know of the Omaha case but the link to early Bush satanist connections is probably not known.

EXECUTIVE ORDERS

EXECUTIVE ORDERS NOW IN EFFECT

(Check them one by one against The Communist Manifesto)

1. Executive Order 10995 - Takes over all communications media
2. Executive Order 10997 - Takes over all electric power, petroleum, gas, fuel and minerals
3. Executive Order 10998 - Takes over all food resources and farms
4. Executive Order 10999 - Takes over all means of transportation, controls highways and seaports
5. Executive Order 11000 - Drafts all citizens into work forces under government supervision (slave labor)
6. Executive Order 11001 - Takes over all health, welfare and educational functions
7. Executive Order 11002 - Empowers the Post Office General to register all citizens nationwide
8. Executive Order 11003 - Takes over all airports and aircraft
9. Executive Order 11004 - Takes over housing and finance authorities and housing designated as "unsafe"; establishes new locations for populations; builds new housing with public funds
10. Executive Order 11005 - Takes over all railroads, inland waterways and public storage facilities
11. Executive Order 11051 - Designates responsibilities of the Office of Emergency Planning giving authorization to put the above orders into effect in times of increased international tension or economic crisis (anytime they want to)

Then comes the Big One: EXECUTIVE ORDER 11490 - all of the above orders are immediately activated

DON'T FORGET 72771 . PL-84-297 . SR-112 . HR-666 . S735 . PDD-25 . NSDD-136 . HR-97 . HR-250

President John F. Kennedy, at Columbia University in 1963 said it perfectly, "The high offices of the President has been used to foment a plot to destroy America's freedom and before I leave this office, I must inform the citizens of their plight."

Ten days later, President Kennedy was eliminated.

DEPARTMENT OF ARMY REGULATIONS ON CIVILIAN LABOR PROGRAM



DEPARTMENT OF THE ARMY
"The Department of the Army is the largest and most complex of the military departments and is responsible for the training, equipping, and supporting of the Army." (AR 600-10-2, 1-1.1)



ATAC-KM

3. 29 AUGUST 1994

27 JULY 1994

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Draft: Army Regulation on Civilian Inmate Labor Program

1. Inclosed for your review and comment is the draft: Army regulation on civilian inmate labor utilization and establishing prison camps on Army installations. The draft regulation is the compilation of all policy message, Civilian Inmate Labor Oversight Committee policy decisions, and lessons learned to date. The new regulation will provide the following:
 - a. Policy for civilian inmate utilization on installations.
 - b. Procedures for preparing requests to establish civilian inmate labor programs on installations.
 - c. Procedures for preparing requests to establish civilian prison camps on installations.
2. The regulation will not be official until the printed copies are distributed. Therefore, draft should not be circulated as an official document.
3. Please forward your comments on DA Form 2028 (Recommended Changes to Publications and Blank Forms) to HQ TRADOC, ATTN: ATAC-KM/Gerr: Rumbough, Fort Monroe, Virginia 22051-5000 NLT 19 August 1994. Further, request you provide the name of your point of contact to Gerr: Rumbough upon receipt of this memorandum (ESN 680-5189/COMM (804) 728-5189 or PROFS MON: (RUMBOUGH)).

FOR THE COMMANDER:

1 Incl
as

Charles S. Spruill
for C. DEAN RHODY
Director
Resource Management

"BRIDGE TO AMERICA"

The cooperative agree to provide the following for the John Mulvey Control Team program. As part of this program, the Holland Guard "Partnership Study" will augment this unit with particular emphasis in the Baltic nations. The cooperative expect the Department to continue funding Quers and Rosentre companies in this program.

SNOW is Engraver and Plasterer, Carthage, Mo. Report on 1971-18 Department of Public Works Administration Act 1961.



NGB-211

24 June 1994

WORKING PAPER

SUBJECT: National Guard State Partnerships with the Russian Federation

1. For the past year and a half, the National Guard Bureau has worked with the Joint Staff and the U.S. European Command to establish National Guard State Partnerships linking the National Guards of selected U.S. States with Ministries of Defense throughout Central and Eastern Europe (CEE) and Newly Independent States (NIS) of the former Soviet Union. These Partnerships seek to encourage long term institutional and people-to-people linkages and cement sustained relationships that can extend well beyond purely military matters. The Partnerships assist the participating nations transition to democratic military institutions with peacetime utility in providing military support of civilian authorities. The 1994 Defense Appropriations Act gave specific Congressional endorsement of the State Partnership concept; FY 95 report language of the Senate Armed Services Committee again recognizes the unique contributions of the Partnership State program.

2. The National Guard State Partnerships serve as a "Bridge to America" to facilitate U.S. private sector involvement in this process. The State Partnerships consciously seek to involve the U.S. civilian community and thereby enable everyday Americans to contribute directly to building free and democratic societies in the former East. A promising relationship is developing at the national level between the National Guard Bureau and Sister Cities International. State level cooperative efforts are underway with various organizations.

3. The Interagency Working Group has approved National Guard State Partnerships with fourteen CEE and NIS nations. These are:

<u>Country</u>	<u>State Partner</u>
Albania	South Carolina
Belarus	Utah
Bulgaria	Tennessee
Czech Republic	Texas
Estonia	Maryland
Hungary	Ohio
Kazakhstan	Arizona
Latvia	Michigan
Lithuania	Pennsylvania
Poland	Illinois
Romania	Alabama
Slovakia	Indiana
Slovenia	Colorado
Ukraine	California

SUBJECT: Supporting Emerging Democracies --
The Role of the National Guard and Reserves

1. As part of the U.S. military outreach to the nations of Central and Eastern Europe, and with Interagency Working Group approval, National Guardsmen, Army Reservists and other Reserve Component personnel are serving throughout the region to advise and assist nations in their transition to citizen-based military organizations. The effort emphasizes the proper role of the military in a democracy, military subordination to civilian control and military support to civil authorities. The U.S. Reserve Components are seen as compelling role models for a capable yet cost-effective military structure.
2. Through resident Liaison Teams and short-term Traveling Contact Teams, the program provides non-lethal assistance and advice focused on building democratic military institutions with peacetime utility in support of civilian authorities. Training in warfighting skills is specifically prohibited. Assistance in such areas as disaster response, civil emergencies and humanitarian assistance is stressed.
3. As proven during the Gulf War, "when you bring the Guard and Reserve, you bring America." The Reserve Components consist of more than 2 million Americans serving in over 4,000 locations across the United States. It is part of the fabric of hometown USA. Involving National Guard and Reserve personnel, their families, communities and civilian institutions in bolstering democratic institutions in emerging democracies is one way of providing quality expertise at a reasonable cost while directly involving the American people in the effort.
4. Under the "National Guard State Partnership Program" formal "State Partnerships" are now being developed between the National Guards of selected States and the Ministries of Defense in many of these nations. The purpose is to encourage long term institutional and people-to-people linkages and to cement sustained relationships that can extend well beyond military matters. Through such innovations, the National Guard in each State, supported by Army Reserve, Air Force Reserve and other U.S. Reserve Component personnel, can be the key link in providing a "Bridge to America" to encourage consensus support of this vital national security program. Such activities "Add Value to America and America's Role in the World" by providing a role model of a community-based national defense force while helping everyday Americans contribute directly to building free and democratic societies.



DEPARTMENTS OF THE ARMY AND THE AIR FORCE

NATIONAL GUARD BUREAU
2800 ARMY PENTAGON
WASHINGTON, D.C. 20315-5070

NGS-ZI

19 May 1994

FACT SHEET

SUBJECT: National Guard State Partnerships with Emerging Democracies

1. Status of National Guard State Partnerships in Central and Eastern Europe and the nations of the former Soviet Union is as follows:

STATE	PARTNER	STATUS
Alabama	Romania	On-going
Arizona	Kazakhstan	Pending ambassador's OK
California	Ukraine	Pending ambassador's OK
Colorado	Slovenia	On-going
Illinois	Poland	Ambassador has approved
Indiana	Slovakia	On-going
Maryland	Estonia	On-going
Michigan	Latvia	On-going
Ohio	Hungary	Ambassador has approved
Pennsylvania	Lithuania	On-going
South Carolina	Albania	Ambassador has approved
Tennessee	Bulgaria	On-going
Texas	Czech Republic	Ambassador has approved
Utah	Belarus	Ambassador has approved

2. The National Guard of New Jersey has been approved as an Associate State in support of the South Carolina-Albania Partnership.

3. The Adjutants General of Alaska, Arkansas, Kansas, Massachusetts, Mississippi, Montana, North Carolina, New York, Oregon, Washington and West Virginia have expressed interest in developing Partnership State or Associate State relationships with sub-elements of the Russian Federation or other appropriate entities. Other States are likely to volunteer.

4. The nonlethal assistance granted under the National Guard State Partnership Program complements existing programs of aid and association.

A. Vance Ronfro
Colonel, USAF
Director, International Initiatives

4. Contingent on receiving proper funding, the National Guard is anxious to extend the State Partnership Program to the Russian Federation. Now that the Russians have signed up for the Partnership for Peace, such an offer is both appropriate and timely. Such action would support the President's Partnership for Peace program and be an example of on-going bilateral success that could be emulated by our NATO allies. Such an offer also would demonstrate to the Russians that participation in the Partnership for Peace is inclusive vice exclusive. Russian acceptance would involve them directly with Heartland America, the citizen-soldiers and airmen of the U.S. National Guard and Reserves, and through them with the U.S. private sector. Conversely, such State Partnerships would serve to develop domestic U.S. support for the overall U.S. military outreach to the Russian Federation.

5. Because of the size and complexity of the Russian Federation, no one State could handle such a relationship by themselves. Several State Partnerships, however, could be established with appropriate political or military sub-entities of the Russian Federation to be chosen by the Russians and approved by the U.S. Interagency Working Group. It is highly unlikely the Russians would approve of Partnerships with their oblasts or autonomous republics. Partnerships might be established, however, linking the National Guard of a U.S. State with a (Russian Military District, a Russian Army Corps or other appropriate organization).

6. The Adjutants General of fourteen States have volunteered their States either to be a National Guard State Partner with parts of the Russian Federation (or actively support other States who are designated to be Partners) with the Russian Federation. These are:

Alaska	Montana
Arkansas	New Jersey
Connecticut	New York
Kansas	North Carolina
Louisiana	Oregon
Massachusetts	Washington
Mississippi	West Virginia

Should Partnerships with the Russian Federation appear likely, other States would no doubt volunteer to participate in either a primary or supporting role. As with the existing State Partnership in CEE, the active support and participation of the other U.S. Reserve Components at State level would be encouraged.

AK
COL Goshell/NGB-ZII/ext 33435



PAGE A4 / SUNDAY, MARCH 3, 1996 *

The Washington Times

NAFTON

Clinton defense budget raises pay, skimps on arms

Spending cut by 6 percent

Associated Press
Facing living conditions for the millions of children in the new weapons President Clinton's budget plan would provide a 3 percent pay raise and more than \$200 million for housing units. The proposal is detailed in documents obtained Friday by the Associated Press. Overall, it calls for spending from this year's budget, allowing for inflation, until 1999 and 2000, when it levels off and begins a gradual increase.

At first glance, the \$26.9 billion for weapons purchases hardly seems miserly. It includes money for four destroyers, a dozen improved Navy fighter planes and an attack submarine. But in inflation-adjusted dollars, it represents the lowest level of defense procurement since the Korean War.

For the 1996 fiscal year, Mr. Clinton requested \$246 billion and Congress authorized \$253 billion. The relatively low level of weapons spending before an upturn later in the decade runs counter to the advice of some top military commanders, including the joint retired vice chairman of the Joint Chiefs of Staff, Adm. William Owens.

Mr. Clinton's decision also stirred concern in key lawmakers. "Modernization must be re-

stored to levels necessary to re-capitalize our forces," said Sen. Strom Thurmond, South Carolina Republican and chairman of the Senate Armed Services Committee. Republicans last year projected they would add \$14 billion to the defense plan that Mr. Clinton had forecast for 1997.

Rep. Floyd Spence, South Carolina Republican and chairman of the House National Security Committee, challenged the notion that Mr. Clinton is taking good care of the troops.

"The strain on our military personnel and their families continues to grow as the services are being asked to do more with less while the perennial promise of adequate budgets continues to be pushed further out into the future," Mr. Spence said.

He and other Republicans have complained repeatedly of the burden imposed by a high tempo of military operations in places such as Haiti and Bosnia. For this year, such missions will carry a total price tag of \$2.8 billion. For 1997, the president is seeking \$1.1 billion to cover the costs of continuing operations: \$590 million for Bosnia and \$542 million for the Bosnia deployment.

Under the proposal, active-duty forces would decline by 25,000 to a total of 1.16 million. That leaves a cut of an additional 39,000 in future years to reach the planned floor of 1.42 million under the Pentagon's strategic blueprint. Strength of the selected military reserves would drop by 30,000 in 1997, 100,000 in 1998 and 120,000 in 1999.

ment civilian employment would decline by 31,000 to 807,000. The documents indicate that long-planned military personnel reductions are all but complete. But the Pentagon plans to cut civilian employment by a further 79,000 after 1997.

In 1997, the budget will support 10 active-duty Army divisions, four Marine Corps divisions, 357 ships including 11 aircraft carriers and one in reserve, and 20 Air Force fighter wings.

After next year's 3 percent pay raise, service personnel also would get raises of 3.1 percent in subsequent years under the budget plan.

Among "quality of life" initiatives, the budget seeks funding to build, replace or improve 6,400

family housing units and 42 barracks. Other major requests in the Clinton defense budget plan include:

- \$2.8 billion for ballistic missile defense.
- \$2 billion for continued development of the F-22 fighter.
- \$600 million for continued development of the Joint Advanced Strike Technology fighter.
- \$2.6 billion for 12 upgraded Navy F-18E and F-model fighters.
- \$1.1 billion for four V-22 tilt-rotor aircraft for the Marine Corps.
- \$800 million toward a new attack submarine.
- \$2.3 billion for eight C-17 Globemaster cargo planes.
- \$3.4 billion for four DDG-51 Aegis-class destroyers.

Note he is cutting back on military apt building or improving (which is it?) 6,400 family units and 42 barracks. Who will be occupying them?

JOINT RUSSIAN/AMERICAN MILITARY OPERATIONS

Joint Military Operations Confirmed

The Russian people are being told more about joint military operations than Americans.

EXCLUSIVE TO THE SPOTLIGHT

By MARTIN MANN

This populist newspaper's exclusive reports about foreign troops and combat equipment maneuvering on U.S. soil have now been confirmed by an official statement. But most Americans never heard it. The announcement on U.S.-Russian military preparations for rapid reaction "crowd control" and "public safety" measures were seen only on Russian television. The U.S. networks blacked them out.

Interviewed on Moscow TV, General of the Army Pavel F. Grachev, the Russian minister of defense, bluntly admitted on September 5 that his forces are engaged in joint "training, indoctrination and field exercises" with elite U.S. units to develop common tactics for dealing with "riots, violent outbreaks, terrorist attacks and other emergencies."

Responding to a barrage of probing questions from reporters, Gen. Grachev confirmed that rehearsals for such "integrated" U.S.-Russian military operations are taking place this year both in America and Russia.

High-tech communications equipment, helicopters, armored vehicles

and psychological warfare techniques are involved in the bi-national deployments, Gen. Grachev added.

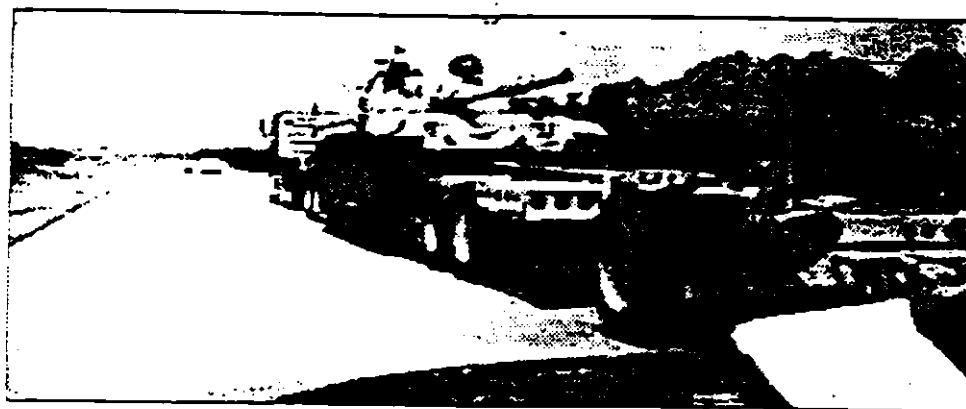
CONFIRMATION CALL

Within hours after the Russian defense chief's explosive revelations, a SPOTLIGHT reporter in Washington called his key Pentagon contacts to ask whether the Clinton administration would continue to stonewall on the presence of foreign troop units and military logistics in this country.

According to least one highly knowledgeable Defense Department source, Secretary of Defense William Perry has decided to make an impromptu visit to Russia next month.

While reviewing joint maneuvers by U.S. and Russian forces with Gen. Grachev during his trip, Secretary Perry will tell newsmen that recent sightings of Russian units and armaments in the U.S. are part and parcel of the Clinton administration's "Partnership for Peace" project.

But according to these sources it is unlikely that Secretary Perry will be able to explain why such an inoffensive-sounding program should involve training Russian rapid reaction units how to "deal with American-style public disorders."



This is a Russian T-72 main battle tank, painted "United Nations White," spotted along an interstate highway near San Antonio, Texas.

SEE REVERSE →

Marines 'Attack' New Orleans and Mobile

Americans are increasingly concerned about U.S. troops using their neighborhoods for war games.

EXCLUSIVE TO THE SPOTLIGHT

By MIKE BLAIR

As officials weigh the armed forces' willingness to shoot American citizens in a federal gun confiscation program, Marines from Camp Lejeune, North Carolina, were completing a 10-day urban warfare training exercise in New Orleans and Mobile, Alabama.

Many critics contend the training is more geared to control civil unrest in the United States than for preparing for urban fighting in foreign countries, particularly since the operations are conducted in close cooperation with federal and local civilian police agencies.

A press release from the 26th Marine Expeditionary Unit at Camp Lejeune, which was involved in the 370-man operation, says the "routine training exercise has been closely coordinated with local, state and federal government officials."

OUSTED FROM PITTSBURGH

Earlier this year Army Special Forces from Fort Bragg, North Carolina, undertook a similar exercise in downtown Pittsburgh. The raid endangered citizens, who were awakened from their beds during the middle of the night by hovering helicopters and loud explosions and gunfire. Public outcry resulted in the Army cutting the operation several days short.

Army spokesmen said the Army is studying the value of such programs in view of harsh criticism from local citizens. The Marines, however, appear to be moving ahead with the training exercises.

In response to an inquiry about the Pittsburgh situation, a Marine spokesman said: "That's the Army. We're the Marines."

The Marines from Camp Lejeune were based at Kessler Air Force Base in Biloxi, Mississippi during the exercise.

Who Are Troops Preparing For?

*Has the mission of the U.S. military been changed from defender of the people to sup-
presser of the people?*

EXCLUSIVE TO THE SPOTLIGHT

By WARREN HODGICH

The combat training of American troops, traditionally aimed at fending off the nation's external enemies, is being quietly shifted to deal with internal disorders, armed uprisings and "counter-sniper operations" right here in the United States.

"For as long as I can remember, the military designation of simulated warfare was PTZ [Field Training Exercises] and the staging area was called PTZ [Field Training Zone]," said a U.S. Army helicopter pilot who has recently returned to Washington after temporary duty with the 25th

"We've trained and trained at Camp Lejeune, but, to us, New Orleans and Mobile are foreign environments," said the unit's commanding officer, Col. Emerson Gardner.

Most of the training was undertaken at night. The locations were kept secret causing, as usual, alarm among residents who were caught unaware.

LOCATIONS A SECRET

Gardner said the locations were kept confidential to prevent people from gathering to watch and possibly

endangering themselves, and the troops. The Marines said they also wanted to keep rescue and combat tactics secret.

Fourteen helicopters were involved in the exercise, ranging from AH-1W Super Cobra gunships to giant CH-53 Sea Stallions used to carry the troops to the training areas in the cities.

As in Pittsburgh, New Orleans and Mobile residents complained of the dangers of using the helicopters with night vision goggles in the urban areas.

Infantry Division during annual maneuvers code named "Lightning Thrust Warrior."

"Now the training is for MOUT, that is, 'Military Operations on Urban Terrain,'" he added. "There used to be units called 'Blue Force' and other teams usually called 'Red Force' and the two sides would practice tank warfare or battlefield tactics under the eyes of officer observers."

But last month, on a MOUT field maneuver, instead of facing "enemy" tanks, 25th Infantry air assault units found themselves attacking a mock village where local dissident American citizens had taken up arms against the government.

SIMULATED NEIGHBORHOODS

MOUT training sites are not simulated battlefields. They are set up to resemble real-life residential communities or business districts, disturbed by some sort of "insurgent

activity" or armed conflict, according to Pentagon sources.

Behind the shift in emphasis, from battling a foreign army to confronting rebellious civilians, there is a new military doctrine laid out by the head of the Joint Chiefs of Staff (Gen. John Shalikashvili, sources say).

It requires that combat units such as the 25th Infantry Division be "retrained" for urban operations against "guerrillas," rebellious militias or other gun-toting dissident groups who "seek to deny and disrupt the lawful authority of public officials," a confidential policy memo circulating in the Pentagon says.

"This used to be police work," noted the helicopter pilot. "The Army would never get involved in putting down civilians—why, it was against the law. But I guess to the [Washington] bureaucrats the militias look like a worse threat than the Russians."

child- drug trafficking in the U.S.
Satanic ritual abuse murdering of children

THE SPOTLIGHT

March 13, 1995

PLANS FOR 'GLOBAL CIVILIZATION'

Gorbachev, Bush Lead the Charge

Just as San Francisco was the birthplace of the United Nations, now the "city by the bay" will host a meeting to establish ground rules for governing a united world.

EXCLUSIVE TO THE SPOTLIGHT
BY MIKE BLAIR

Former Soviet President Mikhail Gorbachev has been named "the convening chair" and host of a world forum on the "first global civilization" planned for San Francisco from September 27 to October 1.

Elitists at the conference are scheduled to consider how the so-called "new world order" will be governed.

The last dictator of the fallen Soviet Union, Gorbachev has ensconced his Gorbachev Foundation USA in the former Coast Guard commandant's residence at the closed U.S. military base, the Presidio, in San Francisco.

The SPOTLIGHT has learned former President George Bush and ex-British Prime Minister Margaret Thatcher have agreed, among others, to serve as co-chairs of the forum slated for San Francisco's Fairmont Hotel.

Others to co-chair the meeting on

the so-called new world order include: Ted Turner, U.S. television mogul; George Shultz, a former secretary of state; Askar Akaev, president of the Soviet break-away republic of Kyrgyzstan; Tansu Ciller, prime minister of Turkey; Vaclav Havel, prime minister of the Czech Republic; Bilderberger Ruud Lubbers, ex-prime minister of the Netherlands; Rigoberta Menchu, Guatemala, like Gorbachev a recipient of the Nobel peace prize; Yasuhiro Nakasone, former prime minister of Japan; Julius Nyerere, ex-president of Tanzania and Desmond Tutu, Episcopal archbishop of South Africa.

In explaining the purpose of the forum, former U.S. Sen. Alan Cranston (D-Calif.), chairman of the Gorbachev Foundation USA, lamented that hopes for a new world order following the cold war have dimmed.

"There appears to be a great cynicism everywhere with government," Cranston said. "And there is a yearning for new directions."

About 8,000 business leaders from 75 countries have been invited to attend as paying participants at a cost of \$8,000 each, which will bring the tax-exempt Gorbachev Foundation USA a total of \$64 million, if all attend.

Other invited guests include Vice President Al Gore, President Nelson Mandela of South Africa, ABC newsmen Ted Koppel, novelist Isabel Allende, Zbigniew Brzezinski, national security adviser in the Carter administration, Jessica Tuchman



MIKHAIL GORBACHEV

... Heads his own foundation

Mathews, senior fellow of the Council on Foreign Relations (CFR) writes a column in the *Washington Post*, and Paul Volcker, former chairman of the Federal Reserve Board. **CLINTON NOT INVITED?**

President Bill Clinton does not appear either on the list of co-chairs or invited guests, which is unusual since he has received high praise from Gorbachev.

According to the *Cape Cod* (Massachusetts) *Times* of January 23, 1995, Gorbachev stated:

(See GLOBAL, Page

child- drug trafficking in the U.S.

Ted Gunderson FBI chief

Satanic ritual abuse murdering of children

LDMAN: HOLLYWOOD IN CRISIS

WEISBERG: QUIT, HILLARY

\$2.95 • JANUARY 22 • 1990

NEW YORK

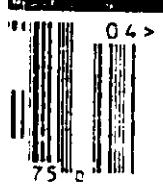
THE MONEY PLANE

Every day, the Russian mob gets a shipment of up to a billion dollars in fresh \$100 bills. The money, flown out of JFK, comes straight from the U.S. Federal Reserve. An exclusive investigation.

By Robert J. Friedman 43



Arriving from New York:
Flight 30's cargo of U.S.
cash being unloaded at
Moscow's Sheremetyevo
airport on January 4.



THE MONEY P

Five nights a week, at least \$100 million in crisp new \$100 bills is flown from JFK nonstop to Moscow, where it is used to finance the Russian mob's vast and growing international crime syndicate. State and federal officials believe it is part of a multi-billion-dollar money-laundering operation. The Republic National Bank and the United States Federal Reserve prefer not to think so. By Robert I. Friedman

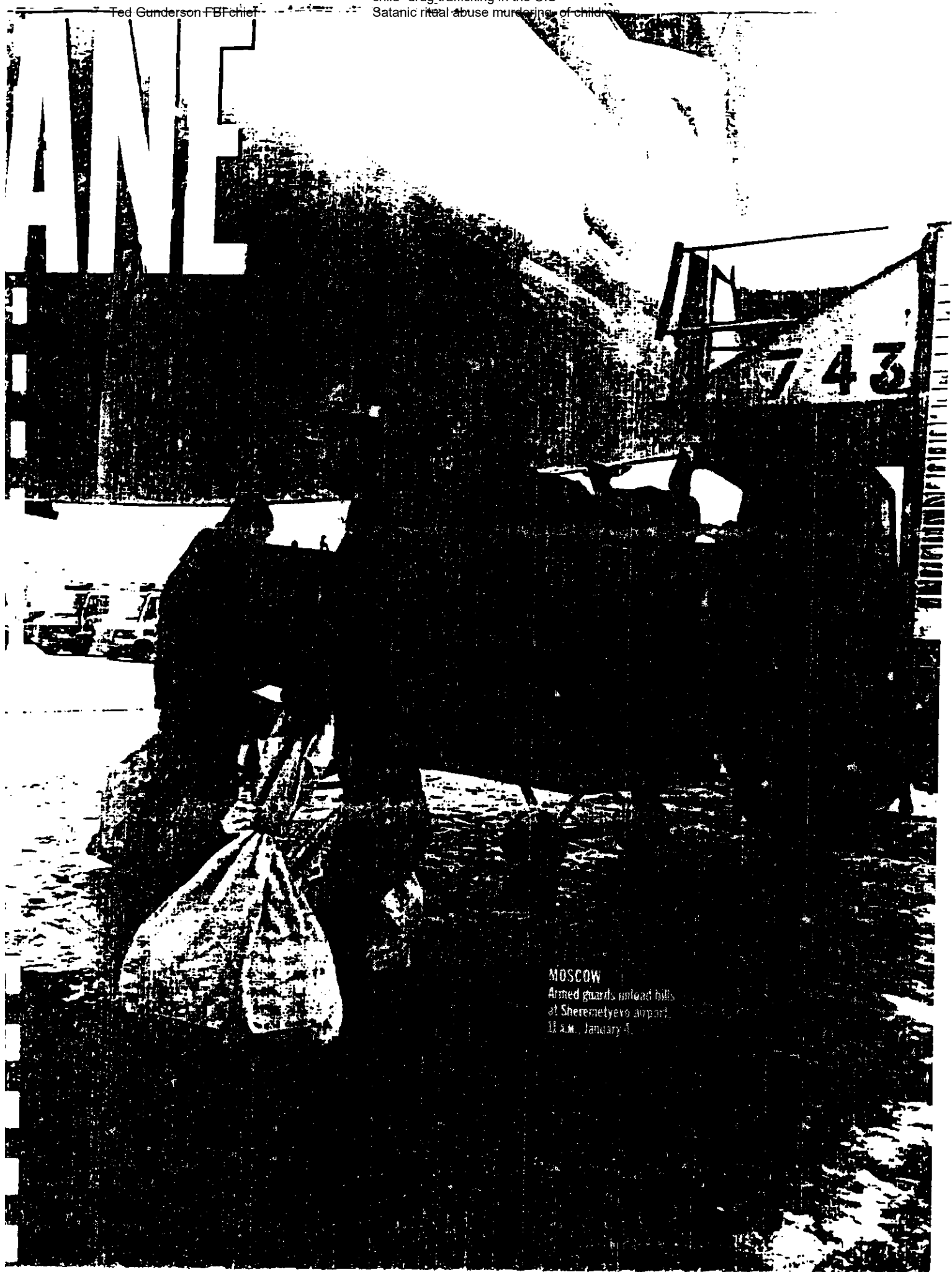
NEW YORK

Armed guards load bags of \$100 bills onto Delta Flight 30 at JFK, 5 p.m., January 3.

IT'S A DARKENING AFTERNOON. THE USUAL ASSORTMENT of passengers mills about Gate 14 at John F. Kennedy International Airport, waiting to board Delta Flight 30 nonstop to Moscow. American businessmen prospecting the new Russian capitalism. Russian entrepreneurs returning from investor hunting. Expatriates going home to visit family. Tourists. One passenger, though, is there only for the nine-hour flight, and knows something none of the other passengers knows: that the plane will be carrying 1 million fresh hundred-dollar bills in its belly.

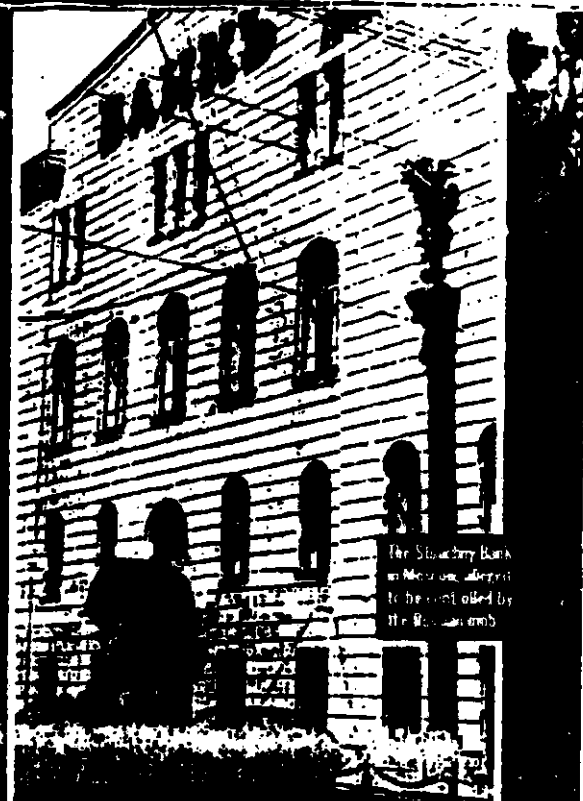
The red, white, and blue Boeing 767 is on the tarmac when, at about 3 p.m., a cream-colored armored truck drives up. While Delta workers casually go about tossing luggage into the hold, two armed guards begin placing large white canvas bags on a conveyor belt. In the bags are stacks of uncirculated new \$100 bills, all still in their Federal Reserve wrappers, dozens to a bag. And there are dozens of bags.

PHOTOGRAPH BY ALLAN LAMMARUM



MOSCOW

Armed guards unload bills
at Sheremetyevo airport,
12 a.m., January 8.



The Structural Basis
in Molecular Biology
to be controlled by
the HLA system.



Support black-market operations," says one federal official. "In my least part of the federal government sees nothing wrong with it."

personal opinion, this is an absolute abomination. It should not exist. Yet it appears that at least part of the federal government sees nothing wrong with it."

A provision in the 1992 Annunzio Wylie Anti-Money Laundering Act requires banks to make sure that they're not knowingly doing business with criminals or their agents. For the record, the Republic National Bank, which makes millions off the currency sales, insists it is certainly not knowingly selling \$100 bills to mobsters.

"That's my responsibility, to make sure we don't sell to the banks that have organized-crime ties," says Richard Annichiarico, one of Republic's compliance officials. That's the hardest thing to find. In fact, if you know of any, let me know."

And the U.S. Treasury, which makes 99.96 off of any \$100 bill that leaves the country and never comes back, is similarly blissfully ignorant. "What do we know of Republic's customers?" says New York Fed spokesman Peter Bakstansky. "We don't. It's their responsibility to know who they are sending it to."

"I've run out of places to check," says Republic's Annichiarico, a retired FBI agent. "Someone tells me [the banks are corrupt] and gives me substantial reason why—you know, *anything*, really—we don't sell to them. I mean, anybody who tells us not to, we'll stop them tomorrow."

Annichiarico acknowledges that a federal money-laundering task force had contacted him about Republic's currency trade with

Russia. "The task force told me that they think Russian organized crime is involved in money laundering. But so what?" he says. "Who? What? Who? No one's been prosecuted. What's the crime? Tell me—I'll stop. I always tell them. 'Tell me which banks, and we'll stop.' I can't find them. I'm not being facetious."

WHEN THE SOVIET UNION FELL apart in 1991, so did the entire government-controlled banking system. Replacing the government banks were private institutions chartered and supposedly regulated by the new Russian Central Bank. But as Major General Gro-

mov told the international conference, the application to charter a new bank typically consisted of making a \$100,000 bribe to a banking official. "A grossly underregulated banking sector sprang up virtually overnight," says Harvard economist Jeffrey Sachs. "Now you have 2,000 banks, many of which are deeply undercapitalized, and therefore everything is possible."

The mob saw the possibilities. Also known as the *Vorovskoi Mir*, or Thieves' World, a loose federation of Soviet mobsters immediately grasped that the end of Communism heralded a glorious new world criminal order. By 1992, crime was the only growth industry in Russia, with illicit cartels controlling as much as 40 per-

cent of the nation's wealth; the country had become, in the words of one former CIA director, a "kleptocracy." And having conquered Russia, the *Vorovskoi Mir* was eager to expand.

On July 2, 1993, two chartered jets touched down in Yerevan, the capital of the former Soviet republic of Armenia, and disgorged a panoply of wiseguys from the United States, Germany, Turkey, Italy, and South America. They had been called there by Rafik Svo, "the gangster equivalent of an international diplomat," according to Russian organized-crime expert Stephen Handelman. Svo was determined to bring order and mutual prosperity to the Thieves' World by ending bloody turf wars and forging alliances with the Sicilian Mafia, the Brighton Beach gang, and Colombian drug lords, all of which sent emissaries. At the meeting it was decided that the Russian banking system, new and vulnerable, would be used to launder funds, make favorable loans to "friends," and supplant Zurich as a haven for dirty money. The big joke at the Armenian conclave was, "Why rob a bank when you can own one?"

(At another 1993 summit, between Russian and Sicilian mobsters in Prague, the Russians agreed to launder Mafia drug profits in exchange for a franchise on choice narcotics-smuggling routes through central Asia. Then, last January in Puerto Rico, a third super summit was called to settle increasingly internecine battles and

to carve up the Russian drug trade. Shortly before the meeting, a Russian banker in New York was overheard on an FBI wiretap saying he was going to Puerto Rico "to discuss who we will kill.")

Russia, not exactly unschooled in the ways of corruption, quickly took to the new system: politicians, cops, and government bureaucrats joined the fold. The country was already awash in dirty money, and not just as a result of traditional organized-crime activities. Soviet generals ransacked military arsenals and sold them to shadowy arms dealers or even shadowier terrorists. (Just last month, Admiral German Ugryumov warned that the Russian *Mafiya* was looting weapons from the Russian Pacific Fleet's arms depot in Vladivostok, after security agents arrested a navy officer and confiscated nine pounds of plastic explosive and a large quantity of ammunition.) U.S. officials privately complain that billions in aid have gone into Russian banks, never to be seen again. In the first two years after the fall of Communism, between \$60 billion and \$70 billion worth of rubles, gold, and other material assets were spirited out of the former U.S.S.R. by the criminal elite, a mélange of gangsters and black marketers, unemployed KGB spies, and Communist Party hacks.

At the center of the looting is the Russian banking system. Since there are no regulatory controls over proprietorship, even felons are permitted to own banks. What's more, there are no money-laundering laws, regulatory agencies, or depositor insurance. The Russian Central Bank is notoriously lax in exercising control over the nation's nascent financial system—a point Russian central-banking officials readily concede. Last September 13, in a meeting in Moscow with State Department envoy Jonathan Winer, Viktor Melnikov, the Central Bank's director for foreign-exchange control, "expressed great concern about the state of the Russian banking system, citing estimates that anywhere from 50 to 80 percent of Russian banks were under the control of organized crime," according to a State Department cable obtained by *New York*. Melnikov also warned that "much of this [imported U.S.] money was being used for illegal purposes, including narcotics trafficking" and currency smuggling.

Initially, the mob used Russian banks just to park their money. Then they began to "buy banks, to find out who has big deposits so they knew who to kidnap," says Jack Blum, a Washington lawyer who directed Senate investigations into money laundering in the late eighties. Then mob-

controlled

Russian banks took in huge deposits of narco-dollars from South America, converting them to rubles, then back into dollars through European and U.S. banks. In essence, the Russian banking system had become a giant Laundromat.

"It's very difficult to tell from the outside what a transaction [with a Russian bank] really means," says the State Department's Winer. "There are not a lot of public documents. You can't go to an SEC to look at a balance sheet for a Russian firm the way you can in the United States. You can't go to a bank regulator and [find out] what kinds of loans have been made, what the underlying source of capital is, or any other number of key issues, let alone who their customers are."

"These are issues which the Russian Central Bank is concerned about," Winer says. "These are issues which the Russian Association of Bankers is concerned about, because they are not unrelated to the murder of the bankers."

More than a dozen Russian bankers have been killed since 1994—one for simply refusing a loan. Many more have been threatened. The deputy superintendent of the New York State Banking Department, Robert H. McCormick, says he has heard stories of Russian bank examiners being chased out in a hail of gunfire.

"It's very frightening," says Dan Gelber, minority chief counsel of the Senate Subcommittee on Investigations, which has held hearings on Russian crime. "What [do] you do with a bank that from top down is not honest? I mean, it almost creates a situation where there is no remedy."

More savvy Russian hoods have hired sophisticated money managers and international lawyers to move their dirty money. Increasingly, they have purchased European companies with histories of legitimate banking activity and then used them as conduits to pass illicit funds into the international banking system. More ominously, they have acquired hidden control of banks in Austria, Germany, France, Switzerland, and England, according to U.S. law-enforcement sources. Americans doing business in Russia have had to contend with "a banking system that's so bizarre and rudimentary it's hard to believe," says Blum. "It's sort of like the Wild East."

Meanwhile, swaggering Russian dons wearing thirties-style Capone garb have ratcheted up prices on the luxury-housing market from Rio to London's Soho district, paying for million-dollar properties with minty new \$100 bills.

It was only a matter of time before those hundreds started coming home to America, and the *Vorovskoi Mir* with them.

AMERICA HAS BEEN A MECCA for the Russian mob since the Brezhnev era, when Jewish gangsters in the thousands were lifted out of the Gulag and given visas to emigrate to the U.S. under refugee status. One of the biggest was Marat Balagula, a brainy black marketer originally from Odessa who made an art of evading state and federal excise tax on gasoline by passing it through a daisy chain of dummy corporations. "Marat said he read about capitalism, and he knew he could do well over here," says Robert Eisenberg, Balagula's self-confessed consigliere and a New York lawyer who later testified in federal court against Getty Oil executives for setting up gasoline-bootlegging schemes with Russian gangsters. In 1991, the Long Island-based Getty became the first oil corporation in recent history to be convicted for gasoline bootlegging. "He said he came here because he hated European languages. He said German grated on him."

By the mid-eighties, hundreds of millions of dollars of illicit Russian bootleg money was flowing into the U.S. banking system, where it was cleansed and used to acquire legitimate businesses. One of the Russian mob's principal conduits to legitimacy was Marvin E. Kramer, a Brooklyn lawyer who helped the bootleggers evade paying billions of dollars in gasoline taxes from the mid-eighties through the early nineties. Whole walls of his office on Avenue U, near Coney Island, were lined with black binders containing the paperwork for dummy corporations; Russians walked in and bought the dummy companies literally off the shelf, and used them to set up daisy chains to avoid paying taxes on the gas they sold. Around the same time, Kramer was doing corporate work for a number of legitimate businesses, including the up-and-coming beverage maker Snapple; the Russian bootleggers would hang out with Snapple executives in Kramer's office, where they were under surveillance by a state-and-federal gasoline-bootlegging task force. "Every time I went in there, there was people in there from Snapple—you know, big shots, the owners or managers," says a senior law-enforcement source who worked on the case. "And they were always in there with these Russians." It is unknown whether the Russians ended up investing in the then-private company (Quaker Oats later bought Snapple in 1994 for \$1.7 billion, after which the brand promptly tanked), but it's unlikely that Snapple executives would have known any investment money was dirty, the source says.

January, Russian mobsters met in Puerto Rico to discuss who we will kill. Russian banker in New York was overheard on an FBI



Among those indicted with Ivankov was one of his high-ranking associates, Yakov Voiovnik. Voiovnik's father-in-law, Roman Kaplan, owns the Russian Samovar restaurant, a popular Russian-mob haunt in midtown that was also named in the FBI affidavit.

John Turner

RUSSIAN SAMOVAR

The Samovar restaurant, a popular Russian restaurant frequented by Russian mobsters.

An investigator from the State Banking Department couldn't believe for us, it was like a sore on Cindy Crawford's face," he says. "I said, 'Geez

David as a prime base for Ivankov's shakedown. And Kaplan—along with the owner of the National Restaurant in Brooklyn, another mob hangout—is a member of the Russian Advisory Council, a mostly honorary committee set up last October by Brooklyn district attorney Charles J. Hynes. "The owners of the restaurants are decent persons, but the Russian Mafia hangs out there," says Alexandre Grant, an editor of Brooklyn's *NRS Russian Daily*. "They are good places to eat, but Hynes should not be associated with them. It sends out a bad message to the Russian-American community."

Hynes has also reached out to the Russian community for campaign contributions. One of the members of both his finance and campaign-steering committees was Harry Slotnick, a flamboyant lawyer who also represents a veritable catalogue of the local Russian mob, including Ivankov and Balagula.

Hynes, who has been criticized in the past by federal officials for failing to take Russian organized crime in his jurisdiction seriously, declined comment.

IN BANKING, REPUTATION IS EVERYTHING. So when agents of the Criminal Investigation Bureau of the New York State Banking Department learned two years ago that Republic National Bank was selling tens of billions of dollars' worth of federal currency to as many as 50 corrupt Russian banks, they became alarmed. "This posed a question to us: If there are legitimate reasons—and there very well may be—for this money to be going over to Russia, why is it be-

ing sent to entities which have been determined, rightfully or wrongly, and I believe rightfully, to be controlled by organized crime?" says a source close to the Banking Department's investigation. "It just didn't make sense to me. The analogy I always use is that it would be like sending money to [John Gotti's] Bergen Hunt and Fish Club. Why are we doing that?"

State banking officials were so concerned by the Criminal Investigation Bureau's findings, the source says, that they urged federal agencies to probe Republic's banknote trade with Russia. But "right down the line" from the FBI to the CIA, "basically, the response that we were getting was, 'Yeah, it looks like we've got a potential problem here, but you know what? It's not our problem.'"

"To us, it was like a sore on Cindy Crawford's face! I mean, it was there. And I said, 'Geez, isn't someone curious about how that sore got there?'"

If American law enforcement was slow on the uptake, the Russians certainly knew what was going on. At the September 1994 conference, a Russian general was asked why Russian banks were buying billions of dollars in U.S. currency. According to a participant at the meeting, he chuckled, and said, "Oh, that's money laundering." Then he went, "Hey, we're being ripped off in our country; the money is coming over here, being cleaned, and being brought back."

State Department officials say the money laundering works something like this: Russian assets, such as oil, are stolen by underworld figures or corrupt plant man-

agers and sold on the spot market in Rotterdam. The proceeds are wired through front companies on the Continent and deposited in London banks. Gangsters place an order for, say, \$40 million in U.S. currency through a bank in Moscow. The bank wires Republic, placing a purchase order for the cash. Republic buys the currency from the New York Federal Reserve. Simultaneously, Republic receives a wire transfer for the same amount from the London bank. Republic pockets a commission and flies the cash from New York to Moscow. It is then used by mobsters to buy narcotics or villas, or run political campaigns. Republic's contacts are with the corresponding banks in London and Moscow and not necessarily the customers of those banks. As far as Republic is concerned, if there is a problem with the customer, it's up to the bank in London and Moscow to warn it. "All that's incumbent upon the American bank is to see if the other bank is a duly constituted bank, recognized by the central bank of that country," says the New York State Banking Department source. "To me, looking at it as someone who has been in law enforcement all my life, do I think maybe we might have some willful blindness here, or banking, or looking the other way? I think so. Can I prove it? No."

In any case, the question is moot. The New York State Banking Department has no jurisdiction over Republic because it is a federally chartered bank regulated by the Treasury's Comptroller of the Currency.

Officially, the Treasury and the Fed back the sale of U.S. dollars to Russia in return

child-drug trafficking in the U.S. Ted Gunderson, director of law enforcement data for the Federal Bureau of Investigation, should drive the trade. A high-level meeting of Fed and Treasury officials was convened in Washington last year, specifically to discuss the huge dollar sales by Republic to Russia. Fed officials defended the trade, saying that other than through direct loans, it was the best way to bulk up the sagging ruble and help Russia enter the global free market, according to one participant. Further, the Fed maintains that the U.S. Treasury earns \$15 billion a year from dollar sales abroad, the difference between the 4 cents it costs to print the hundred-dollar note and the remainder of the face value on the bill that is pocketed until the note is redeemed, which in many cases will be never. "It's an interest-free loan to the U.S.," says Edgar Feige, a University of Wisconsin economics professor and a consultant to the Fed.)

When one official at the meeting suggested that Republic might be doing business with banks controlled by organized

crime, another vigorously defended Republic, saying it does a tremendous amount of due diligence to make sure the Russian banks are legitimately operated. "And that in itself is a big laugh," says the participant. "There is no possible way for anybody to conduct due diligence on a Russian bank. There were people there from the Fed who have no common sense at all."

The dissent reaches all the way into the Comptroller of the Currency's office. When one senior official there was asked about Republic's dollar trade, he replied, "What I understand is that they are aiding in organized-crime activities out of the former Soviet Union through their so-called correspondent bank relationships."

Indeed, New York has learned that an interagency federal task force on economic crime made a preliminary finding that Republic's dollar trade with Russia is consistent with money laundering, according to the Comptroller of the Currency source and another investigator with knowledge of Republic's activities. Drafts of working papers prepared by task-force analysts stated this finding, but the charges were "tempered substantially" in the final drafts that go to senior policy-makers, says the official.

New York: "Have you gotten any word of working reports that have accused Republic of money laundering and working with Russian organized crime?"

Comptroller of the Currency official: "Not phrased that way. No."

New York: "How do they phrase it?"

Comptroller of the Currency official: "Well, what they do is, they indicate that

applying for branch or agency licenses." Because of strict state and federal licensing standards, only four Russian banks have applied for representative-office status in New York, which would allow them to do P.R. work but not operate as banks; other Russian banks backed off, after learning they would have to submit to a rigorous investigation by the state and the Fed's Board of Governors. "We have to be concerned about the competence of the people running the bank, their experience, their background," says McCormick. "And sometimes when we check that very briefly, the news is not good."

In 1992, Stolichny Bank, one of Russia's five largest private financial institutions and a major recipient of cash from Republic, met with state banking officials to inquire about a charter. After being discouraged, it never followed up with an application. Stolichny is identified in a classified CIA report as a front for organized crime; the respected Austrian newsweekly *Wirtschafts Woche* has cited police records that alleged Stolichny's owner, Alexander Smolensky, was an international drug dealer in the top echelon of the Russian *Mafiya*. Two other allegedly mob-linked banks that buy cash from Republic—Incombank and Promstroy—have submitted applications. Promstroy's license to open a representative office was approved by the

pending with the Fed. Incombank's April 24 application is pending at both agencies. "Why is it that there are so few Russian banks that operate in New York?" asks the banking-department source. "The primary reason is that none of them are trusted."

DESPITE ALL THE INVESTIGATIONS and all the high-level meetings and international conferences that seem to involve Republic National Bank of New York, compliance officer Richard Annicharico insists the bank has never been officially accused of selling money to a mobbed-up Russian bank. "No, I never heard that," he says. "But the innuendo is there because we sell to [Russia]. But so what?"

Asked about a recent classified CIA report that named ten major Russian banks—among them many Republic clients—that are run by organized crime,

Annicharico replied, "We looked at that, and we stopped doing business with some of those banks

as a result of that." In fact, Annicharico says, Republic would completely shut down the dollar trade if federal officials ever showed it hard evidence that its client banks in Russia are corrupt. "Believe me, I wish they would," he says. "But you have a large faction of the U.S. government that thinks it's great! You have some of the law-enforcement people who are negative on it. So you have a dual thing."

Many law-enforcement officials say they are not surprised Republic seems to be involved in such a controversial banking practice. "Republic has had a checkered past," says the New York State Banking Department source. "They've been a subject of suspicion over the years. . . . People



Barry Sotko, chairman of the New York State Banking Department, is shown here with Alexander Smolensky, owner of Stolichny Bank.



have sort of grinned when they heard Republic's name linked to mobbed-up banks in Russia."

Proclaimed by *Institutional Investor* to be "perhaps the most successful banking entrepreneur of the postwar era," Republic's owner, the 63-year old Edmond Safra, has built up a \$50 billion global empire while amassing a personal fortune exceeding \$2 billion. A Lebanese-born Orthodox

Jew descended from generations of Syrian traders, Safra was also a financial prodigy. By the age of 21 he had founded Banco Safra in Brazil, which became a magnet for Jewish-flight capital from the volatile Middle East and later South America. In 1966, he founded Republic National Bank in New York with a scant \$11 million in capital and a single branch in a Manhattan brownstone. Republic quickly became known on the street as a bank that would send an armored car to pick up large sums from its more secretive customers—no questions asked. The bank grew rapidly and is now the twentieth largest in the U.S., with assets of \$42 billion and more than 70 branches in New York, California, and Florida. An arm of Safra's Geneva-based Trade Development Bank (TDB), Republic had a net income for the nine months ending September 30, 1995, of \$193.8 million.

Safra specializes in niches that most other banks eschew, such as trading gold and banknotes. Though its commission on banknote sales is not publicly divulged, "it's always profitable," Safra once told *Institutional Investor*. According to Charles Peabody, a bank analyst at UBS Securities, "it's been increasingly significant" to Republic's revenue stream. "It's a volume business, and it ties into the relationships they have with the central banks of the world... and I think Republic does

tion League. Though Safra was stung by the accusations and character assassination, they helped inoculate his bank against subsequent money-laundering allegations that later emanated from legitimate law-enforcement inquiries, as well as scare away reporters.

Around the same time American Express was disseminating these malicious falsehoods, the DEA, Customs, and the Swiss police were investigating Safra's banks in Switzerland and New York for laundering Colombian and Turkish drug money. "I can say on the record that the sense I got from the agent with respect to Republic was that they were concerned about its activities," says William von Raab, the U.S. commissioner of Customs from 1981 to 1989. (Despised by the banking industry for his bluntness, von Raab had accused bankers at a 1982 conference in Miami of knowingly washing cartel drug money. "I am ashamed of all of you. You and your banks are engaging in sleaze," he shouted. A few years later, the crusading von Raab helped draft America's first money-laundering law.)

A bizarre event had led investigators to Republic. On Thanksgiving Day, 1987, two Armenian brothers arranged to fly to Zurich on KLM out of L.A., after checking their baggage through to Zurich on Pan Am. "The Pan Am people were panicky about a bomb," Greg Passic, then a DEA supervisor and now with FINCEN, told New York. "The bomb squad put the suitcases in one of those blast containers, and exploded them, and \$2.2 million went flying out the top of the thing."

The suitcases were addressed to the Magharian brothers, big-time currency traders. They had been depositing drug money into Shakarchi Trading Company of Zurich, which allegedly wired it as well as the funds of many other drug dealers into

"The Pan Am people were panicky about a bomb," say in one of those blast containers, and exploded the

have good relationships with the central banks of the world, probably built up through their gold-trading operation."

In the mid-eighties, Safra became the victim of a smear campaign orchestrated by American Express, which had bought Republic's Swiss parent, TDB, for \$520 million in 1983. (Safra regained control of TDB five years later.) American Express hired a convicted felon to spread false stories in the international press depicting Safra as an unscrupulous operator involved in everything from Iran-contra to money laundering. Safra successfully sued two newspapers in France for libel and eventually won a public apology from American Express and \$8 million, which went to four charities, including the International Red Cross and the Anti-Defama-

account number 606347712 at Republic. According to *Newsday*, the account was "the junction of two major narcotics-money-laundering investigations spanning four continents." Customs agents were convinced that Republic was complicit. "The agents were really, really down on Republic," a top-level Customs source says. "I think they just felt it was a rotten bank."

A classified DEA investigative report written by a field agent in Bern, Switzerland, and approved by the DEA's Passic, dated January 16, 1988, described the link between Shakarchi, Safra, and Republic: "Shakarchi Trading Company of Zurich, Switzerland, operates as a currency exchange company and is utilized by some of the world's largest trafficking organizations to launder the proceeds of their drug-traff-

child-
Ted Gunderson, FBI chief, says these criminal organizations and assists those criminal organizations.

"Shakarchi Trading maintains accounts at the Republic National Bank of New York, a bank which has surfaced in several previous money laundering investigations.

"While he was alive, Mahomoud Shakarchi (Mohammed's father) maintained a close relationship with Edmond Safra, owner of the Safra Bank and founder of the Trade Development Bank as well as the owner of approximately 38 percent of the stock in Republic National Bank of New York. All of those banks surfaced in Mahomoud Shakarchi's alleged drug laundering activities."

In March 1989, the Magherians were indicted in Los Angeles for money laundering; two years later, Shakarchi's records were subpoenaed by Swiss and American police, who also confiscated Shakarchi's account at Republic, through which more than \$800 million had passed over a five-year period. Neither Republic nor Safra nor Shakarchi was indicted, though Shakarchi later told Israeli journalist Rachel Ehrenfeld that he was convinced that the DEA was going after him to get him to flip against Safra.

The case against Shakarchi was quietly dropped in 1990, after the U.S. Attorney for the Eastern District concluded that there wasn't enough evidence to prove the money in the Republic account was drug proceeds. Robert Cozzolina, deputy special agent in charge of the U.S. Customs Service in Manhattan, told *New York*, Ehrenfeld, who investigated the case, alleged in her book *Evil Money* (HarperBusiness, 1992) that a corrupt U.S. government official purposely put errors in the subpoena so Shakarchi's attorneys could easily quash it and stop the investigation. To this day,

child-
Satanic ritual abuse murdering of children
unaware of—they are one of the largest vendors of banknotes in the world. They actually buy and sell dollars. And you know, we were totally ignorant about the whole process, and when we heard that a courier was flying out with \$25 mil in an airplane, you know, we kind of freaked out. When we sat down and saw that a lot of the business that they did was in conjunction with the Fed, and it was part of the legal sales and purchase of U.S. dollars, they explained, at least to my satisfaction, that they're trying their damndest to keep the dope money out of their bank."

Others are less charitable. Buddy Parker, an assistant U.S. Attorney in Atlanta who has prosecuted major laundering cases, says: "Well, let's say Republic always had some very interesting customers who find the government looking at them, more so than maybe other banks."

"I know that a number of customers of Republic Bank have been targets, some of which have been prosecuted, some of which haven't. . . . Well, they seem to have more than their lion's share of these kinds of accounts. And these kinds of accounts, if you look at the way their activity has been conducted, would say, 'You know, gee, this stuff stinks. This smells. I've got to be suspicious about who this account holder is. I need to find out a little bit more.'"

As for Republic's dollar trade with mobbed-up banks, von Raab says with characteristic bluntness, "That's the smell that was always coming off Republic."

"Speaking as someone who has been a law-enforcement person my entire life," says the state-banking-department source, "It may be overly simplistic, but I'll put it like this: If you identify bad guys, and you're sending money to bad guys, I mean, to me that's not good!"

advised who chairs a federal task force on money laundering. "The result is that we have an international banking system that knows no horizons. It operates around the clock. Our laws, however, know horizons called national boundaries."

The Treasury Department has started a program called Operation Outreach to recruit banks to help stop money laundering. "All of the major banks in New York were receiving drug monies and still are today. Our prior strategy was to try to get evidence on them and see if we could jam them up," says Passic, the former DEA official who runs the program. "Sometimes we found out there were just very minor people in the bank that were involved, that the upper management really was not involved, as we initially thought. So what we've been trying to do lately is work with them, and see if we can encourage them to develop patterns and profiles on accounts that they have, and basically close the accounts down [of money launderers] and chase them out."

Republic is on the board of Operation Outreach, and its cooperation has been laudable, says Passic. But well-informed sources say Republic pressed law enforcement for documentation about mob links to Russian banks only after being contacted by *New York* late last year.

No one in government with even rudimentary knowledge about Russian organized crime doubts that it has penetrated the international banking system. Many say that selling dollars to mobbed-up Russian banks is morally indefensible, regardless of whether the trade is sanctioned by the Federal Reserve. And if the dollars are bought with wired funds derived from asset-stripping, narcotics, stolen U.S. aid, or the black-market sale of arms or

nb," says a U.S. Treasury official. "The bomb squad put the suitcases led them, and \$2.2 million went flying out the top of the thing."

Passic says he believes Shakarchi Trading was willingly doing business with drug traffickers. Customs agents who investigated Safra said they didn't want to talk about him because of his power. "If you go after somebody like Safra, you had better dot every i and cross every t," says one of the Customs agents who worked the Shakarchi case.

Passic, who says he "investigated the hell out of Republic," paid the bank a backhanded compliment, saying it used more due diligence than he had initially thought. "When we went up and talked to them and saw the programs they had in place, actually, we were surprised. Because if you look at the activity that the bank had through various corners of the world with these traffickers' accounts,

COMBATING MONEY LAUNDERING may be a top priority of the Clinton administration, but it's virtually impossible to stop. There are about 700,000 wire transfers a day, totaling \$2 trillion. Some \$300 million of that—less than one sixtieth of one percent—is laundered funds hidden by the huge volume of legitimate transfers, says a September 1995 report by the Office of Technology Assessment. The report concludes that there is no existing technology capable of identifying all but the most obvious trade anomalies. "There is no way you can program the system to say, 'I want you out of these 700,000 transfers to look for [dirty] banks,'" says Rayburn

nuclear materials, then it's money laundering. "Even though you can't fault Republic as to the current interpretation of the law, it doesn't necessarily mean that it's legal," says a Treasury source.

"It just means that some of the questions that you ask [are] ahead of where we have gotten," adds the State Department's Winer. "We are grappling with it. We are trying to put it together. But all of this has happened very quickly, and it's taking us some time to get adequate answers."

As part of that effort, the Treasury helped the Russian Central Bank draft money-laundering laws. But the Russian Parliament has dozens of convicted criminals among its members. The legislation has stalled.

Photograph by Gerardo Sanchez/Ondine.

**SECOND AMENDMENT:
TAKING OUR GUNS FROM US**

THE SPOTLIGHT.

"The battle is not to the strong alone; it is to the vigilant, the active, the brave."—PATRICK HENRY

VOLUME XXI NUMBER 17

April 24, 1995

SINGLE COPY PRICE 85¢

'SHOOT AMERICANS' SURVEY RESULTS One in Four Marines Would Fire

Results are in from the U.S. military "shoot Americans" survey—and they are disquieting.

EXCLUSIVE TO THE SPOTLIGHT

By MIKE BLAIR
About one in four U.S. Marines would be willing to fire upon American citizens in a government gun confiscation program, according to the results of a survey undertaken nearly a year ago at a Marine Corps base in southern California.

In addition, more than four out of five of the Marines surveyed indicated they would be willing to participate in missions under a U.S. National Emergency Police Force.

The SPOTLIGHT has been provided the results of the survey contained in a master's degree thesis, reportedly undertaken by a student at the Naval Postgraduate School at Monterey, California, to determine "unit cohesion" when soldiers are assigned to non traditional missions.

Few stories published in The SPOTLIGHT have created such a stir as when it was revealed in this newspaper's July 29, 1991 issue that the survey had been taken at the

On May 10, 1994, the survey was undertaken by Navy Lt. Cmdr. Ernest G. Cunningham, purportedly as research for his thesis, *Peacekeeping and UN Operational Control: A Study of Their Effect on Unit Cohesion*, at the Marine base, located on the southeast corner of the Mojave Desert, about 70 miles due east of San Bernardino, California, just east of Los Angeles.

NOTE: The SPOTLIGHT is not prepared to provide photocopies of the Cunningham thesis, which is quite voluminous. Therefore, requests for copies should be referred to the National Technical Information Service, details of which can be obtained from the Department of the Navy at the Pentagon. Phone (703) 646-6760.

RECEIVED DEGREE

Cunningham turned in the thesis for printing on March 20 and was graduated from the Postgraduate School on March 23, receiving his Master of Science in Manpower, Personnel and Training Analysis degree.

According to U.S. Navy and Marine Corps officials, Cunningham administered the survey to 300 Marine veterans of the Persian Gulf War and the earlier invasion of Panama in the base auditorium.

He had the cooperation and permission of the base's public affairs officer, but Cunningham did not have

consent of the base commander, Brig. Gen. Russell H. Sutton.

In fact, Sutton didn't know about the survey until afterwards.

The results of the survey have until now been "classified," according to a Marine Corps spokesman.

The survey contained 46 questions dealing with the Marines' willingness to perform "non-traditional" missions.

Question 46, dealing with a gun confiscation scenario, jolted both the Marines and the Navy, as well as the Department of Defense, numerous members of the House and Senate and virtually every American concerned about the Second Amendment to the U.S. Constitution, which guarantees the people's right to "keep and bear arms."

VERY DISTURBING

This is how the question was posed to the Marines:

"The U.S. government declares a ban on the possession, sale, transportation, and transfer of all non-possessing firearms. A thirty (30) day amnesty period is permitted for these firearms to be turned over to the local authorities. At the end of this period, a number of citizens groups refuse to turn over their firearms.

"Consider the following statement:

NAVAL POSTGRADUATE SCHOOL
MONTEREY, CALIFORNIA



THESIS

NAVY POSTGRADUATE SCHOOL
MONTEREY, CALIFORNIA 93943-5000
OFFICE OF THE DIRECTOR OF RESEARCH
AND ANALYSIS
THESIS TITLE: *Peacekeeping and UN Operational Control: A Study of Their Effect on Unit Cohesion*
Author: *Ernest G. Cunningham*
Date: *March, 1994*
Thesis Number: *NA-94-001*
Thesis Location: *Naval Postgraduate School Library*
Approved for public release; distribution is unlimited.

Cover page of the controversial thesis.

"I would fire upon U.S. citizens who refuse or resist confiscation of firearms banned by the U.S. government."

The question was then posed as to what degree the individual Marine agreed with the statement.

According to the results given in Cunningham's thesis, a total of 88 percent, or 264 Marines, responded to the question.

Of the 264 who responded, 26.34 percent, or 79 Marines, indicated they U.S. T-91

-- Domestic confiscation bill, road-block gun ban passes CongressSpecial GOA Fax Alert, (703)321-8585, <http://www.gunowners.org>

Wednesday, October 2: -- The Congress sent President Clinton several gun control provisions as part of the omnibus spending bill. The President signed the bill late Monday night after both houses had overwhelmingly passed the bill (House: 370-37, Senate: 84-15).

The anti-gunners in Congress succeeded in passing several amendments in the name of protecting women and children. Despite the rhetoric, the provisions will not accomplish what was claimed and blow even more holes in our Second Amendment freedoms. Here's the "cliff notes" you will need to hold your legislators accountable. What follows is a brief summary of what passed, the practical problems with those provisions, and a listing of who voted right:

Road-block Gun Ban (Sec. 657 of the Treasury-Postal portion of H.R. 3610)

Sets up thousands of gun ban zones across roads statewide where local police or the BATF can arrest unsuspecting drivers who have a firearm in the car. Victims will face 5 years in prison.

- Also known as the Kohl amendment, this provision reenacts the School Zone Gun Ban law ruled unconstitutional by the U. S. Supreme Court last year (*U.S. v. Lopez*, 1995). The provision creates gun ban zones nearly one-half mile in diameter around every school in the country.
- Anyone without a pistol carry license driving through a zone with an unloaded firearm, that is not in a locked container or rack, faces 5 years in prison. (This would apply even to off-duty police officers, despite ineptly drafted exceptions in the Kohl language.) Many who were previously able to drive freely with guns, either in plain view or in the glove compartment, can now be victimized by anti-gun local police and/or BATF agents.
- And finally, just a couple of other quirks that result from the law: a) Because of the way "school" is defined in the Title 18 of the U.S. Code, the school zone gun ban could outlaw the possession of firearms by parents who home school their kids; and b) For a person who lives within 1,000 feet of a school, any hunting trip would constitute a legal labyrinth. He or she could not carry the gun to a car parked on the street unless he determined that such action was approved by school officials.

Domestic Confiscation (Sec. 658 of the Treasury-Postal portion of H.R. 3610)

Frank Lautenberg, who has an "F-" rating from GOA, originally cosponsored the so-called domestic confiscation provision with anti-gun Senators Dianne Feinstein and Edward Kennedy as S. 1632. The largest wholesale firearms confiscation effort in decades, this provision bans thousands upon thousands of Americans from owning firearms for life, and orders their guns seized. For now this gun ban only applies to domestic dispute misdemeanors, but it sets a very bad precedent, since previously only felons have been stripped of their rights. (Note: This provision could strip many law-enforcement officers, previously convicted of domestic violence misdemeanors, of their ability to carry firearms.)

Rep. Bob Barr introduced an NRA-supported amendment as a compromise. But even Barr's language was altered after protests from Clinton and Senate Democrats. The Barr provision -- perhaps best termed as the "Lautenberg Lite" provision -- would have reduced some of the problems with the original version, but it still extended the gun ban into the area of misdemeanors (a bad precedent).

- The Lautenberg-Barr provision which passed the Congress threatens to disarm the very women that it is supposed to help. The provision would impose a lifetime gun ban on anyone who has been convicted of "us[ing] or attempt[ing] to use . . . physical force" in a domestic situation. Of course, this "use of force" language can cover anyone (both men and women) who gets involved in a little spat between spouses, roommates, lovers, etc.
- The "use or attempted use of force" language will not only affect women who might throw a lamp at their spouse (like the First Lady), it will also endanger parents who spank their children. (Parents convicted of a domestic misdemeanor for spanking will now have to forfeit their guns or else become felons -- for being a prohibited person in possession of a firearm.) This provision federalizes a state issue and is clearly unconstitutional (under the 2nd and 10th Amendments for starters).
- What is the answer? If an act of domestic violence is serious enough to lose your civil right to own guns, then it should be a felony which persons already were prohibited from owning firearms. If it is not serious, it should be treated as a misdemeanor -- a penalty which historically has not forced one to forfeit his or her rights.

The *Washington Post* (11/19/92) reported how a school teacher was arrested in class after a pedestrian reported seeing her handgun sitting in open view on the seat of her car in the parking lot. This lady had no record and was -- except for a school zone gun ban -- complying with Virginia law which allows citizens to carry a firearm in their car without a permit, as long as the gun is left in plain view.

Ted Gunderson FBI chief

child- drug trafficking in the U.S
Satanic ritual abuse murdering of children

POWs

Reports of 'U.S. POWs in N. Korea persist

MILITARY: The latest accounts come from a defector from North Korea who says he repeatedly visited a top-secret prison camp.

By NICHOLAS D. KRISTOF
The New York Times

SEOUL, South Korea — One of the most elusive and maddening mysteries swirling about East Asia concerns the occasional "lightings" of U.S. prisoners of war still supposedly held by North Korea, more than four decades after the end of the Korean war.

Now the mystery is becoming even more elusive and maddening. A defector from North Korea says he repeatedly visited a top-secret prison camp housing elderly white and black men who, camp guards told him, were U.S. prisoners of the Korean war.

The latest account is simply more in a murky and inconclusive mosaic, and many experts are extremely skeptical that North Korea could have — would have wanted to have — kept U.S. prisoners for so long. But the new descriptions are by far the most detailed to have emerged so far, and there is a growing sense in the intelligence community that the notion of surviving U.S. prisoners, however landish it sounds at first, is a serious possibility.

North Korea has continued to deny the assertions.

The new testimony comes from Oh Young-nam, 33, a former police official who escaped to China last October and then came to South Korea. Oh was the son of a bodyguard to the country's late "Great Leader," Kim Il-sung, and he himself graduated from the elite police academy and joined the secret police.

In an interview last week, Oh said that from 1982 to 1993 he repeatedly visited a camp housing the Americans, in a sealed-off area just north of Pyongyang. He said he had never seen more than 20 or 30 Americans at one time, but that there were others in their dormitories and so the total number was probably higher.

Once he and a group of other police officers stopped their car and gave a half-dozen cans of beer to a group of the Americans, who said "thank you" in Korean but did not engage in conversation. He said he had police friends working in the camp and that they told him that the Americans had learned Korean and spoke with a good accent.

Oh said the Americans, though painfully thin, were relatively well treated. He said they lived in a one-story compound around a central meeting area and that a tennis court was nearby — although it lacked a net and was overgrown in the years he saw it. North Korean officials had even found Korean wives for the prisoners, Oh said.

The reports of American POWs were first published last week by Asia Times, a Bangkok-based daily whose reporter spoke with Oh. During the interview Wednesday, Oh said he had not realized that his conversation with the Asia Times reporter would be published in a newspaper, and he tried to avoid talking about U.S. prisoners.

Asked if U.S. officials had ordered him not to discuss what he had seen, he refused to say, but he squirmed a lot.

Still, Oh gave some details of what he had seen, and he added that he had spoken to U.S. intelligence officials in April and had shown them the prisoner-of-war camp in pictures — presumably satellite photos.

J. Alan Liotta, deputy director of the Defense Department office responsible for prisoners of war, would not comment on specifics but said the accounts of Americans in North Korea were being carefully checked.

Senior administration officials, who are trying to reduce tensions with North Korea and entice it out of its isolation, have played down the possibility that U.S. POWs might still be held captive. But in June an internal Defense Department report was leaked by Rep. Robert K. Dornan, R-Garden Grove, and it caused an uproar by suggesting that a small group of POWs might still be held by North Korea.

"When you talk to working-level intelligence people, I think it's taken as a given that there are (U.S.) POWs there," said a military intelligence specialist.

Memo: 900 POWs left in Korea

■ Documents and testimony to a House panel indicate up to 1,200 may have remained in the north after armistice.

Los Angeles Times

WASHINGTON — Six months after the Korean war ended in 1953, the Eisenhower administration had evidence that North Korea failed to release more than 900 prisoners of war, according to newly declassified documents and congressional testimony Tuesday.

A Pentagon memo, dated Dec. 22, 1953, said 610 Army troops and more than 300 Air Force personnel were on lists of prisoners who were supposed to be returned when the armistice took



Former Czech Gen. Jan Sejna, left, defense analyst Joe Douglass Jr. and retired Col. Philip Corso, are sworn in before testifying Tuesday.

effect in July of that year. But, the memo said, they "just disappeared."

Some of the prisoners may have been subjected to germ war-

fare experiments in a shadowy Czech-built hospital.

The information, disclosed at a congressional hearing Tuesday

Please see KOREA 7A

St Petersburg Times 9/18/96

Korea from 1A

presided over by Rep. Robert K. Dornan, R-Calif., an outspoken Capitol Hill advocate of POW and MIA causes, seems likely to reopen a decades-long controversy over Korean War prisoners.

North Korea has denied it held any U.S. prisoners after the war ended, and the Pentagon generally has discounted reports that Americans are still held in the secretive Communist nation.

But dedicated skeptics through the years have insisted that North Korean and U.S. officials are lying to avoid a thorny issue that would prove embarrassing to both sides. Two of those longtime skeptics appeared before the panel Tuesday.

The memo, obtained by the House National Security military personnel subcommittee from the Eisenhower presidential library, is a summary of a telephone call between an unidentified Pentagon official and then Secretary of the Army Robert Stevens. It describes a discrepancy between the lists of prisoners that North Korea said it held and those it eventually released. But it mentions no further proof that the prisoners were still alive.

Other evidence that prisoners were left behind came in testimony Tuesday by retired Col. Philip Corso, an Army intelligence officer who was in Korea during the prisoner exchanges and who later served on the

Eisenhower White House staff. He told the committee that he knew at least 500 sick and wounded U.S.

The memo describes a discrepancy between the lists of prisoners that North Korea said it held and those it eventually released. But it mentions no further proof that the prisoners were still alive.

prisoners were within 10 miles of an exchange point but were never released. He said other reports indicated 900 to 1,200 POWs were sent from North Korea to the Soviet Union and were never heard from again.

The newly released documents indicate the Eisenhower administration was concerned about the fate of POWs in North Korea and the Soviet Union but was unwilling to provoke a confrontation with the nuclear-armed Kremlin.

Corso said he obtained, and passed along to his White House boss at the time, information that the North Koreans and their Soviet advisers were conducting "Nazi

style" medical experiments on U.S. and South Korean POWs in a hospital built by the Communist government of Czechoslovakia. He said the U.S. government was never able to obtain conclusive proof.

Another committee witness, former Czech Gen. Jan Sejma, who defected to the United States in 1968, said that he has been trying to alert the U.S. government to activities at the hospital for almost 30 years but was never taken seriously.

He said Soviet doctors used American POWs during the Korean and Vietnam wars to test chemical and biological war agents and the effects of atomic radiation.

He said the Americans were also used to test physiological and psychological endurance and various mind control drugs.

"Czechoslovakia also built a crematorium in North Korea to dispose of the bodies and parts after the experiments were concluded," he said.

Dornan, the subcommittee's chairman, said Presidents Eisenhower and John Kennedy faced a "classic dilemma" of risking a new war if they had issued an ultimatum to North Korea to return the prisoners, but he said there was no excuse for not demanding more recently that the missing Americans be accounted for.

— Information from Reuters was used in this report.

ST. PETERSBURG TIMES

9-18-96

Thursday, September 17, 1996/Las Vegas Review-Journal/5A

Report: U.S. aware 900 POWs left behind

Associated Press

NEW YORK — The United States was aware that more than 900 American servicemen were still being held by North Korea at the end of the Korean War, The New York Times reported in today's editions.

The revelation fuels growing speculation that American prisoners might still be alive and in custody in North Korea, the newspaper said.

Historians suggest the Eisenhower Administration decided not to make public much of its intelligence on the issue for fear of whipping up hysteria among Americans who would have demanded the prisoners' return.

"In the nuclear age, Eisenhower could not risk telling the Russians or Chinese that we're willing to go to all-out war to get our prisoners back," said Al Santoli, a congressional investigator who helped gather recently declassified documents.

The documents were obtained from the Dwight D. Eisenhower Presidential Library and other government depositories by the House National Security subcommittee on military personnel.

The subcommittee is scheduled to hold hearings on the issue today.

The North Korean government has said it is not holding any Americans. A number of American defectors are known to live in Pyongyang, the North Korean capital.

In June, a Defense Department analyst testified that on the basis of "a recent flurry" of "very compelling reports" he believed that as many as 15 Americans were still being held in North Korea, the Times said.

The Defense Department did not dismiss the analyst's report entirely, but said it has no clear evidence any Americans are being held against their will.

One of those scheduled to testify today is retired Col. Philip Corso, a former military aide to President Eisenhower. In a statement prepared for delivery before the House panel, Corso said, "In the past I have tried to tell Congress the fact that in 1953, 500 sick and wounded American prisoners were within 10 miles of the prisoner exchange point at Panmunjom but were never exchanged."

SPIES

What costs \$1 million an hour and listens in on everything you say? Insiders like to call it No Such Agency, but the National Security Agency is the largest, costliest, best-equipped and most secret spy organization in the world.

When Jacques Chirac, John Major and Helmut Kohl meet on June 26 in Lyons, France with other world leaders for the 1996 Economic Summit, they and their support staffs will be broadcasting their intentions directly to the people who advise President Clinton. Not only will the U.S. government know more than the French, English and German heads of state regarding internal economic and political decisions, but they may actually know it earlier.

The National Security Agency spends \$1 million an hour listening to foreign (and domestic) secrets—including phone calls and faxes at the prime ministerial level.

What does NSA stand for? According to US electronic spooks: No Such Agency. Don't believe it.

America's real spies hunch over computer terminals trying to break foreign codes. Or they have their ears pressed to headsets, patiently listening to stolen conversations. They do not report to the CIA. They are among the thousands who work for the National Security Agency, the world's largest, costliest and most secret intelligence organization.

From a sprawling complex at Ft. Meade, tucked between Washington and Baltimore, NSA listens to the world. Using a vast network of satellites, along with global eavesdropping posts that stretch from Alaska to Capetown, the agency monitors everyone from drug traffickers and terrorists to businessmen and government officials—even allies.

Serbian commanders radioing their troops in Bosnia are unwittingly talking to Serbo-Croatian linguists in a glass tower at Ft. Meade, just one of more than 100 languages spoken there, everything from Icelandic to Senegalese. Through NSA's eavesdropping, American officials have tracked the ties of Russian President Boris Yeltsin with Serbian President Slobodan Milose-

vic, and those of Milosevic with Bosnian Serb leader Radovan Karadzic.

High-tech equipment aboard US reconnaissance aircraft routinely picks up Serbian radar signals and flashes them back to NSA headquarters where computers identify missile batteries, zapping the analysis back to NATO pilots. Time for the round trip? Eleven seconds.

Since the recent rash of terrorist bombings in Israel, NSA's Arabic linguists have zeroed in on the phone calls and radio communications of the radical Islamic group Hamas, which has claimed responsibility for the carnage. Intelligence reports shared with the Israelis by CIA Director John Deutch carefully disguised the data's source.

But Israel is a target too, though the fact that NSA listens to allies is a closely-held secret of this secret organization. In England, NSA maintains its largest overseas post, Menwith Hill Station, a complex of huge microwave dishes and white radomes resembling giant golf balls. Among the NSA linguists on the staff are some whose specialty is

Iran, Iraq, Russia and secret schemes

War, from the Cuban Missile Crisis to the Vietnam War and the Gulf War. During the late 1960s and early 1970s, in a project codenamed GAMMA GUPY, American agents listened to the private radio-phones of Politburo members as they raced along Moscow streets in their Zil limousines.

"All the equipment, all the money went to the Russian and Eastern European groups," said one former NSA Arabist. "The people in A Group, they were the stars," said another former listener, who translated Greek government cables.

But it didn't take long for this agency of skilled bureaucrats to find new turf. With President Clinton's emphasis on global economic cooperation, NSA has shifted many of the resources it once used for the Kremlin to the commercial communications of European and Asian nations.

When Boeing and McDonnell Douglas were locked in a fierce struggle with the European consortium Airbus for a \$6 billion contract to replace the Saudi airline fleet, NSA stepped in. Sifting through phone calls and faxes between Paris and Riyadh, NSA found a nugget: unmistakable evidence that agents for Airbus offered bribes to a high-level Saudi official.

Said one top Clinton administration official: "Intelligence on bribery lets us know what we're up against. We're better prepared."

When US trade negotiators sit across the table from foreign counterparts, chances are good they have read transcripts detailing their opponents' instructions.

NSA provided just such assistance to US negotiators during tense talks with Japan last year over luxury car imports. One American trade envoy who works closely with NSA says he sometimes struggles at the negotiating table not to betray what he has learned from the eavesdroppers.

"You have to make sure there's no extra spring in your step," he says.

While NSA is charged with listening to foreigners, its dishes routinely pick up Americans' overseas calls as

well. Since 1975, when congressional investigators found the agency had files on 75,000 Americans and was eavesdropping on anti-Vietnam War protesters, NSA has been banned from deliberately targeting Americans. But the agency cannot exclude Americans' communications from its electronic net, and the law says only that Americans' names must be removed from intelligence reports, with the words "US person" substituted. Perhaps worse, when the NSA trains its agents in the highly technical art of eavesdropping, US law gives them the right to practice—on you.

NSA agents may lawfully hone their listening skills and test their equipment on the most intimate telephone calls of ordinary US citizens, as long as notes and tapes are destroyed "as soon as reasonably possible."

"We listened to all the calls in and out of Washington," says one former NSA linguist, recalling a class at the Warrenton Training Center, a CIA communications school on a Virginia hilltop. "We'd listen to senators, representatives, government agencies, housewives talking to their lovers."

Winning the world requires lots of ingenuity, lots of manpower and lots of the taxpayers' money.

While the better known CIA spends about \$3 billion each year and employs about 15,000, NSA has 20,000 workers at its headquarters alone and tens of thousands of mostly military eavesdroppers



Lt. Gen. Kenneth Lindholm,
NSA director

Hebrew.

Since its creation in 1952 by President Harry S. Truman whose executive order establishing the agency was itself top secret, NSA's primary target has been the Soviet Union. When the communist monolith collapsed, NSA's priorities shifted. The agency played a role in virtually every major event of the Cold



The NSA operations complex in Maryland

deployed around the world. The price tag? About \$3.5 billion, along with another \$4 billion to \$5 billion to launch and maintain its fleet of satellites and pay overseas salaries for uniformed personnel. NSA's rivals at the CIA gripe that what they pay to recruit informants is pocket change compared with what NSA spends on technology.

When a Titan IV rocket exploded shortly after its launch in California in August 1993, the blast destroyed its secret payload: three eavesdropping satellites worth \$275 million apiece, officials said. The damage equaled the National Park Service's annual budget.

Such satellites unfurl ultralight foil dish antennas the size of a football field. Orbiting above target countries, they catch the microwave signals of telephone calls and faxes as they radiate from relay towers.

From ground stations in Sugar Grove, W.Va., and Yaloma, Wash., in England, Germany, Japan, Australia and elsewhere, NSA knows

the commercial communications satellites that carry the bulk of the world's phone, fax, computer and other traffic. In other words, operating in Germany, England, France and other countries, NSA eavesdrops on the host countries' leadership, government, business and on its citizens.

"Every time a communications satellite is launched, NSA puts up a satellite dish to keep track of it," says John

Pike, an intelligence expert at the Federation of American Scientists in Washington. "That dish sits there and says, 'One copy of everything, please.'" When foreign officials visit the United States, NSA bugs their hotel rooms. Working with designated telephone company employees, NSA delivers a list of targeted numbers and appropriate legal papers. Phone company technicians push a few buttons to make the connection.

Sometimes the eavesdroppers can't operate at such a safe distance. NSA technicians operating under unrelenting code names such as "Musketeer" and "Broadside" sometimes take their listening tools close to the source.

By bouncing a laser off an office window, NSA listeners can pick up the conversation inside from the subtle vibration of the glass. Technicians put tiny transmitters into vas-

crete and drywall of every office with undetectable fiber-optic listening devices. In August, 1990, when the Chinese moved into their \$13 million embassy, the harvest began.

As the diplomats set about their work, their conversations and computer keystrokes were flashed by satellite to the other side of the globe: candid talk about relations with Taiwan, secret cables with details of Beijing's trade deals, reports on the latest military hardware.

While only some foreign embassies are wired by NSA, nearly all US embassies are part of the agency's vast collection network.

The Special Collection Service, an elite eavesdropping unit handpicked from the ranks of NSA and CIA, handles the delicate task of listening from windowless rooms inside embassies, consulates and other US facilities abroad. So secret that most employees

living-room stereo set.

NSA has often been derided in the spy world as a haven for desk-bound technicians who rarely venture far from their ranch homes in the subdivisions around Fort Meade. But there are hundreds of people working for SCS whose lives mirror the characters in spy novels. When they leave the Maryland field site, they have cover stories, foreign currency and business cards complete with the phone number of a fictitious boss who will vouch for them. And they are often headed to some of the most volatile countries in the world.

Gary C. Durrell, one of three employees of the US consulate in Karachi killed by terrorist bullets last spring, was a Special Collection Service spy.

NSA is the nation's largest employer of mathematicians and wields the greatest concentration of computing power on earth. That kind of number-

crunching power can break many codes. But modern cryptography sometimes can defeat even NSA's supercomputers: the number of possible numeric "keys" to unlock messages scrambled by one common encryption system is 70,000,000,000,000,000 or 70 quadrillion.

So NSA resorts to other tactics in its war to defeat foreign

codes. It has dispatched FBI agents on break-in missions to snatch code books from foreign facilities in the United States. CIA agents recruit foreign communications clerks and buy their code secrets. NSA's boldest coup in codebreaking took place in an unlikely location: Zug, Switzerland, the home of a manufacturer of encryption equipment called Crypto AG. For years, NSA secretly rigged Crypto AG machines so that US eavesdroppers could easily break their codes, according to former employees and company documents.

Why Crypto? Wary of

companies in NATO countries, the suspicious governments of such prime US targets as Iran, Iraq, Libya and Yugoslavia bought equipment from the Swiss firm. Using messages created on the Swiss machines, these countries and others may have been sending an easily unscrambled copy directly to Fort Meade.

Considering the breadth and depth of NSA, it is little wonder that delegations to this month's Group of 7+1 (US, Canada, Britain, France, Germany, Italy, Japan plus Russia) are under orders to be careful about what they say, whether in conversation, via fax, or by computer. Paranoid? NSA listeners can pick up the electronic transmissions of computer keyboards, effectively learning the contents of a government report before it is printed for the leader of the same government to read.

The NSA wields the world's greatest concentration of computing power; it can crack the most daunting of codes

es, ashtrays and other everyday objects to be smuggled into a targeted building.

"Everything down to the toothpick in your glass, NSA could do it," recalls a retired senator.

When the Chinese built a new embassy in Canberra, Australia, NSA outdid itself. Thirty US agents had worked for months to lace the con-

crete and drywall of every office with undetectable fiber-optic listening devices. In August, 1990, when the Chinese moved into their \$13 million embassy, the harvest began.

As the diplomats set about their work, their conversations and computer keystrokes were flashed by satellite to the other side of the globe: candid talk about relations with Taiwan, secret cables with details of Beijing's trade deals, reports on the latest military hardware.

While only some foreign embassies are wired by NSA, nearly all US embassies are part of the agency's vast collection network.

The Special Collection Service, an elite eavesdropping unit handpicked from the ranks of NSA and CIA, handles the delicate task of listening from windowless rooms inside embassies, consulates and other US facilities abroad. So secret that most employees

living-room stereo set.

NSA has often been derided in the spy world as a haven for desk-bound technicians who rarely venture far from their ranch homes in the subdivisions around Fort Meade. But there are hundreds of people working for SCS whose lives mirror the characters in spy novels. When they leave the Maryland field site, they have cover stories, foreign currency and business cards complete with the phone number of a fictitious boss who will vouch for them. And they are often headed to some of the most volatile countries in the world.

Gary C. Durrell, one of three employees of the US consulate in Karachi killed by terrorist bullets last spring, was a Special Collection Service spy.

NSA is the nation's largest employer of mathematicians and wields the greatest concentration of computing power on earth. That kind of number-

HIGH FREQUENCY ACTIVE AURORAL RESEARCH PROJECT

child- drug trafficking in the U.S
Suicide so FBI chief
St. al - ritual at se n and ng of h n

ANGELS DON'T PLAY THIS HAARP

ADVANCES IN TESLA TECHNOLOGY



Environmental Warfare?

The U. S. Government has a new ground-based "Star Wars" weapon which is being tested in the remote bush country of Alaska. This new system manipulates the environment in a way which can:

- * Disrupt human mental processes.
- * Jam all global communications systems.
- * Change weather patterns over large areas.
- * Interfere with wildlife migration patterns.
- * Negatively affect your health.
- * Unnaturally impact the Earth's upper atmosphere.

The U.S. military calls its zapper HAARP (High-frequency Active Auroral Research Program). But this skybuster is not about the Northern Lights. The device will turn on lights never intended to be artificially manipulated.

Their first target is the electrojet -- a river of electricity that flows thousands of miles through the sky and down into the polar icecap. The electrojet will become a vibrating artificial antenna for sending electromagnetic radiation raining down on the earth. The U.S. military can then "X-ray" the earth and talk to submarines. But there's much more they can do with HAARP. This book reveals surprises from secret meetings.

PROJECT CENSORED -- a prestigious panel of journalists -- Judged HAARP to be in the top ten under-reported news stories of 1994.

POPULAR SCIENCE -- As a front-cover story, HAARP began to be revealed in September, 1995. This book is -- the rest of the story.

The High-frequency Active Auroral Research Project is
The HAARP that Angels Don't Play.

\$14.95 U.S.
\$19.45 Canada



Post-mortem sheds little light on Western power outage

Los Angeles Times

PORTLAND, Ore. — Chastened energy officials convened Monday to get to the bottom of the power outage that rippled across the Western United States last weekend, but their initial findings shed little new light on the blackout and yielded only one concrete recommendation: to do a better job of trimming trees around power lines.

The representatives from utility companies, governments and the U.S. Department of Energy remained circumspect about pinpointing a cause for Saturday's power failure, which cut off electricity to more than 4 million customers from Canada to Mexico.

A probe of the incident has cited a confluence of snafus, beginning with a group of power lines outside Portland that sagged into some trees and ending with an apparent mechanical failure in an Oregon power plant that triggered a cascade of shutdowns across the Western power grid.

And while all power has been restored, the impact of the shutdown spread to the salmon population in the Northwest, triggering an immediate environmental controversy.

The extreme heat and the automatic shutdown of the Diablo Canyon nuclear facility in California during the blackout prompted energy officials to step up hydroelectric production at a dam in Eastern Oregon to meet power needs at Pacific Gas & Electric while Diablo returns to full capacity. That required a waiver of the Endangered Species Act.

Saturday's record blackout — the second widespread power failure across the West in six weeks — has prompted a wave of soul-searching in the energy industry, as officials question whether the infrastructure in the fast-growing Western states is keeping up with the demand for electricity and try to determine why backup systems didn't work better.

Deputy Energy Secretary Charles Curtis called the outage "unacceptable."

"It seems hard to accept that an outage of this character resulted from lines falling in trees," Curtis said after the high-level Portland meeting. "This system should have held together."

Monday's post-mortem, also attended by representatives of

major western utilities and the Western Systems Coordinating Council, an industry consortium that manages the region's power grid, marked the start of what is expected to be an in-depth look at the outage's causes — from the systemic to the mundane — and at the likelihood of it happening again.

The blackout underscored the vulnerability of the Western power grid to disruptions as the system becomes increasingly complex. The power industry is being transformed across the nation as it deregulates and opens itself to market forces that can, some times pit the needs of customers against the need to contain costs.

More narrowly, officials said, it pointed up the need for more conscientious line maintenance. A similar large-scale outage on July 2 was also traced to a tree that came into contact with a power line — that one in Idaho — and numerous smaller outages have been blamed on poor maintenance in recent years.

Indeed, the maintenance issue is a key concern of those who are monitoring the deregulation issue. Tree-trimming costs money, and utility officials fear that

increased competition will be a disincentive to maintain lines.

Officials also said the number of players in the marketplace, thereby increasing the complexity of the system, was a factor.

Brandy Hardy, chief executive of the Oregon-based Bonneville Power Administration, which operates the section of the power grid to which Saturday's outage has been traced, said:

"Officials said the Diablo Canyon nuclear generating station in

San Luis Obispo, Calif., was knocked out of the outage and would not be back in service until

late this week. That loss of capacity triggered a call for extra power that infuriated environmentalists deeply concerned

Officials at the Bonneville Power Administration, which wholesales federal hydroelectric power to utilities in the West, on Monday sought permission from the

National Marine Fishery Service to waive part of the Endangered

Species Act so that a dam in Oregon supplying power to the grid

could divert more water into its turbines to meet the demand

Bonneville officials said the generating station at the Eastern Oregon Power Co. in The Dalles,

which was operating at one third capacity to fulfill requirements of

a Clinton administration plan for regenerating the population of

endangered salmon, will temporarily operate at full capacity,

providing an additional 800 megawatts of power to the

grid. Bonneville officials said the unprecedented move will help Pacific

Gas & Electric to meet the demand of millions of sweltering

humans in such California hotspots as Fresno, Chico and

Bakersfield, and beyond. But it will also impair the ability

of baby Chinook and sockeye salmon to make it through the

dam, and it will also impair the ability of baby Chinook and sockeye

salmon to make it through the dam, and it will also impair the ability

of baby Chinook and sockeye salmon to make it through the dam, and it will also impair the ability

of baby Chinook and sockeye salmon to make it through the dam, and it will also impair the ability

THE IRS AND THE FEDERAL RESERVE

THE FEDERAL RESERVE

THE FEDERAL RESERVE, WHICH OWNS OUR MONEY SYSTEM AND SETS MONETARY POLICY, IS NOT AN ACTUAL PART OF OUR GOVERNMENT AT ALL. IT IS, IN FACT, A PRIVATE STOCK CORPORATION NEVER FOUND IN THE GOVERNMENT PAGES OF YOUR TELEPHONE DIRECTORY. THE TRUE SECRET OWNERS OF THE FEDERAL RESERVE INCLUDE:

- THE ROTHCHILD BANKS OF LONDON AND BERLIN
- THE LAZAR BROTHERS BANK OF PARIS
- THE ISREAL MOSES SEIF BANKS OF ITALY
- THE WARBURG BANKS OF AMSTERDAM AND HAMBURG
- THE NEW YORK BANKS OF GOLDMAN-SACHS, CHASE MANHATTAN (ROCKEFELLER), KUHN LOEB, AND LEHMAN BROTHERS

ARTICLE 1.8.5 OF OUR U.S. CONSTITUTION DELIBERATELY ORDAINED CONGRESS TO "PRINT MONEY AND ESTABLISH THE VALUE THEREOF". THIS WAS DONE SO CONGRESS WOULD HAVE TO BE ANSWERABLE TO WE THE PEOPLE CONCERNING FINANCIAL STABILITY.

THE POSSESSION OF MONEY IS POWER. THIS PRIVATE FEDERAL RESERVE SIMPLY HAS MONEY PRINTED AT OUR EXPENSE AND THEN LOANS IT TO US WITH INTEREST AS IF THEY HAD EARNED IT WITH BLOOD, SWEAT AND TEARS. THE FEDERAL BANK OWNERS THEN PROFIT EXTREMELY WELL FROM THE INTEREST WE PAY THEM ON SUPPOSED LOANS THEY APPROVE FOR US. KNOWN AS FRACTIONAL BANKING, THEY MAY LEND OUT TEN TIMES MORE MONEY THAN THEY ACTUALLY HAVE ON HAND AND COLLECT INTEREST ON THESE LOANS, TOO. WE PAY THEM HIGH INTEREST THAT RETURNS THEM 300% ON VERY SAFE LOANS, LIKE THIRTY YEAR REAL ESTATE, THAT ARE SAFEGUARDED WITH THEIR REPOSSESSION RIGHTS OF OUR COLLATERAL.

THEY PROFIT MOST FROM LENDING MONEY, THAT NO ONE EARNED, TO GOVERNMENTS. THESE GOVERNMENT TREASURIES, LANDS, FORESTS, OIL WELLS, MINES AND TAXABLE CITIZENS BECOME THE COLLATERAL WHICH ARE OFTEN COLLECTED WITH MILITARY FORCE.

THE FEDERAL RESERVE COLLECT BILLIONS OF DOLLARS IN TAXES FROM US ANNUALLY THROUGH THE IRS THAT GOES DIRECTLY INTO FEDERAL RESERVE ACCOUNTS. MOST OF THE IRS AMOUNT NOW GOES TO THIS PRIVATE CORPORATION TO PAY INTEREST ON THE NATIONAL DEBT. THE GREATER THE PUBLIC AND PRIVATE DEBT, THE MORE INTEREST THEY COLLECT. THE MORE INTEREST THEY COLLECT, THE MORE POWER THEY HAVE OVER THE CITIZENS OF THIS COUNTRY AND OTHER COUNTRIES. THE ENFORCEMENT AND CONTROL OVER US INVOLVES MANY THREAT AGENCIES OF THE FEDERAL GOVERNMENT INCLUDING THE IRS, FBI CIA, EPA AND MILITARY.

MANY AMERICAN HAVE HAD, OR KNOW OF, EXAMPLES OF DEBT AND THE THREATS DUE TO THESE AGENCIES. THEY APPROVE OF THE "DISCONTINUATION AT ANY TIME" OF THE FEDERAL RESERVE BY CONGRESS PER SECTION 30 OF THE FEDERAL RESERVE CHARTER. BY ELIMINATING THE FEDERAL RESERVE AND RETURNING TO THE CONSTITUTIONAL MANDATE THAT CONGRESS SHOULD REGULATE THE FINANCIAL AFFAIRS OF THIS COUNTRY, MANY OF THE CURRENT FINANCIAL PROBLEMS COULD BE REDUCED OR SOLVED.

MONEY POSITION STATEMENT

The States delegated to Congress the power to issue money, in Article I Sec. 8, clause 5, of the Constitution of the United States of America.

The Congress has failed to carry out this mandate, but has instead surrendered this supreme prerogative of government to a privileged monopoly known as the Federal Reserve Corporation. No State has agreed to this surrender, and the Constitution has not been amended to provide for it.

Therefore, as President, I would request the Congress to do as the Congress did in the 1860's at the request of President Lincoln--issue United States Notes. Enough of this money should be issued to replace all Federal Reserve Notes. About \$400 billion in United States Notes would be required for this purpose. If Congress does not resume its duty to issue the money as required by the Constitution, I would follow the example of President Kennedy in the 1960's and cause the issuance into circulation of billions of dollars of United States Notes.

United States Notes are interest-free in their issuance. Federal Reserve Notes are loaned into circulation, so interest payments are necessary in order to keep the Federal Reserve Notes in circulation. Today, the American economy pays interest on \$400 billion in Federal Reserve Notes. Replacing these notes with interest-free United States Notes would save the economy over a billion dollars per month in unnecessary interest charges.

Providing our economy with interest-free money will promote Lincoln's objective of providing "cheap and efficient exchanges." Circulating interest-free money in the economy will provide more jobs and increase our prosperity.

Each Fed Res. bill costs Fed Reserve 2.3¢
(to U.S. Treasury) Fed Reserve ~~then~~ uses as collateral
the face value of the note (10000 one dollar bills
equals \$10,000 in collateral)

TOTAL P.01

TAX REFORM

SCIENTIFIC TAX REFORM

By 3 simple Scientific Acts, we can create more jobs, balance the federal budget, and provide tax relief for most Americans.

First: Abolish all Income Taxes including the most unfair tax of all, the so-called Social Security Taxes -- your payroll deductions.

Even a corporation doesn't have to pay an income tax until it makes a profit! However, a human being, working for \$200 a week, may have to pay over \$60 in payroll taxes. There's no profit in 200 per week, because it costs that much to survive. That's a discrimination that must be abolished!

By abolishing all income and payroll taxes, we would increase the take-home pay of everyone, who works for a living, by 20 to 40 percent -- putting over two billion dollars extra a day into the pockets of those who need and deserve it most -- those who will spend it!

Just think: 2 billion dollars extra each day in the hands of the working poor would create: (1) at least 20 million new jobs (2) the greatest prosperity this nation or any nation has ever known (3) and millions of our poor people would at last have a better chance to earn an honest living.

This can work providing we do two additional things:

1. Balance the federal budget.
2. Control inflation.

The Second Scientific Act: To balance the federal budget, we must first cut its expenses. This cannot be done as long as a committee with no one in charge is allowed to spend our money. A committee with no one in charge means that no one can be held responsible for the waste. There is no one to blame when things go wrong. To balance the federal budget, we must put someone in charge who can be held responsible.

(over)

Let's face the facts, our present government is largely controlled by Congress, which is two committees almost completely out of control, because no one is in charge of either one. It is a proven fact that such committees simply cannot be trusted to handle money or do anything else properly or intelligently.

Our federal government is already overwhelmed by debts, while its still spending far beyond its means -- with no change in sight!

Our President and Congress need to delegate the job of straightening out our government's financial mess to a reputable Financial Manager who is charged with cleaning up the mess and given the authority required to do it. Then, if he fails or gets out of line, a 3/4ths vote of both Houses of Congress needs to have the power to replace and/or punish him.

To successfully control our government's finances, that control must be given to someone who can be held accountable. That power must be taken out of the hands of Congress -- or we shall NEVER succeed in straightening out our government.

The Third Scientific Act: Government is necessary -- and, of course, our government needs enough money to cover its necessary expenses and enough to balance its budget! Or -- eventually, we'll have run-away inflation. This can be done, as Thomas Jefferson suggested in 1785, by taxing wealth on a graduated basis instead of income.

The United States is still the most powerful and richest nation in the world with over 60 trillion dollars worth of assets that can be taxed. A modest, average tax of 3 and 1/3rd percent on that 60 trillion could raise over 2 trillion dollars per year -- enough to pay all current necessary expenses and start paying off our debts. Almost no one would be seriously hurt!

Ted Gunderson FBI chief

child- drug trafficking in the U.S
Satanic ritual abuse murdering of children

waco

INVESTIGATIVE REPORT
BY GARY NULL

HOLOCAUST AT



The story is now a series of fading memories and images in most Americans' minds, but mention Waco and people still call up many of those discomforting pieces of the 1993 news story. There was a Jonestown-like suicide cult down in Texas headed by a psychopathic megalomaniac, David Koresh, a modern-day self-proclaimed messiah... He had a tremendous arms cache... His Branch Davidian cult abused chil-

dren... They were willing to take over the town of Waco... They were defiant of the Bureau of Alcohol, Tobacco, and Firearms, and of the F.B.I... They were planning to commit mass suicide...

All of these "facts" were supposed to explain why we saw that final image on TV—the Branch Davidian compound burning to the ground. They were

PAINTING BY BRAD HOLLAND

PENTHOUSE APRIL 1995

child-drug trafficking in the U.S.
Ted Gowan, FBI chief, said that the Branch Davidians were a cult and persecuted.

...and men had to die in that con-
flagration. The problem is, they are not
facts. Many are distortions or outright
lies led to the media, swallowed, broad-
cast, and never questioned.

People in Waco describe the Branch
Davidian community as a group of ordi-
nary people and as helpful, friendly, and
kind. The Branch Davidian sect was
founded in 1893 as an offshoot of the
Seventh-Day Adventist church. Many of
the approximately 130 people in the
compound held regular jobs outside,
and the group had been in Waco since
1935. They had built with their own
hands the house that was destroyed in
the 1993 fire.

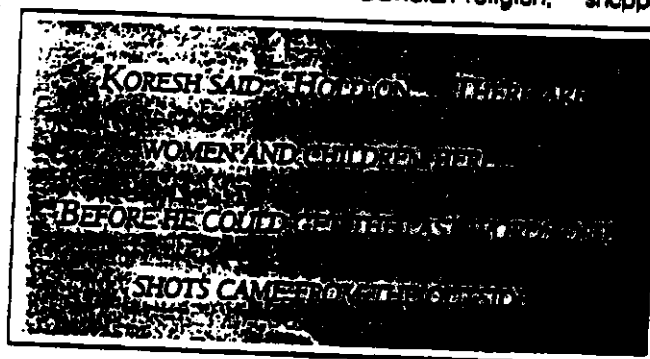
James Scott Trim, a researcher who
studied the Branch Davidians for more
than a year and a half, offers this per-
spective: "They were no threat, particu-
larly, to anybody. They had been there
since the 1930s and certainly hadn't
done any damage to anybody thus far.
They weren't a group of idiots." Various
members of the group, he
points out, were highly edu-
cated in theology, compara-
tive religion, and law.

Was this a cult? One of the
reasons that pejorative label
stuck to this group was that
film clips were widely broad-
cast in which David Koresh,
the group's leader, was
shown saying, "You better
watch out—I'm God." What
wasn't revealed was that this
segment was actually part of
a longer film clip. A reporter from an
Australian network had been asking
Koresh about accusations made by an
ex-Branch Davidian leader that he,
Koresh, had gotten the former leaders
70-year-old mother pregnant. In reply to
this obviously around-the-bend asser-
tion, Koresh had said that if he could get
a 70-year-old woman pregnant, then
you'd better watch out, because he is
God. It was a joke. In the uncut film seg-
ment, laughter is heard in the back-
ground. In the clip, Koresh's remark was
taken out of context and played as if it
were a serious statement. This decep-
tive use of a piece of film was enough to
paint Koresh as a nut.

Bill Cooper, a former member of the
Office of Naval Intelligence, also has
looked into the Waco affair. Cooper
offers an interesting perspective on the
idea of cults. "The definition of a cult is
extremely difficult to pin down," he says.
"It depends largely upon who is labeling
something as a cult. If you really want to
get honest with all of this, all of our fore-
fathers who left Europe to come to the
United States to escape religious perse-
cution belonged to cults. You could say
that this nation was built by cultists.
Many of our forefathers belonged to the
fraternity known as Freemasonry, which

David Koresh believed that God
wanted him to deliver the message of
the Book of Revelations to the world. But
concerning the apocalyptic aspects of
the Branch Davidians' beliefs, Cooper
points out that "the entire Christian reli-
gion and segments of the Jewish reli-
gion are apocalyptic. Both religions
believe in the imminent return of a mes-
siah and the end of the world as we
know it, and the beginning of a new
heaven on earth. That is certainly apoc-
alyptic. The view of the Branch
Davidians was no different. They
believed in the interpretation of the Book
of Revelations just as the church that
they branched off from."

And, Cooper adds, "The truth is that
we have protection in this country under
the Constitution to practice whatever
religion we wish, as long as we're not
harming anyone else in the practice of
that religion. The truth is that the mem-
bers of the Branch Davidian religion,



their church, were adults and had the
right to believe and practice whatever
they wished."

To support people's right to follow
David Koresh as a leader does not
mean that you have to agree with his
teachings. Yes, the man may have been
a fanatic. Yes, his followers may have
been equally zealous. But being a reli-
gious zealot is not a crime. Christian fun-
damentalist groups and Jewish ultra-
orthodox groups may keep to
themselves, or dress, eat, and act in
ways others find strange. And many reli-
gious groups follow charismatic leaders
who act as if they have the inside word
from God. You can call these leaders
and their followers zealots or fanatics or
cultists if you like, but they still have a
right to live as they choose. The Branch
Davidians had that right, too.

At least they thought they did. Two of
the people who found out that this was
not the case, and who managed to live
through that discovery, were Sheila
Martin and Clyde Doyle. Martin had
lived at the Waco complex at Mt.
Carmel for five years, with her husband
and seven children. She lost five mem-
bers of her family in the fire. Doyle had
lived with the group for at least three
years, and he lost his daughter in the

fire. Their descriptions of life at the com-
pound are certainly at odds with the
picture of a bunch of crazed cultists that
the media portrayed.

People came to Mt. Carmel from
many different walks of life, Doyle
recalls. "Many of them were educated.
They were high school teachers, com-
puter programmers, university teachers,
and so forth. They were ministers, and
they were common people. They were
from all different countries and all differ-
ent nationalities. We lived in harmony.
We got along great for such a diverse
group of people."

Although people lived communally,
they had their independence, Martin
says. "Some people say we were con-
trolled and that we had to live a certain
way, but that's untrue. We had a choice."
She goes on to refute the myth that the
Branch Davidians stayed within their
complex and never came out: "That's
not how it was. We had freedom there.
We could go into town. We could go
shopping. We had all different types of
things, but the main object
was to know that we were
there to read the Bible."

Daily life was primitive, but
since people were there for
Bible study, they were usually
able to overlook the lack of
amenities. Doyle recalls that
the Mt. Carmel complex was
evolving. "When we first
began to develop the place,
there were a series of small
houses in poor condition.

Many of them were deterio-
rating so badly that we began to tear
them down. We took the ones that were
worst first and used what lumber we
could. We bought new lumber and
began to build the complex [shown in
media coverage of Waco]. There was
continual building going on. New rooms
were being added to make new room
for people to come and stay."

But what of the allegations of child
abuse at the Davidians' compound?
They are not true, says Martin. "There
was no abuse of children. David said
the worst abuse children could suffer
was when their mothers and fathers did
not bring them up to love God and to
respect their parents and other people.
David said that any of us there who did
not treat our children with love and
respect were really abusing them."

So where did the allegations come
from? Linda Thompson, a lawyer who is
investigating the case, believes they
started with one man—Mark Breault,
often described as a disgruntled former
member of the Branch Davidians. A
documentary produced by KPOC-TV in
Oklahoma reported that some other for-
mer Branch Davidians may have
alleged that child abuse was taking
place in the complex. In any event, the
government has never presented any

TELEVISIONS. The child was ever-Satanic abuse, murdering of children
abused at the Waco compound. ...

And what about allegations of illegal gun caches at the group's compound? For one thing, Thompson says that the Waco sheriff's department found these allegations to be false. Bill Cooper elaborates. "The sheriff investigated on several occasions the allegations that they had illegal weapons, were engaging in illegal activities with those weapons, and had one time even confiscated all their weapons and taken them to the sheriff's facilities for inspection, and ended up returning them all. There were no illegal weapons, nor illegal activity concerning those weapons, whatsoever. In fact, [per capita] the people at the Mt. Carmel facility possessed less than half the number of weapons possessed by the average citizen of the state of Texas."

Doyle and Martin, as Branch Davidians, certainly have a stake in proclaiming the group's innocence. But this claim has been corroborated by others. A special investigative team under former United States attorney general Ramsey Clark has been researching the events leading up to the deaths at Waco. They found a number of discrepancies between the public story and the actual events, and they support what Doyle and Martin are saying. And Dave Hall, a reporter and the manager of KPOC-TV, has done extensive work on the Waco story. Much of what he and his colleagues at the station have uncovered about this tragedy has been so disturbing that Hall has presented his findings to the members of the Senate Judiciary Committee, with the hope that they will commission a special independent investigation of the whole affair. Hall's is another voice that asserts there was no evidence of illegal firearms at Waco. He mentions something else, too. "We saw evidence the A.T.F. admitted that they had left their weapons mingled in with the weapons that were taken into evidence [at the trial]. ... That was put in the court records. So the evidence that was admitted in court in the trial period was contaminated. Why the judges let it happen, I do not know."

The Initial Raid

No crimes had been committed by David Koresh or the members of his group when, on February 28, 1993, they were invaded by agents of the Bureau of Alcohol, Tobacco, and Firearms. There had been some unsubstantiated talk about the group planning to commit mass suicide, but even if it had been true, this is not within the A.T.F.'s purview. Nor is child abuse—not that that charge had been substantiated.

charge. So the first attack on the compound was totally uncalled for.

Film footage of the raid is included in a revealing video put together by Linda Thompson. (The video, *Waco: The Big Lie*, can be obtained from the American Justice Federation, 3850 S. Emerson Ave., Indianapolis, Indiana 46203. [317] 780-5204 or [800] 749-9939, fax: [317] 780-5209. A second video, *Waco II: The Big Lie Continues*, is also available.) In the first video, the viewer can see A.T.F. agents firing at the Branch Davidian compound with automatic weapons. There are helicopters flying overhead. The A.T.F. fire does not seem to be returned.

As reporter Dave Hall explains his findings, "For nine to 12 minutes, these people were being attacked, unannounced, with bullets flying indiscriminately through that building. They were calling for help from the sheriff's department.... Wayne [a Davidian] is telling the 911 operator that there are men out

survivor is chilling. Clyde Doyle recalls "David [Koresh] advised everybody to stay cool and to go back to their rooms. He would go and talk to [the officials] at the front door. I then went back to my room, which was in the front of the building on the first floor, up towards the north end. Within a minute or so, I heard his voice at the door saying, 'Hold on a minute. There are women and children here. We need to talk about this.' Before he could get the last words out of his mouth, shots came from the outside....

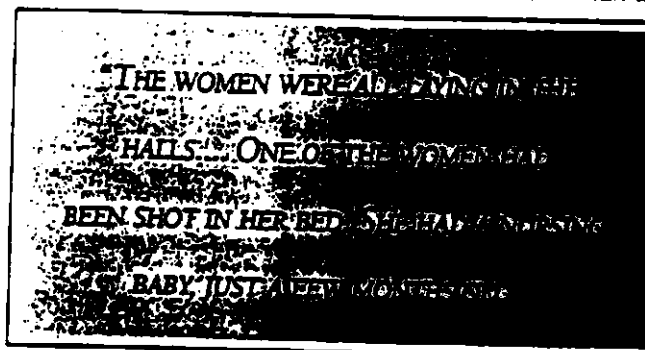
"My reaction was to run down the hall towards the front door. I was thinking that some people were bound to be shot and hurt. As I ran down the hall towards the door, I found Perry Jones laying in the hall crying in great pain, saying he had been shot. Perry Jones was an older man, in his sixties. He apparently had been standing behind David as David opened the door. I asked him if he could hang in there a minute. I wanted to see if anyone else was hurt, but as I ran towards the door, I found nobody there....

"I ran back to Perry and helped him up. A young black man from England appeared and gave me a hand. As he began to lift Perry up on the left side, Perry let out a scream. We helped Perry up into the north end of the building, where the men's quarters were, and put him on a bunk bed away from the front wall, where the bullets were continuing to fire. Perry was in great pain.

"I asked two or three guys to stay with him to help him with whatever he needed and went running back down the hall to see what had happened at the door. As I was running, people were yelling at me to get down. People were shooting through the walls from the outside. I noticed a line of bullets down the hallway from the kitchen on down through the front door. It was as if somebody with a machine gun on the outside blindly sprayed bullets, hoping to hit somebody running down the hall without being able to see them because there were no windows. It was like somebody made a sweeping arc with a machine gun. This row of bullet holes penetrated into the hallway.

"Wayne Martin was in the process of getting the 911 calls going. During the shootings that day, I spent part of my time running back and forth, getting messages. The sheriff's deputy that was talking on the 911 line with Wayne was asking various things.

"He was trying to get things set up, because we didn't have any communications with David. You would have to run up and down stairs to verbally pass these messages along. We eventually did get a cease-fire, but in the course of



there shooting at them. He was asking them to get the police out to call these people off of them.... We have reporters that have told us that the A.T.F. did not announce themselves until well into the shooting. And judging from the 911 tape, we come to the conclusion that, at the very least, they were under attack for nine minutes by over 100 men, and possibly as much as 15 minutes, before firing back."

Hall points out that the A.T.F. men were not identifiable to the people in the house because the lettering labeling them as A.T.F. agents appears on the back of their black uniforms, not the front. So to the Davidians, the men attacking them were unknown assailants dressed in black. Adding to the confusion and fear of February 28, as well as to the body count, was a helicopter gunship firing down on the roof of the house. Why this brutal military-style assault, in which six Davidians died, was necessary is puzzling. Hall asks, "Why did they not take the sheriff out there, who several times before had served warrants down there and never had a problem? Why didn't they just go down there with a couple of men in business suits?"

An account of the raid by a Davidian

Ted Gonder, the FBI official attacking his fellow agents? As the film narrator informs us, the three agents who entered that window died in the assault.

Branch Davidian Mike Schroeder's death that day was particularly shocking. He had left the compound before the raid and later attempted to return home. He never made it. According to his father, Ken Schroeder, who has spent enormous energy investigating the death of his son, "There was an outer perimeter already established at that time. And he and these two other guys that were with him were disarmed by the Texas Rangers and let go to go on in. At that time, they were ambushed.... Surprisingly, the particular spot where his body was found, at the ground 20 feet around where he was found, a foot deep, has been removed." Schroeder's son had been shot seven times, with most of the shots in his back, and his body had been left to rot for several days. The official lie at the time was that Mike and his compatriots had tried to shoot their way out of the compound. Ken Schroeder's attempts to get his legislators to do something about this aspect of the Waco tragedy and cover-up have been met by bureaucratic non-answers.

The F.B.I. took charge of the Waco scene a few days after the initial assault, and during that bureau's long siege of the compound, the media was kept three miles from the Mt. Carmel center. Every morning at 10:30, a press conference was held in which an F.B.I. spokesman told the nation what was supposedly going on.

If the news media had been fully informed about the Branch Davidians and about the nature of the attacks against them, there would probably have been outraged protest by the American people, who were paying for the siege and for the killings.

The Siege

During the 51 days between the initial A.T.F. raid and the final holocaust at the compound, the F.B.I. cut off all utilities and sanitation. Phone lines to everyone but the F.B.I. were severed, and radio communications were jammed. Government loudspeakers blared nonstop with such sounds as chants by Tibetan monks, jet planes, Nancy Sinatra singing "These Boots Are Made for Walking," and the cries of rabbits being slaughtered. Tanks fired percussion grenades. Stadium lights kept the house illuminated around the clock. Black helicopters flew overhead. Linda Thompson notes that around the 40th day of the siege, Koresh indicated that the children and babies were out of

child-drug trafficking in the U.S. Satanistic ritual abuse murdering of children to the compound were turned back. The authorities were supposed to be concerned about the children inside the compound; in fact, that was the main rationale for the government's actions. So why were its agents trying to starve the children?

Sherla Martin describes the aftermath of the February 28 raid. "We began to stock up on water," she says. "When it rained, we collected water in buckets and brought it back into our rooms to wash our hands and clothes. We stayed close to our rooms and didn't venture down hallways as much. We tried to avoid walking past windows.

"We were in the dark every night. Except for the lights outside, we couldn't see anything. We were glad when the morning came because we felt they weren't going to get us then. We stayed as close as possible to each other for encouragement. We prayed a lot and read our Bibles.

"One time they told David to tell the

IF THE MEDIA HAD BEEN FULLY INFORMED
THERE WOULD HAVE BEEN OUTRAGED
PROTESTS BY THE AMERICAN PEOPLE WHO
WERE PAYING FOR THE KILLINGS

people to come out, and he answered that he didn't see us. For three weeks we did not really see him. We did not have studies. We stayed there because we wanted to. We believed that if we stayed close to each other, they would not do anything to hurt us. We believed that God would take care of us.

"We didn't know what was going to happen to us. One Tuesday morning, Margaret and Catherine Madison went out and were taken to jail. David said, 'Those are 70-year-old women. How could they put them in jail? How could they accuse them of conspiracy to murder?' The government removed those charges after they stayed in jail for a week or so.

"After that happened, we knew that we would be going to jail. We accepted that. Since we didn't do anything, we believed that we would be out just as soon as they realized that we weren't capable of committing any of those actions."

The F.B.I. was supposedly urging the Branch Davidians to surrender all this time. Yet Linda Thompson reports that a bureau spokesman announced on April 17, that "anyone who came out would be considered a threat to the A.T.F. agents and would be shot. Shots and

percussion grenades were fired at a person who tried to leave through a window that day."

Holocaust

A sickening event occurred early in the morning of April 19, 1993. A tank maneuvered repeatedly back and forth over a large underground bunker. This bunker was a short distance from the house, connected to it by an underground passageway. The tank shown in the video seems to be destroying the means of egress for the people in the bunker, and the viewer sees smoke coming up out of the ground there.

The fire in the house started at about noon. The video shows a tank with an extension that looks like a blazing blowtorch pushing into the house, then pulling out. Also, A.T.F. agents are shown jumping from the burning building, and it looks as if they are removing fire-repellent clothing as they head away from the building. The question of government men being inside the compound and then leaving during the fire has never been investigated.

Again, an account of what happened at Waco from a Branch Davidian's perspective is riveting. Clyde Doyle describes his experience. "Shortly after noon," he begins, "somebody came running into the church saying the building was on fire.... There was a two-by-four partition on the stage of

the chapel, with Sheetrock on one side only. We had put a big-screen TV there to watch videos. There was a little doorway cut on the left of that. I went through the doorway, still on the stage but around the back of this partition. The tanks had knocked a fairly large hole in the south wall of the chapel behind this partition. It had a lot of rubble in front of it.

"People began to gather in that area, not knowing what to do. They would ask, 'Where's the fire?' 'What's going on?' 'What should we do?' 'Should we jump out?' More and more people crowded into this narrow area. I was closest to the opening.

"We made efforts to throw a little dog out, but she attached herself to me and kept coming back in. She had pups in the church during the siege. David Tibida kept on throwing her out. He said he didn't want to see the dog get burned. Eventually, she stayed out.

"Just about that time, a lot of smoke started coming in. Within 30 seconds to a minute, the whole place was pitch-black. You could hardly see a thing. You had the feeling you were totally surrounded by heat. You couldn't see any flames for a while, but you could feel this tremendously unbearable heat.

Blake, the chief

"I went to [Blake's] room, which was at the very far north end of the mens section, on the inside. His was the only room on the right-hand side of the hall looking north that had any windows in it. All the rest didn't have windows in the bedroom because they were up against the cafeteria. You couldn't see out of his windows because there were three big plastic water tanks outside, where our water supply was.

"As I went up towards his room, I could hear water running. By the time I got to the doorway I could see Winston laying down in a pool of water. The water tank, which was right up against his window, was riddled with bullets. Since the tank was at an angle, I would almost bet my life on it that Winston was shot from a helicopter. That was the only thing out there that could shoot at that angle. There weren't any buildings there. There weren't any A.T.F. people on the ground who would be able to shoot at that angle. I checked his pulse and was convinced that he was dead.

"There was a lot of pandemonium. I went upstairs with messages for David and the whole top-level hallway, where the women and children were. The women were all laying in the halls,

child- drug trafficking in the U.S. to the individual. One of the women, Jodie Wendell, had been shot in her bed. She had a nursing baby, just a few months old."

Doyle reports that David Koresh had been shot twice, once in the wrist and once through his abdomen. The bullet had gone through his back. For a time, Doyle says, Koresh believed he might die from his wounds.

"I never saw anybody shoot back," Doyle says, "although I'm not saying that they didn't. From all the evidence presented, I believe there were a few people who grabbed some weapons. I believe they retaliated because Perry and David had both been shot at the front door without being armed. I guess some people took the stand that they were defending the women, the children, and their teacher. You might say it was in self-defense, or as a reaction to seeing people gunned down for no reason."

Among the results of Dave Hall's KPOC-TV investigation are these

• A.T.F. agent Darrell Dyer, when he arrived at Waco on February 23, 1993, was stunned to find that no mandatory documentation of the raid plan had been made. Dyer and agent William Krone set out to draft a plan. But on the morning of February 26, the plan was

never distributed. It remained in Dyer's desk.

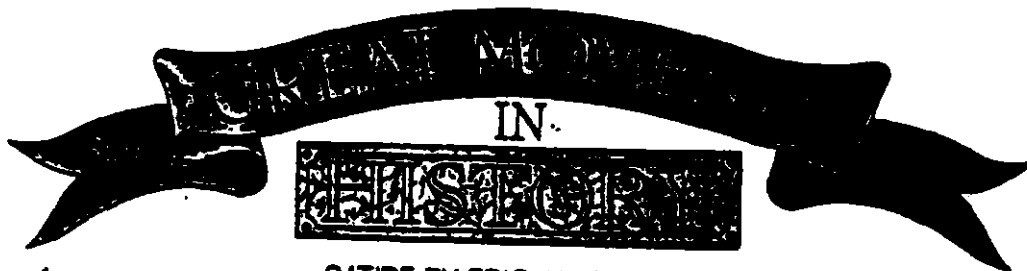
• The very warrant they were to serve was also left behind.

• Ten days after the raid, A.T.F. agent Roland Ballesteros made two statements to the Texas Rangers that the A.T.F. shot first and made no announcement that they were federal agents.

• A.T.F. agent Eric Ever made a tape-recorded statement to the Texas Rangers just after the raid that the first shots he heard came from a team of agents with dogs.

It is well-documented that David Koresh had left the complex many times while under the surveillance of as many as eight A.T.F. agents. Agent Robert Rodriguez told Hall that the reason Koresh was not arrested when he was observed leaving was that they had a search warrant, but no arrest warrant. But when Hall checked at the courthouse in Waco, he found that the warrant was, in fact, an arrest warrant.

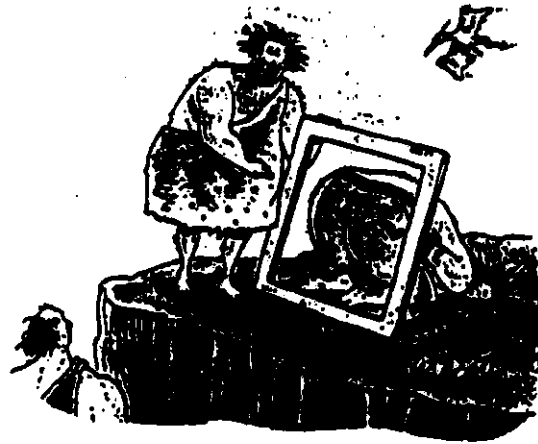
Linda Thompson's video footage raises other questions. It shows a group of four agents climbing ladders to reach a first-floor roof. Once there, they break into a second-floor window, apparently after throwing some kind of smoke grenade into the house. No one seems to be firing at them as they do so. The fourth man seems to throw a grenade



Even after 33 years of marriage, it wasn't until his suicide that Hazel discovered the bald spot on the top of Warren's head.



Primitive pornography.



"One time a tank came in the front door and sprayed gas. It got all over a couple of the guys. All they had on were tank tops. Their discomfort was unbearable, and they were hollering from the stinging sensations.

"[The authorities said] that they stepped up the gas after 200 rounds of firing went off from the inside that day. That's not a true statement. There was no firing going on from inside. I have never seen any proof of it, but they continue to claim that is the reason they stepped up the gassing.

"I put on as much clothing as I could. I had on a couple of jackets, a hood, and a gas mask. . . I began to feel the heat in gusts. The wind caused the heat to hit us in tremendous waves. The next thing I knew, I was on the floor. A lot of people further into the building were also on the floor. I could hear them rolling around in pain and praying and screaming. 'Oh my God!' Hearing that voice, the pain, the trauma, and everything that was going on galvanized me to jump up and make a lunge for the hole that was in front of me. I couldn't see it in the smoke and darkness, but I knew it was there, and I lunged for it.

"I landed on a heap of Sheetrock and wood, and didn't make it to the outside. I

just belied down this Sheetrock and slid over it until I landed on a heap outside.

"As I stood up, I could see the skin rolling off my hands. I wasn't blistering, regular blisters. The skin was just rolling off in big rolls. My hands were badly burned. I looked back over my shoulder at the hole I had just come out of. It was a mass of flames. I thought, 'My God, I'm the only one who got out.'"

Doyle wound up in a medical tent, where he lost consciousness. He woke up the next day in the hospital.

This is some of what Sheila Martin remembers of the inferno:

"Five members of my family died in the fire. My husband, Larry Lynch, was killed on April 19. We did not know the complex was on fire at first, but we started smelling smoke. We didn't know what to do. We were afraid that if we came out of the building, we would be shot. All of a sudden, the smoke came. I couldn't see my husband any more.

"Recently, Marjone Thomas, a woman who was burned very badly in the fire and who lives in England now, said that she came down a ladder from the third floor on the left side, facing the building that eventually started leaning. She stepped on someone and realized that it was my daughter, Sheila, and apolo-

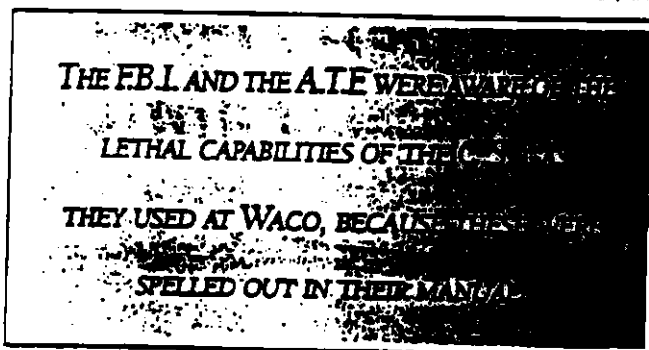
child- drug trafficking in the U.S. . .
daughters, and the murder of children

"My first thought was, 'Oh, my goodness, that means she was alive during all that smoke and fire and hadn't died yet.' Then I thought, here we are, in the midst of all this horror, and we had the time to say, 'I'm sorry'."

The Suicide Story

It has been said and generally accepted that the Branch Davidians committed suicide. But Gordon Novel, the strategic planner for Ramsey Clark's investigative team, believes that the government may have murdered people.

According to investigators, C.S. gas was pumped into the compound from 6 A.M. to 12 noon on the day of the fire. C.S. is a toxic tear gas designed for open-air use to disperse riots. In confined spaces, it has been known to combine with other compounds to form the deadly hydrogen-cyanide gas. At noon, government tanks hit the compound with a big injection of an atom-



ized mixture of orthochlorobenzylidene malononitrile and ethanol. The mixture was heated so that it would release hydrogen cyanide and carbon monoxide into a vapor. Autopsies indicate that large numbers of people were already dead from hydrogen cyanide gas before the fire. People died from cyanide poisoning within four to five minutes.

In a documentary videotape produced by KPOC-TV and aired on more than 100 stations last year, Novel states, "I believe [the government's] intent was to trap them, and to incapacitate them, and to poison them with cyanide gas, and they probably came through there in the last three or four minutes, right when the fire began to ignite and the hydrogen cyanide was in there—we have indications of that from the F.B.I. agents taking their respirators off right after the fire started, and you can see them exiting the building—so based upon . . . the fact that the Davidians had no .45-caliber pistols, one can reasonably deduct that they were shot while they were wriggling on the ground, including the babies."

According to Novel, .44- and .45-caliber pistols were found at the scene of the fire. But the government must have

known that the Davidians did not own these types of guns, because they had a list of every weapons purchase the Davidians had made. Although the government claimed many of the Davidian deaths were demonic suicides, Novel says, "The Davidians were totally non-suicidal . . . very Christian in their mentality."

The government's use of C.S. gas inside the house is one of the most disturbing aspects of the entire tragedy. C.S. gas is never supposed to be used inside a building. Used inside, it can create fires, and it can produce cyanide, which can immobilize and kill. Dave Hall, who has conducted his own exhaustive investigation of the role of C.S. gas, believes that the gas contributed to the mass casualties at Waco. He talked with the manufacturer of C.S. gas, Aldridge Chemicals. The company emphasized that this product was intended for outdoor riot control only; it was not supposed to be a weapon. In fact, the company says it stopped selling C.S. to Israel in 1988 because the government there was shooting the chemical into buildings occupied by Palestinians. Many of those people subjected to the gas became ill, and others died from the exposure in enclosed quarters, as reported by Amnesty International's Chemical Report on C.S. Agent #6.

Hall has learned that the C.S. gas played a large part in the Waco tragedy. It both contributed to the very-high-temperature fire and incapacitated its victims so that they could not move to escape the building. In the autopsies of Waco fire victims, cyanide—from breathing C.S. gas—was found in the victims' blood. Also, Hall reports, "Our state fire marshal says they aerated the building in such a way as to create the fire and to contain the gas in there, which was as flammable as coal dust. They knew all these things."

There was a very long delay before fire trucks reached the site. Hall explains that the fire trucks were held back by the A.T.F. because, had they shot water on that fire, the gas present would have combined with the water to create a hydrogen-cyanide steam cloud that would have been deadly to the agents surrounding the place.

Hall provides this chronology: Smoke was seen coming from the complex at 12:05 P.M. Within minutes, fire was spotted in four different locations. But fire trucks were not called until approximately 12:30 P.M. They were held back under the claim of danger from exploding ammunition.

Dr. George F. Uhlig is a professor of chemistry at the College of Eastern Utah

and a retired Air Force lieutenant colonel. Here's some of what he had to say in a report for KPOC-TV:

"In my opinion, the C.S. was diluted with either acetone or ethanol, as the autopsies indicated both solvents were in the lungs of the individuals killed at the Branch Davidian complex.... The liquid aerosol... came into contact with a flame, and the flame front traveled from particle to particle rapidly to create the 'fireball' described by survivors. We used a similar concept in designing fuel-air explosive devices in the Air Force. An explosive device would detonate, sending out an aerosol of either liquid or solid material of the proper particle size. A second explosion would then 'touch off' the aerosol mix, with devastating results. While the flame front in the case of the Branch Davidians' complex did not generate the overpressure of the fuel-air explosive device, the results were similar. The structure burned rapidly to the ground, and the C.S. agent was burned in the process. Cyanide radicals were generated as the C.S. burned, combining with normal fluids in the lungs of the people to generate hydrogen-cyanide gas....

child-drug trafficking in the U.S. Salaries paid to these men were the part of federal agents on the scene not to attempt to put out the fire using water. The resulting steam generated by the water coming into contact with the hot structure would further generate hydrogen cyanide, and the resulting cloud of cyanide gas and steam could have been carried by the prevailing winds over populated areas. This could have killed people not even involved in the incident, or at least made them extremely sick."

Dave Hall says that for six hours straight—from 6 A.M. to noon on the day of the fire—massive amounts of the C.S. gas were injected into the Davidians' home. This was despite a previously agreed-upon plan to use "light doses" because the children had no gas masks. At this point, Hall notes we must keep in mind that the F.B.I. and the A.T.F. were fully aware that the Davidians were using kerosene lanterns inside the compound both day and night. They knew this because they had infrared surveillance equipment in the air and on the ground at the complex. They were also, of course, aware of the lethal capabilities of C.S. gas, because these were spelled out in their manual.

A telling fact is that after the fire, the A.T.F. destroyed everything that remained of the Branch Davidians' home and its site. Usually, after a disas-

ter, authorities take pains to preserve evidence so that it can be studied to fully understand what happened. So why would they immediately level the evidence at Waco?

Texas state fire marshals were refused access to investigate the fire scene. They were told it was the jurisdiction of the A.T.F. (After the whole thing was over, the A.T.F. raised its own flag over the ruins.)

A disturbing constitutional aspect of the events at Waco is that helicopters from the Texas National Guard were supplied, along with military tanks and manpower from Ft. Hood, Texas, for a police action against civilians. This is probably illegal. How did this happen? How did the military get involved? The F.B.I., through the Department of Justice, requested that Texas Governor Ann Richards allow the use of helicopters from the Texas National Guard at Waco. Texas law forbids the use of the National Guard in police action against a citizen of the state, except when drugs are involved in a criminal action. But the A.T.F. apparently fabricated a drug charge to gain the use of the helicopters. Later, Governor Richards stated publicly that she had been lied to by the Department of Justice.

One other fact was not publicized. The Davidians would have run out of

Turn Good Sex Into Great Sex. Guaranteed.

EXPLORE EUROPE'S #1 VIDEO LOVEMAKING GUIDES...
EXCLUSIVELY FROM THE XANDRIA COLLECTION

Discover the secrets of supreme sexual fulfillment in the explicit yet sensitive *Lovers' Guide* videos from the Xandria Collection—the series Europe has embraced passionately. See how great sex comes from in-depth communication and understanding.



The Lovers' Guide: Advanced Sexual Techniques. Maximize your satisfaction—and your partner's. Become a better sexual communicator and enhance your techniques with foreplay to later-course, fantasies, sex games, and sex beyond the bedroom. 60 minutes.

The Lovers' Guide: Better Orgasms. Now your women can enjoy better, longer orgasms—and more of them. And you can control your ejaculations for earth-shaking orgasms of your own. Learn how to give each other the ultimate pleasure, including simultaneous orgasm...even orgasm without direct physical stimulation through Tantic Sex. 90 minutes. (30 bonus minutes.)



Dr. Andrew Sennaway is an internationally-recognized expert on sex, relationships, and psychological issues whose work has been specially selected by the Xandria Collection.

THE XANDRIA 100% GUARANTEE

For 21 years, we've offered the most complete guarantee available:

1. We guarantee your privacy. Your videos are shipped plainly and securely wrapped with no clue to their contents. And we ~~never~~ sell, rent or trade your name.
2. We guarantee the quality of your videos. Should a video be defective, just return it for replacement.

SPECIAL SAVINGS!

Save 20% when you order both videos.

FREE 56-PAGE XANDRIA COLLECTION CATALOGUE OF SEX AIDS with any order.

For Faster Service, Call 1-800-372-6661

Mail to: The Xandria Collection, Dept. PSV495
P.O. Box 51099, San Francisco, CA 94151

	QTY.	PRICE	REF.	TOTAL
Lovers' Guide: Advanced Sexual Techniques	1	\$29.97		\$29.95
Lovers' Guide: Better Orgasms	1	\$29.97		\$29.95
BONUS VIDEOS: SAVE \$13.00		\$29.97	\$47.90	
In California, add 7.5% sales tax				
Canadian orders, add \$15.00 shipping				
TOTAL ENCLOSED \$				
☐ Check payable to: Xandria Collection ☐ VISA ☐ Mastercard ☐ Discover Int.				
Card # _____				
Name _____				
Address _____				
City _____				
State/Zip _____				
Signature (+18 years of age) _____				
Xandria, 144 Valley Drive, Berkeley, CA 94705. Not where produced by us.				

...a week or two after the fire date
 Ted Gunderson FBI chief
 To achieve their total subjugation, there
 was never really any need to incinerate
 their home

The survivors of the fire at Mt. Carmel have not had an easy time. Clyde Doyle recalls his agony in the hospital after the fire. "When I finally came to, the doctors and nurses asked me to identify two females who were brought in who were badly burned," he says. "They didn't want me to get out of bed, but they described them to me. The first woman they described as tall, black, and around 30. The only tall black woman I could think of was Marjorie Thomas. It turned out that I was correct. She was badly burned on her face and just about all over.

"Then they began to describe the other woman. All of a sudden, I wailed up, thinking that it might be my 18-year-old daughter. I wanted to see her, but they told me I couldn't. They said they would get something and that I might be able to identify her from that. I was thinking they would bring me some clothing to look at. Instead, one of them walked in with a great big hunk of hair, like a scalp. They said, 'Do you think this is your daughter?' Looking at the hair, I had the feeling it wasn't hers, unless the fire had changed the color slightly. But I still wasn't sure.

"The next day, I was watching television when the news came on and identified two of the bodies," Doyle continues. "One, they said, was David Jones. The other was identified as my daughter.... Usually on the news, names are withheld until the next of kin is first notified. Here, my mother was never told. My other daughter was never told. And I was never told. We learned about my daughter's death from television. To me, this was just another indication that we were not considered normal people, and that anything was good enough for us. They could do anything they liked and it would be all right."

Sheila Martin was similarly mistreated by the authorities, but she overcame her hardship through prayer and faith. "With all our people dead," she says, "we didn't have a normal life. We couldn't see family and friends. We couldn't go anywhere. We had to stay in the correctional institution. We were watching TV, seeing the building burn, hearing them say there are 20 survivors, there are nine. We wondered what was really going on.

"They asked us who died, and wanted to know their ages. It's not like someone came and put their arms around you and said, 'Oh, we're so sorry.' We had none of that. We had to be strong. We didn't want to look like we were giv-

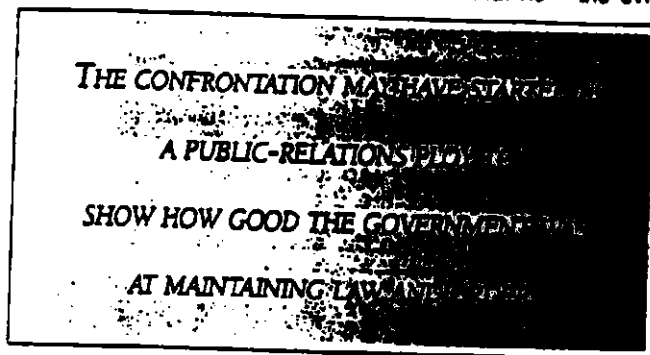
148 PENTHOUSE

child-drug trafficking in the U.S.
 same time. we wanted to cry our eyes
 out. I had three children who still need-
 ed me, and they were somewhere else.
 I only got to see them one hour a week
 for three weeks."

The Trial

The surviving Branch Davidians were sentenced harshly in the aftermath of Waco. According to Doyle, "We've been accused of killing four A.T.F. agents and wounding 15 other people. I feel sorry that four agents died and that some of them are badly wounded, but I went through a trial in San Antonio and spent ten months in jail after the fire. I was one of three who were eventually totally acquitted, although everyone was found not guilty of any major crime, such as conspiracy, murder, and aiding and abetting murder.

"[The judge] did not follow the recommendations of the jury. In fact, during the sentencing, which was in July [1994], he made a statement that he



personally believed that we were all guilty. He said the only reason some of us were not being sentenced that day was that some of us had better lawyers. He said we were all guilty of conspiracy and murder.

"Back in February, when the verdict was handed down, we were found not guilty on count one and not guilty on count two. Then the jury turned around. It might have been due to a confusion on their parts. We talked to a few of them, and that seems to have been the case. There were so many instructions and misconceptions that they basically made a grave mistake as far as certain charges go....

"[But] I believe that as a result of the trial, for the first time, the media began to have a different feeling about this whole thing. During the 51-day siege, very few people in the media bothered to question what was happening. They never asked hard questions or rocked the boat in any way. Instead, they just printed up whatever was told to them in the morning briefings from the F.B.I. and the A.T.F.

"By the time this case came to trial, based on all the evidence that was being compiled at the time, I believe they began to see that there was a mas-

sive cover-up and a massive injustice done."

Sheila Martin adds, "It's very sad. The people who put this whole thing together have said that they're sorry. They've taken the blame for it, but our people are still in jail. How can you say you're the cause of it and that all this has happened as a result of things you did wrong, but still keep our people in jail?"

In his letter to the Senate Judiciary Committee asking for an independent investigation, Dave Hall summarizes the conclusions of his TV station's investigation of the tragedy. Those conclusions read, in part, "The Branch Davidians were shot upon without warning; subjected to psychological warfare tactics; their children were killed before their very eyes; and, finally, after 51 days, they were cyanided, many to the point of incapacitation, others to the lethal point. The building was set on fire with pyrotechnic tear-gas shots to destroy the evidence of the crimes the agents had committed. Within two days, bulldozers were brought in to further complicate any further investigation."

Why did this nightmare happen?

The government's confrontation with the Branch Davidians may have started as a kind of public-relations ploy to show how good the government was at maintaining law and order by crack-

ing down on cults with illegal arms caches and weird ways. But then the publicity stunt got out of control.

Linda Thompson's opinion is that "Waco was merely one of the first tests of using federal law enforcement with military, and using military tactics. The government proved it could use the major media to tell the government's version of the story to the public. It was a victory for mass propaganda.

"They murdered 98 people in front of our eyes on national TV, and the public bought it."

And Waco has one final, totally chilling message to the people of America: "It is useless to resist.... Don't confront your government, or you'll be dealt with." Anyone who accepts without question the official version of the government's war against the Branch Davidians has, in reality, already surrendered.

Editor's note: Dave Hall, of KPOC-TV in Oklahoma, has been a major investigator of the government's mishandling of the Waco disaster and was of great assistance to us in preparing this article. Hall and KPOC-TV have produced a documentary entitled The Waco Incident that is available from Southwest Video ((800) 284-7566). O—

VINCE FOSTER

WITNESS IN FOSTER INVESTIGATION HARASSED BY DOZENS OF MEN ON THE EVE OF HIS WHITEWATER GRAND JURY TESTIMONY

By John H. Clarke

Introduction

I am a lawyer admitted to practice in Washington DC, Virginia, and Maryland. In my ten years of practicing civil and criminal law, I have yet to come across a case like the one offered to me on Friday, October 27, 1995. The case is bizarre. The facts raise questions of significant interest to the public.

On the evening of October 27, 1995 at 5:30 p.m., I returned a phone call from Patrick Knowlton, then a casual acquaintance. He said he thought he needed a lawyer. He asked me to come to his apartment because he was afraid to go out in public. He sounded very distraught. He told me how someone was using significant resources in an effort to obstruct the investigation into the death of Deputy White House counsel Vincent Foster -- at his expense. The facts are bizarre, but true. Mr. Knowlton and I have spent many months since then writing and assembling a well documented, credible account of what happened.

Synopsis

On July 20, 1993, the day Vincent Foster died, Patrick Knowlton was in Fort Marcy Park for five minutes. Knowlton saw only two cars in the parking lot. Neither belonged to Vincent Foster. Seated in one of these cars was a lone man. The man gave Knowlton a constant threatening stare. As Knowlton got out of his car, the man also got out of his car. Knowlton walked into the park headed in the opposite direction from where Foster's body was found, whereupon the man got back in his car. Thus the man's behavior was consistent with his acting as a lookout, as if his purpose was to prevent any passers-by from venturing into the area of the park where Vincent Foster's corpse was found 80 minutes later.

The following evening, when Knowlton learned that Foster's body was found at Fort Marcy Park, he called the US Park Police and reported what he had seen at the park.

Almost nine months later, in April and May of 1994, Knowlton was interviewed by FBI agents assigned to the Office of Special Counsel under Robert Fiske.

In October 1995, investigative journalist Ambrose Evans-Pritchard ("Pritchard") contacted and interviewed Knowlton. Pritchard showed Knowlton recently declassified

FBI reports of Knowlton's statements to the FBI agents given 18 months earlier. The reports misrepresented Knowlton's statements on several important points.

On October 22, 1995, Pritchard's article of Knowlton's account of his experience at Fort Marcy Park was published. The article reported that when Pritchard showed Knowlton the FBI reports, Knowlton stated that "his statements have been falsified." A police artist's composite sketch of the man who gave Knowlton a "threatening look" accompanied the article. The article also reported that the Office of Independent Counsel under Kenneth Starr (Fiske's successor) had shown little interest in Knowlton's account, and that Knowlton had never been asked to testify before the Washington, DC, grand jury.

Four days after the article was published, on Thursday, October 26, 1995, at 10:30 a.m., Knowlton received a subpoena to testify the following Wednesday, November 1, before the Washington, DC, grand jury investigating Whitewater and related matters, including the death of Vincent Foster. Beginning that same day, October 26, 1995, a bizarre series of events began to unfold. During the time Knowlton spent in public that Thursday and Friday, 25 or more men followed him, and walked towards him, or came from behind, and gave him purposeful, intimidating, timed, threatening stares. Knowlton suffered four more similar incidents during the next six days. The harassment was obviously orchestrated by people with considerable resources who knew the route of Knowlton's routine walk.

Investigators assigned to the Office of Independent Counsel under Kenneth Starr have the identity of at least four of the individuals who harassed Knowlton. In an attempt to bare a comprehensive account of the harassment Knowlton suffered, on November 30, 1995, a Report of Witness Tampering, written by Knowlton and me, was sent to the Office of the United States Attorney, the FBI, the Office of Independent Counsel, the special Senate Whitewater committee, and the District of Columbia Metropolitan Police Department. On March 4, 1996, we published a revised Report of Witness Tampering - Harassment of a Whitewater Grand Jury Witness, which further documents the harassment Knowlton suffered. It is available to the public.

Questions

Question: Were the reports of Mr. Knowlton's statements to the FBI in April and May of 1994 falsified, and if so, why?

Answer: Knowlton's statements were reported incorrectly. The reports imply that he was confused about the Arkansas car he

saw, incorrectly stated that he said he could not identify the man in the other car, and gave the impression that Knowlton lied about his purpose for being in Fort Marcy Park, among other discrepancies. Since the discrepancies are numerous and important, we think it unlikely that they were merely innocent mistakes. In light of the above, it may be noteworthy that one of the agents who interviewed Knowlton in 1994 asked him not to contact the Press in deference to the feelings of the of the Foster family, particularly the children. Shortly thereafter, Knowlton was invited to appear on the G. Gordon Liddy show. Knowlton declined.

Question: Who orchestrated and carried out this harassment, and why?

Answer: We do not know who perpetrated this crime. All the leads we have are in the *Report of Witness Tampering*. A law enforcement source of Pritchard's identified one of the cars involved in the harassment as a federal government vehicle, and suggested that Knowlton was "being warned, or there was an attempt being made to destabilize him before he appears before the grand jury." We believe the motive may also have been to discredit Knowlton. Whoever is responsible is guilty of obstruction of justice. The theories that have surfaced include: (1) the Clinton administration trying to hide the truth about Foster's death; (2) republicans trying to make it look like the Clinton administration is involved in hiding the truth about Foster's death; (3) journalists trying to sell newspapers; (4) a foreign government that Foster was involved with as a double agent; and (5) the FBI trying to cover up a botched investigation. We don't espouse any of these theories, but believe the first is the most plausible.

Question: Why did the FBI agents assigned to the Office of Special Counsel under Robert Fiske focus on the car with Arkansas plates during their two interviews of Mr. Knowlton?

Answer: It was obvious to Knowlton that the agents wanted him to agree that the car he saw was Foster's. During both interviews, the agents showed him photographs while repeatedly asking him if he was sure it wasn't the car he saw. During the second interview, they even read to him statements of other witnesses who reported seeing Foster's car after Knowlton left the park. The report stated that Knowlton said he saw a "1988 to 1990" car. He did not say that. It appears that the agents wanted Knowlton's account to comport with their reported theory of the case.

Question: What did Mr. Knowlton see at Fort Marcy Park on July 20, 1993 that would warrant this harassment?

Answer: If Foster did not commit suicide at Fort Marcy Park, Knowlton could possibly identify someone involved in his death. Knowlton also may prove that another car, similar to Foster's, was placed in the park to leave potential witnesses with the impression that Foster was in the park earlier than he was (five hours elapsed between the time Foster left his office until his body was found). Additionally, Knowlton possibly could demonstrate that the FBI covered up key elements in the case.

Question: Why was Mr. Knowlton not called to testify at the grand jury until after his account appeared in a newspaper article?

Answer: Knowlton was called before Starr's Grand Jury only after his story surfaced by publication in the newspaper article. The story criticized Starr's OIC for "never having talked to Knowlton," and for not having "summoned him to give sworn testimony." Apparently, the subpoena was issued in response to the article.

Question: How has the FBI, Office of Independent Counsel ("OIC"), or any other law enforcement agency responded to the report of harassment?

Answer: The OIC was informed of the harassment at least as of Friday afternoon, October 27, 1995, but did not respond until Monday, October 30. Although the OIC told me they were taking his report of the harassment very seriously, Knowlton was not interviewed until a week after harassment. Knowlton's girlfriend, one of the two witnesses to the harassment, was interviewed six weeks later, and another witness (investigative journalist Christopher Ruddy) has not been contacted or interviewed. Although we are aware of a few investigatory actions by the OIC, we have been unable to learn the resources employed, or whether any investigation is ongoing, because OIC investigators told us they could "neither confirm or deny" any ongoing investigation. When we requested that the District of Columbia Metropolitan Police Department investigate, they told us as long as the "Feds" are involved, they would not investigate.

Question: Has there been any interest on Capitol Hill?

Answer: Yes, initially. On November 7, 1995, Knowlton was interviewed on Capitol Hill by Congressman Dan Burton (R-Indiana) and Congressman Steven Schiff (R-New Mexico). On

07/12/96 15:49 202 543 7518

L

Cont

November 18, Knowlton met with Congressmen Dan Burton, Dana Rohrabacher (R-California), James Walsh (R-New York), and the Press Secretary for the Office of the Majority Whip. On December 13, 1995, Knowlton gave a sworn statement at Congressman Burton's office. Excerpts from that transcript are attached to the *Report of Witness Tampering*. We provided a copy of the *Report of Witness Tampering* to all the people mentioned above, to Senator Alfonse D'Amato and to Speaker of the House Newt Gingrich.

Question: Was Mr. Knowlton treated disrespectfully by Starr's prosecutors when he testified before the grand jury, and if so, why?

Answer: Mr. Knowlton was treated very disrespectfully during his appearance before the grand jury. Their lines of questioning implied that Knowlton was a publicity hound, a liar, a homosexual, and had acted in concert with two journalists in concocting his story. They repeatedly ask Mr. Knowlton about his contacts with the Press and on Capitol Hill. They asked about his knowledge and visits to Fort Marcy Park (the park is reportedly frequented by homosexuals for "cruising"), and repeatedly asked about his relationship with the two men he had investment property with in Virginia. He was asked a series of questions about the man he saw at Fort Marcy Park, including whether the man talked to him, passed him a note, pointed a gun at him, confronted him, or touched him sexually. In response to my complaints, Starr's Washington, DC, deputy, told me the OIC believed Knowlton's account and that the treatment he received was proper. We believe the OIC did not believe Knowlton, and that they wanted him to know they didn't believe him.

Question: The *Report of Witness Tampering* includes documentation of a psychiatric evaluation of Mr. Knowlton. Did you send him to a psychiatrist to show that his accounts of the harassment weren't delusions?

Answer: No. It wasn't necessary to have Mr. Knowlton tested to show that he is not delusional. Each encounter was also observed by other people. Knowlton's girlfriend (who holds a Ph.D.) witnessed the harassment of October 26 and the morning of October 27, and investigative journalist Christopher Ruddy witnessed the harassment on the afternoon of October 27. Other witnesses observed four or five men outside Knowlton's building late at night and into the morning of October 28. Three of these witness' accounts appear in the *Report*.

I had Mr. Knowlton examined by a psychiatrist primarily to establish his credibility in a different context. Since Mr. Knowlton describes the appearance and the activities of the man who harassed him in great detail, I had him examined by a psychiatrist to prove he has a superior power of recall. Regarding the detailed descriptions in the Report, Dr. Thomas C. Goldman stated:

Nothing in these descriptions of any of these individuals suggests anything so far outside the realm of the possible to seem incredible...

You had asked me to opine on whether it was possible for an ordinary person to make such a large number of detailed observations given the short period of time... First, Mr. Knowlton was clearly in a state of high alert from perceived danger. In such a state, perceptions are generally heightened intensity and powers of concentration and recall can be greatly enhanced... Secondly, Mr. Knowlton tends naturally to be a person who is attentive to details in his environment... Thirdly... this test [Visual Reproduction subtests of the Wechsler Memory Scale] demonstrates Mr. Knowlton has unusually good powers of delayed recall... consistent with his ability to report accurately on the events of October 1995.

Dr. Goldman's report also dispels any notion that Mr. Knowlton's account of the harassment were delusions: "There is nothing of the bizarre... or highly idiosyncratic in the descriptions that would suggest a delusional process... In short, he did not display typical delusional thinking... The test showed no indication of a paranoid process or of any other pathological process that would tend to undermine Mr. Knowlton's credibility in this instance."

Question: The Report also contains a Polygraph Examination Report, conducted by a highly respected polygraph examiner. Why did Mr. Knowlton submit to a polygraph examination?

Answer: Investigators and at least one journalist implied or stated that Knowlton is lying about what he saw at Fort Marcy Park and about his account of harassment. Mr. Knowlton passed the examination. The Report of Polygraph Examination is in the Report of Witness Tampering.

Question: Did your client really suffer from being harassed?

Answer: The harassment he suffered, coupled with the apparent failure of the FBI or the Office of Independent

Counsel to respond to it, has had a significant impact on Mr. Knowlton's overall well-being. Dr. Goldman noted:

By the time he and Kathy had left the drugstore it was impossible to deny they were being watched and harassed (according to both their reports) and they were quite frightened, to the point that Knowlton felt rubber-legged and thought he could hear his own heart beating. The men represented a potential physical threat and they both entertained thoughts that they might be assaulted or killed...

To the present, Mr. Knowlton remains seriously concerned with the foregoing events and their ongoing significance. He exhibits signs and symptoms of emotional stress including sleep disturbance, appetite and eating disturbance, loss of sexual interest, diminished investment in his daily exercise routine, and an exaggerated startle response. His concentration has at times been impaired and he reports feeling more vulnerable and less confident. Kathy reports he is more withdrawn and irritable and that his mood, previously buoyant, is now often preoccupied and tense...

Mr. Knowlton's response to the situation contains elements of excellent coping (e.g. making and reporting observations, seeking help) and elements of feeling overwhelmed, indicated by typical signs and symptoms of posttraumatic stress. The stress appears to come from two related sources: one, the sense of physical danger naturally engendered by the harassment described; and two, by the experience of being treated by recognized authority figures with mistrust and suspicion and attempts to discount or discredit him, in response to his attempts to tell the truth and to be a responsible citizen.

*Report of Witness Tampering -
Harassment of a Whitewater Grand Jury Witness
147 pages. \$23.95 at (800) 251-8086.*

JUL-12-1996 13:32

TELEGRAPH WASH DC

202 393 1335 P.01

The Sunday Telegraph

1331 Pennsylvania Ave. N.W.

Suite 904

Washington, DC 20004-1718

(202) 628-4823

(202) 393-1335 (fax)

July 12 1996

Dear Mr Clarke,

While investigating the intimidation conducted against Patrick Knowlton I was told by two former federal agents that the US government would sometimes use such tactics to either discredit or destabilize an individual.

Both agents were career intelligence officers, and both had done tours of duty in the White House.

One of them described Knowlton's treatment as a "boiler-plate operation". He said he had employed the same tactics many times himself.

The other agent said the White House has the capability of mounting such an operation. The people involved would not know the reason for conducting the harassment. They would only be told that the target was a "threat to the president". He said that foreign nationals would frequently be used for this kind of work because it would cause confusion and create a degree of deniability.

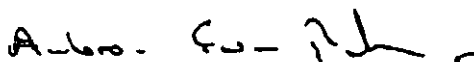
Both men suspected that the Federal Emergency Management Agency may have a hand in it, perhaps drawing on personnel from other agencies.

Both men also said that it was standard practice in surveillance operations to use the number plates of somebody who was ostensibly an ordinary citizen. In reality, the person would often be the spouse or close associate of somebody in the intelligence/national security field. At times, duplicates plates would also be used.

A third source, currently serving in the intelligence community, said that the number plates of a car seen by Knowlton -- Maryland plates CBF 686 -- was in the computer system as a deniable plate used by the government. In this case the tag appears to be a duplicate because the number tracks to a young women who works as a clerk at WalMart. She clearly has no involvement in the case.

As you can appreciate, I am unable to identify my sources with any more precision. I hope this is of some help.

Yours sincerely,



Ambrose Evans-Pritchard

TED L. GUNDERSON AND ASSOCIATES • International Security Consulting and Investigations
2118 Wilshire Blvd. • Suite 422 • Santa Monica, CA 90403-5784 • 310/364-2280 Fax (702) 650-5674

Mr. John H. Clarke
Attorney At Law
Corporate Extensions Inc.
720 Seventh St. NW #304
Washington, D.C. 20001

July 12, 1996

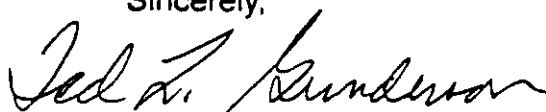
Dear Mr. Clarke,

I have reviewed your report which contains allegations of witness tampering and a civil rights violation. I am a 28 year veteran of the FBI. Since my retirement in 1979 as Senior Special Agent in Charge of the FBI, Los Angeles Division, I have testified many times as an expert witness in both civil and criminal matters.

If called to testify, I would state as follows:

1. Mr. Patrick Knowlton should have been afforded a formal interview immediately upon making the complaint to the U.S. Park Police on July 21, 1993 instead of the interview with the FBI nine months later. This delay indicates incompetence, dereliction of duty and/or negligence on the part of the U.S. Park Police and/or the FBI.
2. The misrepresentation and falsification in the FBI report of Mr. Knowlton's interview that was shown to Mr. Knowlton by Mr. Evans-Pritchett 18 months later is inexcusable and establishes possible purposeful falsification and/or negligence on the part of the interviewing agents and/or the agent preparing the report.
3. The fact that Mr. Knowlton furnished the information to authorities and was not issued a subpoena to testify more than two years later, after Mr. Pritchett's article was published on Oct. 22, 1995, is inexcusable and indicates negligence, and/or incompetence, and/or a deliberate attempt to prevent him from testifying.
4. Mr. Knowlton's allegations of harassment are well documented. That which is described is a technique that I am both aware of and knowledgeable about which is often used by government agents. This technique is used for intimidation and to prevent a witness from testifying and/or cooperating with officials out of fear of harm to the witness or his loved ones.
5. The reported attempt to discredit Mr. Knowlton by officials is often used by government agents against witnesses. I have personal knowledge of this tactic and know of many instances when it has been used.
6. The question remains, did the Office of Independent Counsel initiate action to identify the man in the automobile in the park? Did they take appropriate action to investigate the harassment of Mr. Knowlton particularly since they know of at least four individuals who harassed him? Have they taken any steps to reprimand those within their ranks who have not followed through with these matters? Have they taken any action to confirm whether violations of the Federal Statutes have occurred in which Mr. Knowlton is a victim? If not, as an expert witness, I would state that there is an attempt to cover-up these specific violations alleged by Mr. Knowlton and probably to further obfuscate other circumstances concerning Mr. Foster's death.

Sincerely,



Phone call holds key to

The death of a
White House aide
is a step closer to
an explanation,
says Ambrose
Evans-Pritchard



MYSTERIOUS and hitherto undisclosed telephone call could hold vital clues for the investigation into the death of Vincent Foster, the White House aide whose body was found in a Virginia swamp in July 1993.

Foster made the call the night before his death. It provided a heated telephone conversation in which he loudly spoke of a plan to meet Hillary Clinton at a location referred to only as "the apartment" in order to cover confidential files.

The call was to Jerry Parks, a private investigator in Little Rock who had been chief of security at the Clinton-Gore presidential campaign headquarters. Parks was watching television at home when Foster, then deputy counsel to the President, called from a public payphone in Washington.

"I was angry exchange," Parks's widow, Jane, says she was in the room at the time. "Jerry told him: 'You can't give Hillary those files, they've got my name all over them.'"

An account of the phone call on July 19, 1993, comes from Mrs Parks alone. But official investigators told *The Sunday Telegraph* that they consider Mrs Parks a Pentecostal Christian now suffering from multiple sclerosis, to be a credit-witness.

Foster and Parks died within two days. Foster's body turned up next day. An unidentified .38 revolver without his fingerprints was lodged in the swamp. The death was ruled a suicide at first, but the case has been re-opened.

Kenneth Starr, the Independent Counsel investigating the Clintons' involvement in the Whitewater real estate deal, says Parks died two months later in a gangland-style case that has been solved by the Little Rock police.

It is not clear what files Mr Starr was referring to. But some of them may have concerned philandering by Clinton when he was governor of Arkansas. Mrs Parks said that her husband conducted covert surveillance of Bill Clinton for allegedly at Hillary's behest.

Parks believes that the files covered other shady matters too. In 1991, Mrs Parks discovered what must have been hundreds of thousands of dollars in cash in the boot of her husband's Lincoln car after he had made a trip to Mena airport in western Arkansas with Foster.

"It was all in \$100 bills wrapped in string, layer after layer," she said. "It was so full I had to sit on the trunk [boot] to get it shut again."

"I took the money and threw it in his lap, and said 'Are you running drugs?' Jerry said that Vince had paid him \$1,000 cash for each trip; he didn't know what they were doing, and he didn't care to know; he told me to forget what I'd seen."

She also said that Parks and Foster bugged the Clinton campaign headquarters in Little Rock. "Vince knew that somebody was stealing money from the campaign, and he wanted to know who was doing it," she said.

If her allegations are correct, Foster played a far more important role as a campaign fixer than is generally known.

Official documents show that Foster left his White House office shortly after 1pm on July 20, 1993, saying that he would be back. He was found dead at Fort Marcy Park opposite the Saudi ambassador's residence at 6.03pm. It has never been established what happened in the intervening five hours.

He could not have met Hillary Clinton because she was concluding a private trip to Santa Barbara in California — although Foster could mistakenly have believed he had a rendezvous with the First Lady.

Instead of returning to Washington, Mrs Clinton flew from California to Arkansas to visit her sick father, touching down in Little Rock at 7.40pm local time.

On the evening of July 19,

Foster was at home with his family, according to the statement by his widow, Lisa, to the FBI. The statement does not say, however, whether he left the house that evening for any reason.

Documents reveal that he received a telephone call from President Clinton at around 8pm inviting him to

return to the White House to watch a film — it happened to be *In the Line of Fire*, in which a dutiful Secret Service officer takes a bullet to protect the president — but Foster refused.

The call to Parks must have been made within the next hour or two. The call, Mrs Parks said, set in train a

fearful set of events. When, later, Parks learned of Foster's death, he blurted out: "I'm a dead man."

She then saw a change in her husband. "That's when Jerry got paranoid," she said. "He took some of my valium that night, something he'd never done before."

After her husband was

Oct. 6, 1996 *The Sunday Telegraph* 27

Foster's death



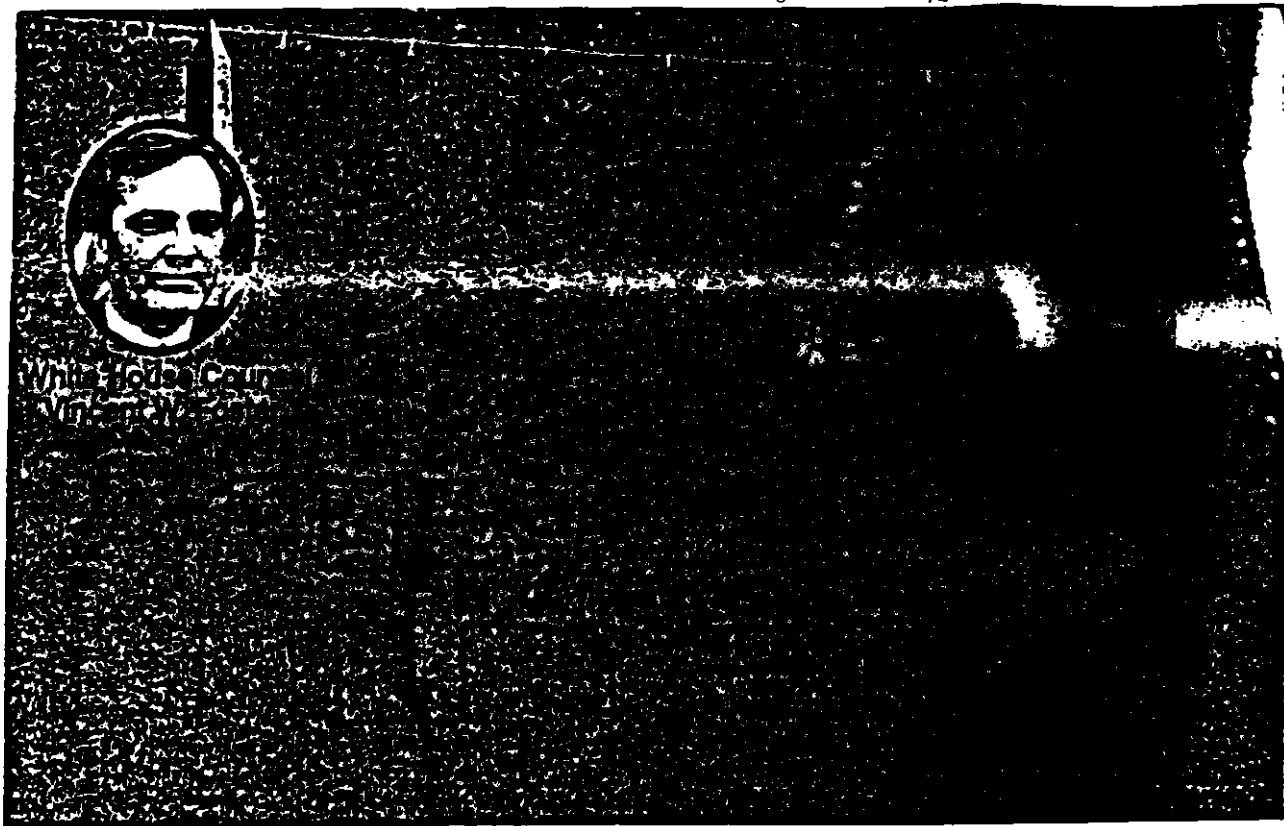
"Jerry told Vince: 'You can't give Hillary those files. They've got my name all over them.'"

Murder and mystery: Jerry Parks with his wife Jane (left), and Vince Foster with Hillary Clinton

murdered two months later, a team of police officers — including federal agents from the FBI, the Secret Service, the IRS and, she believes, the CIA — searched her house, taking everything they could find. Parks's computer was purged by an expert, and 130 tapes of telephone con-

sations were confiscated. Over the past two and a half years, Mrs Parks has given a series of interviews to *The Sunday Telegraph*, each time revealing a little more. She held back before, she explained, because she was afraid of violent reprisals

self if she revealed the full extent of her knowledge. "I've been praying about it," she said. "I decided that if you tell the whole truth it'll set you free." Last week she received three death threats. With mixed feelings, she has asked the US federal govern-



Rare Photograph of 30 Foot Tall fertilized letters in the lawn by the shadow of the Washington Monument. The message was quickly removed by authorities and hidden from public view, just like the truth about Vince Foster's death. This amateur photo was taken from the top of the Washington Monument on April 13, 1996 at 8:45 a.m.

True Foster Facts

- *Foster's car and office key rings were not found at Fort Marcy Park with Foster's car and body.
- *3 handwriting experts, including one from Oxford Univ., concluded the "suicide" note was a forgery.
- *Evidence including Foster's briefcase, X-rays, and crime scene photographs mysteriously vanished.
- *The White House lied about when it first learned of Foster's death by over two hours! Witness statements make it clear that the time was fudged.
- *Foster was not depressed or seeing a psychiatrist as the White House and media have claimed.
- *Paramedics testified they saw an "extra" small caliber bullet wound on the side of Foster's head.
- *No fingerprints were on the gun found in Foster's right hand. It was not even his gun.

POST
CARD

PLACE
STAMP
HERE

Ted Gunderson FBI chief

child- drug trafficking in the U.S
Satanic ritual abuse murdering of children

RON BROWN

MURDER IN THE FIRST DEGREE

An Interim Report on the Death of
Commerce Secretary Ron Brown
and Other United States
Citizens

Concluding Report Date: 10/15/95
Hearings in House Committee on National
Security and Senate Committee on
Governmental Operations
(Permanent Subcommittee on Investigations)

Top Secret U.S. Government
Classified Information
Leaked 5/14/96
by Military Informant *Eye Three*

Private Report

Not printed at government expense.
Not authorized by any agency of the
federal government.

MURDER IN THE FIRST DEGREE

PART I:

An Interim Report on the
Death of Commerce
Secretary Ron Brown, et al.

PART II:

A Summary of the 56 Clinton
Dead:
The Unknown and
Deadly Side of the
Whitewater Scandal

by Nicholas A. Guarino

Editor, The Wall Street Underground
Former TV Host, Commodities Week
Former Arkansas Businessman

We gratefully acknowledge the contributions of the two dozen brave and concerned citizens, officials, and military personnel who have risked disclosure and the abrupt end of their careers—if not their lives—by assisting us with timely and accurate information included in this report. For the information on the circumstances surrounding the death of Ron Brown, we are especially indebted to I-3, our third major informant within U.S. military ranks in the past year. "Eye Three," as he is nicknamed, is a highly-placed military source.

Cilipi Airport, Dubrovnik, Croatia, 2:10 P.M.,
April 3, 1996:

Captain Amir Schic lands a twin-engine corporate jet carrying the Croatian Prime Minister and the American Ambassador.

It is one of five planes to land routinely on Runway 12 in the hour preceding the scheduled 3:00 arrival of IFOR-21, the Boeing T-43A carrying Ron Brown and his upbeat entourage of American industrial deal-makers.

Cilipi Airport, 2:15 P.M.:

Businessmen begin to struggle into the lobby, a few carrying umbrellas to ward off the very light to moderate rain.

They're early because they're anxious to greet the 35 Americans who at this moment are taking off from Tuzla, Bosnia, 130 miles to the northeast.

Outside, a perfect breeze blows at 14 mph from east to west, perfect because at 120° from north, it is only one degree off from being an exact headwind for the landing pattern of IFOR-21.

Contrary to some U.S. news reports, it is not a dark and stormy night. It is the middle of the afternoon.

The Radio Shack of Cilipi Airport, about
2:30 P.M.:

Maintenance Chief Niko Jerkuic, 46, nervously fiddles with the dials on his VOR (VHF Omnidirectional Radio) beacon, the only instrument he has that can guide approaching planes.

He rechecks his terrain map again and again. In a couple of hours, he will be a rich man, the two American operatives told him, if he can quietly send IFOR-21 into Sveti Ivan (St. John's Hill), one of the highest mountains in the area at 2400 feet.

On the other hand, if he miscalculates ... well, the Americans did not look like men who would forgive someone who botches a serious assignment like this one.

All Jerkuic knows is that there is someone on the plane who is very dangerous to the American President, and it is his job to make sure the plane never lands.

He glances out at some broken clouds scudding by 400 feet above. They will have no effect. He will have to depend on the main cloud cover at 2,000 feet. Sveti Ivan rises almost 400 feet into this overcast. Jerkuic calculates that he will have to alter the signal by a full ten degrees to send the plane that far off course to the north into the mountains.

Money or no money, he begins to wonder if he's doing the right thing.

Issue. But word came down from the head office to kill it, and that was that.

Cilipi Airport, 2:48 P.M.:

Captain Schic climbs to the control tower to give IFOR-21 a friendly radio greeting and reassurance that all is well.

He describes the Cilipi weather: Visibility eight kilometers (5 miles), winds still at 14 mph, all flights arriving normally.

Flying at about 10,000 feet and 40+ miles away, Co-captains Ashley J. Davis, 35, and Tim Shafer, 33, thank Schic for his words of welcome.

These conditions are later described by Newsweek and others as "the worst storm in ten years" with "visibility just 100 yards." (Their portrayal of the weather is flatly denied by Aviation Week and Space Technology.)

In the clouds over the Adriatic Sea, 2:50 P.M.:

IFOR-21 reports in to Cilipi routinely. It is the last time their voice is heard.

Split, Croatia, 2:52 P.M.:

The main regional radar station loses IFOR-21 from its screen.

Kolocep Island, 2:54 P.M.:

IFOR-21 is on course as it passes over Cilipi's first beacon, 11.9 miles from the airport. It then locks onto Jerkuic's second and final beam, mis-set at 109° instead of 119°. But the control tower doesn't know the plane is now off course. It has no radar.

Aboard an AWACS plane, 2:56 P.M.:

The U.S. Air Force plane keeping track of air traffic in the Bosnian conflict area loses track of IFOR-21 just after it passes over Dubrovnik. (Being the military version of a Boeing 737-200, IFOR-21 is not easily lost.) Because it is less than a mile off course at this point, no one on the AWACS notes any problem.

Srebreno, Croatia, 2:57 P.M.:

Villagers hear a plane roaring past unusually low and close.

Plat, Croatia, 2:57 P.M.:

Villagers Ana and Miho Duplica rush outside and see IFOR-21 looming "like a ghost out of the clouds."

Velji Do, Croatia, 2:58 P.M.:

Everyone in this tiny collection of stone huts at the base of Sveti Ivan hears a plane go directly overhead in the clouds, then rev its engines mightily for one instant.

Aboard the plane, the klaxon of its ground-proximity warning device suddenly blares, jolting Captain Davis. He immediately jerks the plane upward and to the left.

The two to three seconds of warning are far too little. The plane's left wingtip touches ground, spinning it directly into the rocky hillside, making an earth-shaking explosion.

There is the crackling hiss of a huge fireball as the plane and its large load of gas burn. Then a dead silence in the mist.

The tail section remains quite intact, but the rest of IFOR-21 is all over the hill, making later identification of many of the passengers impossible. The nose of the fuselage is just a blackish smudge in the ground.

All 35 people are dead except for stewardess Shelly Kelly, who, riding in the tail, sustains only minor cuts and bruises.

Cilipi, 3:18 P.M.:

U.S. authorities are notified that IFOR-21 is down, location completely unknown. However, they are to suffer 11 1/2 hours of confusion before arriving at the scene.

Republic of South Africa, approximately 4:00 P.M.:

News reports say an attempt has been made on the life of Ron Brown's law partner, Tommy Boggs, by unknown assailants in a staged car accident in Capetown. Later, Boggs refuses to discuss it.

Cilipi, later that afternoon:

Niko Jerkuic goes home to collect his reward, but the reward is not waiting for him. It comes three days later: a bullet through the chest, administered just shortly before he is scheduled to be grilled by the U.S. Air Force accident investigation team.

The hit squad wraps his hand around the gun and departs. The Americans do not want a live witness who could spill the beans later.

Like many of the Whitewater dead, Jerkuic is immediately labeled a suicide, even though there's no evidence—and a chest wound is a rather rare cause—especially with a large caliber pistol (unusual in Europe).

The quick official reason given for bachelor Jerkuic's death is despondence over romantic troubles with his girlfriend. At this point, however, we have not been able to find any verification for this. Instead, what we have found are neighbors and friends who all agree that Jerkuic was not depressed. Like many of his friends who had survived the years of the Bosnian war, he was excited that life was finally getting better.

Crash site, 7:20 P.M.:

Four hours and 20 minutes after the crash, the first Croatian Special Forces search party arrives on the scene and finds only Ms. Kelly surviving. They call for a helicopter to evacuate her to the hospital.

When it arrives, she is able to get aboard without assistance from the medics.

But Kelly never completes the short hop. She dies enroute. According to multiple reports given to journalist/editor Joe L. Jordan, an autopsy later reveals a near three-inch incision over her main femoral artery. It also shows that the incision came at least three hours after all her other cuts and bruises.

This datum, of course, creates in one's mind a horrifying scene in the back of the chopper, as one Special Forces operative holds down the struggling woman and muffles her screams while another slices her leg.

Further necropsies will probably not happen. At this writing, Clinton has ordered the cremation of all victims. It's hard to perform autopsies on ashes.

All this cries, of course, for an explanation of why anyone would be so eager to kill Ron Brown that they would take 34 innocent Americans along with him. I will address this issue in a moment. But first let me describe the current state of thinking on the cause of the crash.

Confusion or Coverup?

Ever since the crash, most reporters and officials have refused to even consider the possibility of foul play.

Some of them have merely followed orders. But most

of them have instinctively fled from the highly disturbing possibility that Ron Brown was assassinated by people close to his own President.

So confronted with the total impossibility of two experienced pilots following a VOR beam to a crash site 1.6 miles off course, they all shrug their shoulders in bewilderment. None of their theories have come even close to explaining how a beacon that is accurate to within two feet at the landing point could lead the plane so far astray. But they have tried:

- The Air Force's official explanation is that the pilots set the compass on the IFOR-21 10° off course. That is impossible. Pilots routinely set their compasses right before takeoff. If they set the compass off 10°, they would not have been on course when they passed the first beacon, 11.8 miles from the airport. Instead they would have been miles and miles off course at this point. To make this explanation even more absurd, the plane was flying on the VOR signal, not the compass.

- One desperate explanation was a nasty crosswind that "blew" the plane sideways. Not credible: This would require a wind 90° off from the actual wind.

- Most of the press and officialdom have blamed poor visibility to some extent. To do this, they have to take the ferocity of the rainstorm later that afternoon and evening and move it back in time to the crash hour. But records show the weather from 2:54 P.M. to 2:58 P.M. was well within the normal limits for landing. And VHF beacons never get blown off course.

In any case, pilots more than a few miles from an airport normally rely on a beam rather than visual sighting anyway.

- Pilot fatigue and strain? Not likely on a 45-minute flight.

- Equipment malfunction on a rickety old plane? IFOR-21 was the number two plane in the White House fleet: in essence, Air Force Two. It had carried Hillary and Chelsea Clinton and Defense Secretary William Perry just the week before. Everything about the flight was checked out and rehearsed a week in advance.

- Lightning or other troubles causing the pilots to lose track of the beam? No, they were both drilled in the standard procedure for Cilipi: If you lose the beam or miss the airport, you immediately veer TO THE RIGHT AND UP to make sure you avoid Sveti Ivan. Indisputably, the pilots thought they were following the beacon, or they would have executed the standard right turn within seconds. Plus, their landing gear was locked down, showing that they expected to land at any moment.

In sum, none of the "official" explanations to date have held any water. And all of them ignore the glaring fact that IFOR-21 did not simply stray off the path at the last moment; by all accounts, it went straight as an arrow to its doom the moment it left the Kolocep Island beacon

and picked up the Cilipi beacon. The problem had to be the Cilipi beacon, which was broadcast to cause the plane fly 10° too far north.

And Even Worse...

Could the problem have been that technician Niko Jerkuic had let his equipment become run-down? No, thousands of landings had taken place while his equipment was running, some just minutes before the crash. To transmit a VOR beacon that's ten degrees off, it takes more than an accident.

Obviously, this explanation could do double duty by aiding the suicide theory. In this scenario, Jerkuic simply felt so bad about his shoddy work that he shot himself. Unfortunately for the theory, you can't just accidentally bump a knob and make the whole apparatus line planes up with Sveti Ivan. It takes a sustained effort by a qualified engineer. Plus, other planes had landed just before EFQR-21. So Jerkuic had to have made his adjustment at the last minute.

Alternative scenario: It is very possible (and a bit simpler) that Jerkuic simply shut his beacon down—at the same moment that a decoy beacon was turned on by a fellow operative sitting on Sveti Ivan. A decoy beacon will easily fit in a jeep. This is an old, old trick.

The question arises: Could not the whole issue be resolved by a quick review of the tapes at the control tower? They probably could—if the tapes had not suddenly disappeared.

And couldn't the air traffic controller shed some light on things? Certainly. But now he, too, has "committed suicide"—which, by the way, is a rare event for such a cause in Croatian culture.

I repeat: No official anywhere is facing these facts. As a result, their "explanations" are laced with words like mysterious and unknown and inexplicably.

The unanimous opinion of our informants: This information, if widely known, would eliminate any chance of Clinton's re-election.

The First Time in History: Air Force Kills Investigation

The chief investigator for Pratt & Whitney happened to be at the Paris Air Show on April 3.

Because Pratt & Whitney always sends an investigator when a plane powered by their engines has a mishap, the man called his boss in America, and said, in effect, "We've just had a crash in Croatia. I think I'd better get down there." The response was, "Go pack."

But as the investigator was packing at his hotel, the boss called back. "Don't go," he said to the astonished employee.

"There's not going to be a safety investigation."

Sure enough, the Air Force had, for the first time in its history, canceled the safety investigation of a crash on friendly soil. There would only be a quick token legal investigation designed to enable a committee to blame the pilots or some remote general and go home.

At this time it's an open question whether the black boxes will play a role. Within hours of the crash, the Croatian Ministry of Transport announced that they had the black boxes. One and a half days after the crash, Croatian TV (plus Russian and French TV) announced that the FDR (flight data recorder) and the CVR (cockpit voice recorder) were safely in the hands of U.S. Marines. They said that soon "the cause of the crash will be assessed to find out what happened."

The U.S. European command in Stuttgart, Germany, also stated that a black box was aboard.

Later, the Pentagon brass stoutly disputed all this, stating that there were no black boxes aboard. They claimed the actual recovered boxes were designed to hold soda pop and toilet paper. (The Croats, who feel they can tell a reel of tape from a roll of toilet paper, are keeping mum.) Also, black boxes are usually painted bright orange, and they can't be opened with a thumb—or hardly at all.

It is difficult to imagine that America's #2 VIP plane had no black box. And a veteran Air Force mechanic who claims to have worked on just about every T-43A in the USAF tells us he never saw one without a black box.

Why would anyone want to Murder Ron Brown?

By all accounts, Ron Brown was a charming fellow who worked very hard and very effectively to promote U.S. business.

Why, then, would anyone want to kill him? And who would have the resources to do it by bringing down a large White House airplane?

The answer, in brief, is that Ron Brown was going to prison—no ifs, ands, or buts about it.

Also, Bill Clinton's presidency was surely going down with him. And that the President would not allow.

To anyone who has followed the story closely, this conclusion is obvious. Brown was up to his neck in numerous major scandals: Whitewater, the Denver airport mess, Mena, the Keating Five, Lillian Madsen and her Haitian prostitutes, etc., etc. Small wonder that 22 congressmen wrote Clinton in February of 1995, demanding that he fire Brown.

At the time of his murder, Brown was under investigation by:

- a special prosecutor in the Justice Dept.

Ted Gunderson FBI chief

- the FDIC
- the Congressional Reform and Oversight Committee
- the FBI
- the Energy Dept.
- the Senate Judiciary Committee
- and even his own Commerce Dept. Inspector General.

But in case you missed the piecemeal accounts in the papers, here is an extremely condensed summary of 11 of Brown's woes (which were shortly going to become Clinton's woes, as I'll show below):

1. How did North Vietnam recently get us to drop our trade embargo against them so suddenly? Easy. As a Vietnamese businessman and official later revealed to the press, the Communist government paid Brown \$700,000 to do it. The money went into a Singapore bank account, the embargo fell, and Clinton squashed a feeble FBI attempt to investigate. He and Brown also neutralized a federal grand jury probe later.
2. Brown sold plane seats on other trade trips besides the one to Bosnia/Croatia. Companies making big contributions to the Democratic Party or the Clinton Victory Fund could buy access and get tax breaks or regulatory favors.
3. The 1/23/95 U.S. News & World Report broke the news that Brown had bought a \$360,000 townhouse for his girlfriend, Lillian Madsen, a prominent political player and whorehouse madam from Haiti.
4. Brown used to receive \$12,500 a month as the P.R. flack for Baby Doc Duvalier, the much-loathed dictator of Haiti. Brown also managed Baby Doc's \$50 million investment fund, most or all of which is now in Vietnam firms.
5. Brown was a key board member of Chemfix, a Louisiana "waste management" corporation that landed a \$210 million contract with New York City in 1990 with Brown's help despite the fact that Chemfix had two contracts with other municipalities canceled because of the company's inability to perform. Brown got company stock at 24% of market value (making him millions) and New York mayor David Dinkins got to host the Democratic Convention. A typical Ron Brown win-win deal.
6. Brown founded Capital/Pebco, which—fresh out of the box—got a contract with D.C. mayor Marion Barry to handle the city's pension funds. Not a bad start for a new company with no investing experience. Brown earned huge fees.
7. In a deal that left CIA people livid, Brown okayed the sale of a new U.S. gas turbine engine to China for use in its cruise missiles. McDonnell Douglas developed the turbine as a military engine, but by arbitrarily reclassifying it as "civilian," Brown enabled China to build a fleet of missiles—which they can point at America (whom else?). powered



Oscar Performance: Leaving memorial service with the look movingly of Ron Brown. Clinton, smiling along with a group of officials, said: "I'm proud of you, Ron. You were a great man." (Upper Photo.)
Within one stride, he instantly changed his demeanor from a jovial grin to a weeping grimace. In another fraction of a second, he brought up his hand to wipe away an imaginary tear (Lower Photo.)

The breathtakingly fast switch in emotions would put to shame any method actor who ever lived. The tear was pounced upon by commentators from Rush Limbaugh to Paul Harvey to NBC's Bob Faw ("The gestures, the words do seem genuine. Sometimes they aren't.") to Newsweek's Howard Fineman ("I've decided Bill Clinton is at his most genuine when he's the most phony.... We know he doesn't mean what he says.... It was classic Clinton to wipe away the phony tear.")

The critical question we are left with is this: Do these photos show a man who was genuinely sorry to see Ron Brown dead?

by our America's engines. As part of the lucrative deal, McDonnell Douglas agreed to set up an airplane manufacturing plant using cheap slave labor in China.

8. Brown irked Congress and most of Europe by acting as point man for Clinton to bring Iranian Muslims and their weaponry into the Bosnia war. That broke the U.S.-endorsed arms embargo.

The money for the arms was most likely from Commerce and Agriculture, slush fund money channeled to U.S. manufacturers, thence to U.S.-friendly nations and firms overseas, thence to Iran. The arms included:

- helicopter gunships
- stinger missiles
- land mines
- anti-aircraft guns
- anti-tank weapons
- grenade launchers

...and other quality weaponry, most of which will remain on the European scene for decades to come, keeping the area destabilized.

As one leading munitions dealer put it: "Iran/Contra was slingshots and cap guns compared to the quantities and size of arms given the Croatian Serbs."

That is why the Croats were enthusiastically hosting Brown's planeload of executives. They felt gratitude for the free arms as well as a desire to do deals.

9. Brown was the partner of a Democratic fund-raiser named Nolanda Hill, who paid him \$500,000 for his 50% interest in First International, Inc., a company that never made any profits. Most glaringly, Brown never invested a cent in First Int'l.

First Int'l owned Corridor Broadcasting, which had defaulted on massive government loans of \$40 million. The loans were passed to the FDIC, which was unsuccessful in collecting anything from Hill, even though at that time the firm was making large contributions to the Democratic Party and paying hundreds of thousands to Brown through shell corporations.

These payments to Brown (three checks for \$45,000 each) were the core of Rep. Clinger's evidence that forced Reno to hire Daniel Pearson as special investigator of Brown's crimes. They were cashier's checks, all cut on the same day in 1993 with sequential numbers even though the money supposedly came from three contributors acting independently.

Brown never disclosed or paid any taxes on these amounts.

10. By personally delivering a warning letter signed by Clinton, Brown was able to force a bargain deal with the Saudis for \$6 billion in American military aircraft and hardware. The quid pro quo: To get the planes, the Saudis also had to accept a fat \$4 billion phone contract with AT&T. Also part of the deal: AT&T had a side agreement with

Brown's First International (see above). And the Democratic National Committee and the Clinton campaign fund were beneficiaries. This is how big business is done in Clinton's America.

11. The last nail in Brown's coffin was pounded in four days before the crash. FBI and IRS agents subpoenaed as many as 20 witnesses for a serious new grand jury probe of Brown in Washington. It seems that an Oklahoma gas company called Dynamic Energy Resources gave Brown's son Michael \$500,000 in stock, a \$160,000 cash payment, and exclusive country club memberships. Former Dynamic president Stewart Price told a Tulsa grand jury that the money was to be routed to Ron Brown, who was expected to "fix" a big lawsuit for Dynamic.

There is little chance you heard about this death-knell, grand jury case. It was reported on radio station KTOK in Oklahoma on March 28 and on the front page of the Washington Times March 29. But then a lock was put on the story; the AP and New York Times wire services blocked any further release of the information. (Welcome to the New World Order.)

Final proof: the 2/8/96 Washington Post reported that Brown had retained top legal gun Reid Weingarten, a former high official in the Justice Department, as his criminal attorney. You don't pay his prices (\$750 an hour) unless you know a criminal indictment is coming and you're probably going to jail.

Janet Reno appointed Daniel Pearson as Brown's special prosecutor. When she gave him blanket permission to investigate anything, Brown angrily demanded that Clinton force her to withdraw Pearson. But Reno couldn't do that; she had been backed into a corner by Rep. William F. Clinger, Jr., chairman of the House Government Reform and Oversight Committee. Clinger had copies of Brown's First International checks, among other incriminating documents.

When Clinton said he couldn't comply, Brown went ballistic. His fatal mistake—according to Brown confidants who requested anonymity—was telling Clinton that he wasn't going to take the rap. He wasn't going to let his wife and son take the rap, either. (Both had received hundreds of thousands of dollars in under-the-table payments themselves.) He was going to finger Bill and Hillary instead. That would have sunk the re-election campaign on the spot.

Dead Man Walking

From that point on, Brown was dead.

Like Vincent Foster before him, he knew too much. More than any man in Washington, he knew where all the money went for the payoffs, bribes, scams, money laundering, cover-ups, participation fees, hush money, and

side deals—all the way from one-man operations to vast multinational trade treaty fixes.

The phony suicide fakeout used on Foster could not be repeated, of course. But an airplane "whack," in the jargon of the intelligence community, is always viewed as an accident. So agents were sent—not directly by Clinton, but through a White House staffer—to a standing network of high-level killers, sometimes called the "Octopus." (See item on Danny Casolaro in Part II below.)

If the frequently-stormy weather at Cilipi had not cooperated, there would always be another trip—somewhere, somehow—and soon.

Conclusion to Part I

If the preceding data were widely known, America would realize that Bill Clinton is by far the most dangerous man ever to live in the White House.

His complex personality certainly has a genial side. But a clear overall picture of this man must include the brutal nature of the hit team that carries out his muttered wishes and looks after his political fortunes.

This is not simply the rag-tag "Arkansas mafia" that followed Clinton to Washington. It is a small but extremely well-organized network of pro-establishment heavy hitters and their ground-level operatives. With changes of faces from time to time, they have been on the scene since the 1970s.

Although the phrase "New World Order" would certainly describe the political alignment of most of these individuals, that is a simplistic way to describe such a dangerous circle. It would be clearer just to call them a diverse band of high-level thugs who, in a certain sense are not outlaws. They are the muscle squad of the establishment.

Their identity and methods will be much clearer to you after you read Part II of this report, which is considerably more hair-raising than Part I.

If you are a member of Congress, I urge you to assign your most trusted staff member to investigate these crimes, starting with a conversation with Daniel Pearson, who is still willing to share his information.

If you are an investor, I urge you to consider the enormous implications (good or bad) for your finances and future, as revealed in the accompanying letter.

Part II

A Summary of the 56 Clinton Dead: The Unknown and Deadly Side of the Whitewater Scandal

Despite all you have read about the so-called Whitewater affair, you have never seen the whole story, or anything close to it. Here, for the first time, you will see the full horror gathered together thread by thread.

Here is what President Clinton hopes you will never learn about "Whitewater." It is not just a flap over improper loans on a piece of property. It is a 13-year crime spree in which Clinton was guilty of:

Drug Running, Massive Bank Fraud, Extortion, Non-Stop Adultery, Attacks, Threats, Beatings, Coverups, Break-Ins, Bribery, Thefts, Conflicts of Interest, Arson, Money Laundering, Official Lies, Insider Trading, Rape, Election Fraud, Obstruction of Justice, Campaign Fraud, Federal Witness Tampering, Destruction of Subpoenaed Documents, and Being Accessory to 56 or so Murders...

Ron Brown and his innocent friends are only the latest in a 13-year-long string of Clinton deaths.

In Arkansas and across the U.S.A., there are 56 dead people who knew too much about Whitewater or Troopergate or CattleGate or some other Clinton scandal.

In some ways, I know more than they did. I spent 20 years in Arkansas, and I personally knew Clinton, Governor Tucker, Vince Foster, Jim McDougal, David Hale, Don Tyson, Jim Blair, and dozens more of that crowd.

Some of the dead probably died by accident. But it's silly to pretend they all did. For example:

Victim No. 1. On September 26, 1993, Luther "Jerry" Parks enjoyed a nice dinner at a Mexican restaurant in Little Rock.

Ted Gunderson FBI chief

On the way home, his car was forced to a stop, and he was mowed down by unfriendlies with nine-millimeter semiautomatic pistols.

The coroner pulled nine bullets from Jerry's body. I believe we can safely rule out suicide on this one. And it doesn't sound like your standard drive-by shooting, either. In fact, witnesses claim the hit man was a former state trooper who was very close to Bill Clinton.

Jerry was the owner of American Contract Services, which supplied the guards for Clinton's presidential campaign and transition headquarters. (Clinton still owed him \$81,000.) So he knew a lot about Clinton's comings and goings.

As a matter of fact, Jerry had quietly been compiling a major study of Clinton's sexual affairs for about six years. Not quietly enough, though. Shortly before his demise, his home was broken into and the study's backup files—filled with photos and names—were stolen, according to his widow, Jane ... after the security alarm was skillfully cut. Nothing else was taken.

His big mistake: "He threatened Clinton," Jane said, "saying he'd go public if he didn't get his \$81,000." And then came the end. The *London Sunday Telegraph* quoted Jerry's son Gary, 23, stating the obvious: "...they had my father killed to save Bill Clinton's political career."

After a long investigation, Little Rock police detective Sergeant Clyde Steelman gave his character endorsement: "The Parks family aren't lying to you."

But unless you live in Arkansas, you probably never heard about Jerry Parks. If you lived in London (or Nairobi or Hong Kong) you would know more. Whitewater and other Clinton scandals are a far bigger story overseas. Many foreign observers feel the Whitewater coverup is the biggest one in the world in fifty or sixty years.

Like the Watergate coverup 22 years ago, it won't work. Jerry Parks made copies of his Clinton sex files, and Mrs. Parks recently told me that one set was passed on to a federal law enforcement agency. There it awaits only the right moment to be brought into the spotlight.

Just as in Watergate, when the scandal breaks, the facts will surface—and stock investments will nosedive.

Victim No. 2. You must understand the central fact about the Whitewater Development Corporation: It was *not* the main crime.

Whitewater was only a pretext set up by Jim McDougal and the Clintons to milk millions of dollars from the SBA, banks, Arkansas Development Finance Authority, and Madison Guaranty Savings & Loan (which was later bailed out by us taxpayers to the tune of \$65 million).

The Resolution Trust Corporation people eventually figured out that their investigation of Madison wasn't

getting anywhere because it was based in Kansas City, where Clinton's people stymied it. So Jon Parnell Walker, a Senior Investigation Specialist in the RTC's Washington office, began a campaign to get the case moved to DC.

Soon after, Jon was looking over a possible new apartment in Lincoln Towers in Arlington, Virginia, when reportedly he suddenly decided to climb over the balcony railing and jump.

Jon's friends, family, and co-workers all agree on one fact: This man was *not* depressed. Maybe he was just impulsive.

Victim No. 3. You may remember the name Danny Ferguson. He is the Arkansas patrolman who once said he brought Paula Jones to Bill Clinton's hotel room.

Kathy, 38, his wife at the time, blabbed a lot about such things. She often told friends and co-workers about how Bill had gotten Danny to bring women to him and stand watch while they had sex.

(Altogether, Bill had hundreds of women brought to him, sometimes several a day. Young, pretty women pulled over for speeding or whatever would be offered a choice between a jail sentence or a trip to go see Bill.)

Part of Danny's job was to make sure that each woman was ready and willing when Bill met her. Kathy told people that Bill was *really* mad when Paula Jones wouldn't "put out." Bill hates to be refused.

On May 10, Kathy was found dead with a pistol by her right hand. A suicide, the police said. Only three problems with this:

- a. Women rarely use guns to kill themselves.
- b. I can't find anyone who *ever* heard of a nurse shooting herself. (Why should they? They know all the right dosages for pills, and they have access to them.)
- c. I've talked to three of the six nurses who worked most closely with Kathy at Baptist Memorial in Little Rock. They gave me, in no uncertain terms, a loud message to convey to you: "NO WAY did Kathy Ferguson kill herself." They are irate.

Besides, they and two other hospital personnel carefully viewed her body at the funeral home. Clearly, they agree, the small bullet entry hole, which they found stuffed with cotton, was behind her *left* ear, execution style. (The autopsy falsely claimed it was in her right temple; but *that* hole was quite large, which is typical of exit wounds.)

They also mention it was a standing joke among her friends that the right-handed Kathy was such a total klutz with her left hand that she admitted she couldn't even apply makeup with it.

Footnote to story: About three weeks later, Danny reversed his story, saying he didn't lead Paula to Clinton's room after all.

Second footnote: Bill Shelton, Kathy's new boyfriend (since her separation from Danny), was loudly critical of

the suicide story and complained to many people about it. Bill was found dead on June 9. They're calling this a suicide, too. But he also was found with a bullet entry hole behind his ear.

Ever hear of anyone who killed himself that way?

Victim No. 4. Vincent Foster, who was Clinton's counsel for Whitewater, was the highest government official to meet an untimely death since the Kennedys.

He could have killed himself on July 20, 1993, as Clinton's first "independent" counsel claimed. But it's rather doubtful. The story line concocted by the counsel has about 20 major holes in it. A few examples:

- Vince went out and hired two lawyers on July 19. As Clinton's man in charge of covering up Whitewater, he had failed badly and could see everything was about to unravel (which it began to do in Arkansas the very next day). Question: Why pay for a lawyer to launch a defense and then shoot yourself a day later? The independent counsel ignored this.

- After a somewhat hurried lunch in his office July 20, Vince grabbed his jacket and left the White House with the words, "I'll be back." And then we are supposed to believe, apparently, that he picked up a White House beeper, drove to his Georgetown townhouse, got a gun, drove to a lonely park in Arlington, walked 200 yards to a steep slope, went down into some thick bushes, sat down, shot himself and then threw his glasses 13 feet away through heavy brush, and wound up lying down supine and perfectly straight, legs together, with arms straight down at his side, the gun still in his hand, and trickles of blood running from his mouth in several directions, including uphill. What's wrong with this picture?

- Where's the bullet? None was ever found even after a massive search and excavation. Could it be that the police and FBI looked in the wrong place? Sgt. George Gonzalez (the first paramedic on the scene) and his boss both insisted they found Foster 200 feet from the official spot. If they're right, then why was the body moved?

- Where are Vince's fingerprints on the gun? All the prints are someone else's!

- Where are the skull fragments? None were ever found. Normally, a .38 will blow out a 4" to 5" hole, with blood and brains everywhere. Because of the mess and the noise, most sophisticated hit men today repack their cartridges with a half charge. This explains the tiny, one-inch hole in the back of Vince's head. The counsel skipped this, too.

- How could the soles of Foster's shoes have remained absolutely clean? That time of year, the soil in Fort Marcy Park, where his body was dumped, is the stickiest, gummiest you've ever seen. Ten steps, and your soles are covered with dirt sparkling with flecks of mica.

- Who is the mystery blonde whose hairs were found

on Vince? And why did the counsel not mention that carpet fibers and semen were found on his shorts? In this age of detective movies, how could anyone think such clues unworthy of mention in a serious report?

- The "suicide note" now has proven to be bogus! In a painstaking, three-month study by *Strategic Investment*, a panel of the three most respected forensic handwriting experts in the world unanimously determined the note to be a forgery.

The bright yellow note, torn into 27 pieces (without leaving one single fingerprint—try that!), suddenly appeared in Vince's briefcase after an absence of six days. During that time, the police and FBI had inspected the briefcase and found it to be empty.

- Today, thanks to the drug trade, hit men have polished the "staged suicide" to an exact science. If any sign of a struggle remains, the killer has failed his task. The trick is to persuade the victim he'll be OK if he cooperates—and then shoot suddenly. In the vile jargon of the professional assassins I've had the misfortune of meeting, "Ya gotta butter up a turkey before ya roast 'im." To my utter amazement, neither the independent counsel nor the Senate investigators knew anything about how hit men work today.

- Seven top U.S. forensic experts have gone on record as saying that the pattern of powder burns on Foster's index fingers is "not consistent with suicide."

- I could go on and on and on. The counsel quoted reports—even an anonymous one—from visitors to the park that day. But some witnesses also saw "a menacing-looking Hispanic man" by a white van with its big door open near Vince's car just before the body was found. The counsel left that out.

- Instead of allowing Vince's office to be sealed after his death, top Clinton staffers Bernie Nussbaum, Patsy Thomasson, and Maggie Williams frantically rifled it for "national security matters" (read: incriminating Whitewater documents) and carted them off to Hillary's closet upstairs. In a stunning show ofchutzpah, they even made the park police and FBI agents sit in the hallway for two hours while they did it. And Nussbaum later claimed it was only ten minutes! (An FBI agent disclosed to me that a file was opened for *obstruction of justice*, but Bill had it closed.)

Why would anybody want a nice, gentle fellow like Vince Foster killed and his body dumped in a park? For some excellent reasons, which I detail in my book, *The Presidential Mess: An Emergency Guidebook for Investors*. Believe me, it's a stunning story, and I'd like to give you a complimentary copy.

But the #1 reason is that Vince knew far too much and he had to go because he was about to crack—and that would have ended the Clinton presidency right there and then.

Suppose, however, it was suicide. Suppose White-

Ted Gunderson FBI chief

water was becoming such a horror that suicide seemed better than facing the music. What then?

Then the only logical explanation is scenario #2, which still puts Clinton in a very bad light:

- Vince's Whitewater coverup was coming apart. Facts were popping up in the press and people were talking. For instance, Clinton's partner in Whitewater, Jim McDougal, had gone to Little Rock attorney and 1990 Republican gubernatorial candidate Sheffield Nelson and made a taped statement which I have heard, saying:

I could sink it [the coverup] quicker than they could lie about it if I could get in a position so I wouldn't have my head beaten off. And Bill knows that.

- So sensitive was Vince to criticism that he was still bothered about the heat he was getting for his role in Travelgate. In fact, the independent counsel stated that those close to Vince thought that "the single greatest source of his distress was the criticism he ... received following the firing of seven employees from the White House Travel Office." Little did they know the whole story. Vince had to keep Whitewater details bottled up inside—even at home.

- On the day Vince shot himself, he received a shocking phone call from an attorney at Arkansas' Rose Law Firm saying that FBI Director William Sessions was about to subpoena the documents of Judge David Hale. Hale was a Clinton appointee who charged that Clinton forced him to give fraudulent SBA loans of millions of dollars to Clinton's friends. In the Senate hearings, Clinton's people denied such a call took place, but I know for a definite fact it did. And I'm backed up by the Rose phone billings and Vince's phone log. Also, Sen. Christopher Bond (R.-Mo.) later confirmed that the call was from "an old friend" at Rose.

- About this time, Clinton fired his FBI Director—a step so desperate that no President had ever taken it.

- Vince realized that the genie was out of the bottle. He had confided to his brother-in-law, former congressman Beryl Anthony, that he was very worried that Congress itself was about to launch a criminal probe into his affairs. (In this scenario, the "suicide note" was actually the "opening argument for his defense" before Congress—a defense which Vince told his wife he wrote on July 11.)

- He was sure that in such a probe, the easy-going David Hale would spill the beans and drag in Gov. Tucker, Steve Smith, Madison Marketing, Castle Grande, Whitewater, Vince himself—and, inevitably, Bill Clinton. He mentally added up the fines and prison terms he would face for concealing Bill's crimes—many of which he had taken a supporting role in. The totals were horrendous. And the thought of being a central figure in America's first presidential impeachment was too much for his quiet mind to bear. He told his wife and sister that he was thinking of

Hays is a long-time CIA contractor and a conservative. He is the one who broke the news that Vince Foster had received \$2.75 million from Switzerland just before his death. It was put into a U.S. Savings fund bank account that he controlled, but it was designated as a "U.S. Treasury Escrow Account." After his death, the number of the account was found in his wallet.

Similar accounts with unauthorized transfers from Switzerland were found to have been given to Paul Simon and other Congressmen. When they were threatened to break all quickly and without their retirements, shocking their supporters. (Patsy even had her bumper sticker ready to get hand out.)

Hays's findings were written up in *Media Bypass* by Jim Norman, former senior editor of *Forbes*. (*Forbes* refused to publish the article because one of the recipients of the huge accounts was Caspar Weinberger, now chairman of *Forbes*.)

Hays's name was on the ValuJet manifest, but he was unable to catch the flight. Color him lucky.

resigning. (But he still couldn't let on about the Whitewater crisis.)

NOTE: In recent days, you've seen Foster's fears come true with the conviction of Tucker and the McDougals. Now, Clinton is in the extremely awkward position of claiming, "Well, my partners in Whitewater Development are all convicted felons, but I'm pure as the driven snow."

WHITewater CAN NO LONGER BE CALLED A REPUBLICAN VENDETTA; IT'S A FACT OF HISTORY, AS I'VE KNOWN SINCE 1983.

In addition, Hillary has been proven to have done the billing on Campobello (see below) and written lots of checks for other Whitewater ventures, which makes her guilty of perjury because she denied any involvement.

And from my own data, I'm convinced that they also have her on bank fraud, campaign fraud, mail fraud, and wire fraud.

Vince was cracking up. Everyone around him agreed he looked and sounded terrible. The Desyre prescribed by his doctor didn't help. So when the call came about Hale's subpoena, he had to go home and think things over. But there, alas, he could think of no way out. So he put two bullets in his revolver, drove across the Potomac to the first quiet spot he found, hid himself in some bushes where he could pray in solitude, and pulled the trigger.

There. That sums up the most probable suicide scenario. Unfortunately for Clinton, it's very nearly as damning as the murder scenario.

Today everyone—from Vince's family to the press to the White House—professes to be baffled by his death. "How on earth," they wonder, "could such a typical Washington flap as Travelgate cause Vince to be so depressed?"

Under either scenario, the plain answer is: It didn't. The thousand Whitewater crimes did.

Victims No. 5 & 6. Then you have the small-plane crashes, which are fairly easy events to stage. Hit men commonly use any of five quick, simple techniques.

One method was used on the first two victims, C. Victor Raiser II, the former finance co-chairman of Clinton's presidential campaign, and his son, Montgomery. Their plane crashed in good weather near Anchorage, Alaska, on July 30, 1992. I respected Raiser as a man of integrity, but he was caught up in a lot of the shenanigans of the campaign—though he didn't like them. Eventually, he soured on Clinton, and thus became a potential major leak and a big threat to Bill's presidency.

Victim No. 7. Herschel Friday was another member of Raiser's committee and a heck of a nice guy. His plane dropped out of sight and exploded as he approached his own private landing strip in Arkansas in a light drizzle on March 1, 1994. Herschel was a top-notch pilot and his strip is better than those in most cities. (I know because I almost had to use it once when my own plane's carburetor started backfiring.)

Victim No. 8. Just two days later, Dr. Ronald Rogers, a very vocal dentist from Royal, Arkansas, was on his way to reveal some dirt on Clinton to Ambrose Evans-Pritchard, a reporter from the *London Sunday Telegraph*, when his twin-engine Cessna crashed with a full tank of gas in clear weather south of Lawton, Oklahoma. His pilot had just radioed that he was having trouble and needed to refuel in Lawton. (I'm 98% sure of the technique that killed both Rogers and Friday: it drops your fuel gauge to "empty," then cuts off your fuel when you tilt forward to land—and leaves no trace of a clue for investigators.)

There have been six other air crash deaths of former

Clinton intimates and advisors, but I believe they were true accidents. In fact, in the course of about 50 radio/TV interviews, I've talked with a number of people who blame every accident since the Titanic on Clinton. This foolishness distresses me greatly because it discredits the actual known murders. Yes, there are likely hundreds of deaths among people connected in some remote way to Clinton's scandals, but the probable murders are pretty much limited to those you see in this special report—and even some of these could be accidents. Your complimentary copy of my book, *The Presidential Mess*, will let you judge for yourself.

Victim No. 9. But Barry Seal's death was no accident. His story is so exciting that Hollywood made it into a movie (*Double-Crossed*), starring Dennis Hopper and Adrienne Barbeau.

Barry made about \$50 million as a pilot and plane supplier in Clinton's incredibly elaborate and successful drug-running operation out of Mena, Arkansas.

Iran-Contra was conceived as a simple scheme to use the Ayatollah's money to send guns to the Contra freedom fighters. But from that humble, Ollie North beginning, it blossomed into the great Arkansas dream. Virtually every load of Chinese AK-47s (plus light machine guns, grenades, and other small ordnance) taken from Mena to Nicaragua was matched by a return load of dope and cash flown in from Colombia via Panama or the Cayman Islands on "black flights" that Customs officials and air traffic controllers were instructed to ignore.

According to an exhaustive, top-selling new book entitled *Compromised*, by Terry Reed and John Cummings (which I found highly accurate), pilots were bringing back and air-dropping over \$9 million a week in cash, which was properly laundered and then went into Arkansas industries owned by friends of Gov. Clinton. (Not into Clinton's pockets—he didn't usually do that kind of thing except to pay off campaign debts and favors.) And in case you're wondering why Bill needed his land scams when he had all that drug money available, the answer is, the drug operations came later.

Incidentally, the money was laundered through such sterling banks as BCCI. Remember them? I discussed BCCI's involvement extensively with its Panamanian president.

Five or six of the CIA subcontractor pilots running the gun-drug loop under Barry Seal have said that Nella (near Mena) was chosen as the base for training Contra soldiers mainly because its terrain and foliage were so similar to Nicaragua. Many local residents still recall camouflaged Latinos holding maneuvers in the countryside—but they all agree it's not healthy to talk about it too much.

Iran-Contra was an impressive operation on both ends. I still remember standing on the deck of a flat-deck, flat-

bottom supply boat used to run guns upriver to the Contras in Nicaragua. It was loaded to the gunwales with Russian-made rifles, machine guns, rocket-propelled grenades, etc., in Chinese-marked boxes. The captain and his partner, a German arms dealer, invited me to sample the merchandise, so I pried the lids off a couple of wooden cases, took out some AK-47s, and sprayed a few clips around the woods. (Very nice guns, but I wasn't in the market.)

In case this begins to sound like a far-right hallucination, you should know that some liberal groups (ever opposed to CIA tricks) concur. For instance, *The Wall Street Journal* said on June 29:

There is even one public plea that Special Counsel Robert Fiske should investigate possible links between Mena and the savings-and-loan association involved in Whitewater. The plea was sounded by the Arkansas Committee, a left-leaning group of former University of Arkansas students who have carefully tracked the Mena affair for years.

I wish them luck. And good health. The Arkansas Attorney General, the IRS, and the state police have been met for fifteen years with "a wall of obfuscation and obstruction" erected by the Clinton circle of power—which is everywhere in Arkansas. According to *Penthouse*, which is not exactly noted for being a far-right magazine:

He [Clinton] controlled virtually all the 2,000 handpicked appointees to an array of boards and commissions that effectively rule the state.... Anyone seeking to do business with the state—and that included just about everybody running a business—learned to expect direct solicitations by Clinton's campaign finance people.

Polk County Prosecutor Charles Black, to his credit, once even sat down with Clinton himself and pleaded for a state investigation of Mena!

Bill said that "he would get a man on it and get back to me." Black recalls. That was in 1988. Black is still sitting by his phone. (I'm sure Bill got a kick out of that interview. I recall him grinning as he made some comment about "dumb Arkies" one afternoon at the brokerage I owned in Harrison—one of a dozen or so occasions when we spent time together.)

But at the risk of sounding as bad as Bill, I must remind you that, after all, this is Arkansas ... where:

- One governor before Clinton had every concrete-and-steel bridge in the state insured for fire (yes, fire). Guess who owned the insurance company.

- Another governor, being indicted for fraud, simply canned the judge and replaced him with the town drunk, who then dismissed the grand jury.

So just think of Bill as a traditional, Arkansas kind of politician.

But I digress. Barry Seal was eventually arrested by the Federal Drug Enforcement Administration. To get off the hook, he turned state's evidence and fingered several big drug dealers. He even managed to take clandestine photographs of major Colombian and Panamanian figures, one of which President Reagan showed proudly in a nationwide TV speech.

But in the end, the DEA betrayed the flamboyant Barry by allowing him to be sentenced to a halfway house, where a few days later he was a sitting duck for three Colombian avengers with Uzi and MAC-10 sub-machine guns with silencers. The ending wasn't pretty, but it made a hard-hitting movie.

Why did the DEA dump Barry? Perhaps because, as Clinton observed to Terry Reed, "Seal just got too damn big for his britches and that scum basically deserved to die, in my opinion..."

I'm not saying Bill ran Iran-Contra. He didn't—not even the Arkansas half of it. But five men in the Mena operation (sorry, I can't reveal their names to you) have affirmed that he provided their cover as governor and "rode herd" on them through the Intelligence Division of the state police. Other high officials helped. Why? Because the Arkansas state bonds program (ADFA) received 10% of the net profits—plus the use of 100% of the gross in their banks as they laundered it. Quite a boost to the economy!

At least that was the deal cut with Clinton. But the Mena operations (code-named *Centaur Rose* and *Jade Bridge* by Reagan's CIA Director Wm. Casey) finally had to be yanked from Arkansas and moved to Mexico under the name *Operation Screw Worm*. Simple reason: Bill and friends just couldn't resist putting Arkansas' hand deeper into the till than they were supposed to.

In fact, eyewitness Reed details at length the tense meeting in which William P. Barr—later President Bush's Attorney General—breaks the bad news to a very angry Clinton. (Sorry, I must condense the conversation greatly. You've got to read his book!)

On a March night in 1986, they met with Reed, Oliver North, and two other CIA men in a musty, poorly-lit World War II ammunition bunker at Camp Robinson outside Little Rock.

After several sharp exchanges and traded insults, Barr said, "The deal we made was to launder our money through your bond business. What we didn't plan on was you ... shrinking our laundry..... That's why we're pulling the operation out of Arkansas. It's become a liability for us. We don't need live liabilities."

"What do ya' mean, live liabilities?" Clinton demanded.

"There's no such thing as a dead liability. It's an oxymoron, get it? Oh, or didn't you Rhodes Scholars study things like that?" Barr snapped.

"What! Are you threatenin' us? Because if ya' are..."

From that point on, Barr was able to smooth things out, and he concluded with the most eye-opening passage of the book:

You and your state have been our greatest asset. The beauty of this, as you know, is that you're a Democrat, and with our ability to influence both parties, this country can get beyond partisan gridlock. Mr. Casey wanted me to pass on to you that unless you f— up and do something stupid, you're No. 1 on the short list for a shot at the job you've always wanted (meaning the Presidency). That's pretty heady stuff, Bill. So why don't you help us keep a lid on this and we'll all be promoted together.

You and guys like us are the fathers of the new government. Hell, we're the new covenant. An amazing statement, wasn't it? Especially for 1986.

Victims No. 10 & 11. Kevin Ives and Don Henry, two Bryant, Arkansas, teenagers, apparently were a bit too snoopy about the air drops of dope and cash they had observed in the nearby countryside at night (part of the Mena operation).

They were found on the morning of August 23, 1987, having been run over by a train. "They fell asleep on the tracks," according to state medical examiner Fahmy Malak, a Clinton appointee who had earned the anger of the locals by pulling such stunts before.

(Remember when Clinton's late mother, anesthesia nurse Virginia Kelley, caused the death of two patients by neglect? Malak was the one who cleared her. Malak once ruled a man with four bullets in his chest to be a suicide. He even declared that a decapitated man had died of "natural causes," a ruling Clinton defended as a mere symptom of overwork.)

Malak's opinion caused a big ruckus locally. Eventually, the boys' irate parents managed to get a second coroner's opinion, and the official causes of death were changed to being stabbed in the back and getting a crushed skull *before* the train came. At this point...

Victims No. 12 through 17. ...six local people came forward independently, each claiming to have some special knowledge about the deaths of the boys on the track.

All were slain before their testimony could do any good. Police involvement is suspected in most cases, but not all:

- Keith Coney had been slashed in the neck and was fleeing for his life when his motorcycle slammed into the back of a truck. "A traffic fatality," police said.

- Gregory Collins was found shot in the face by a shotgun.

- Keith McKaskle was brutally stabbed at home—113 times. (He knew he was doomed, and had told his friends and family goodbye.)

- The burned body of Jeff Rhodes was found in the city dump, shot in the head—and with his hands, feet, and head partly cut off.

- Richard Winters was killed by a man with a 12-gauge sawed-off shotgun.

- Jordan Ketelson died of a shotgun blast to the head and was found in the driveway of a house in Garland County. "A suicide," the sheriff said,

Do you see a pattern here?

The watchdog group Citizens for Honest Government reports that police investigator John Brown completely solved the case. He then presented the evidence to members of Congress and handed his files over to the FBI (which is run by Louis Freeh, who works for Janet Reno, who works for you-know-who). Naturally, he was removed from the case, and the FBI has sat on the evidence. Detective Brown says,

We know who killed these kids. The whole reason this case has been slowed down, stopped wherever we're at... (is) because it tracks right back to Bill Clinton being involved in the cover-up. He took care of everyone that ever covered anything up in this case, everyone got promoted!

All in all, after ten years of Mena operations, not one arrest was ever made, an accomplishment that is possible only when someone controls the whole state like a collie controls sheep. This is especially amazing when you consider that the Mena operation was 5,000 to 10,000 times bigger than Whitewater.

Victim No. 18. Danny Casolaro was a reporter who was investigating the connections between Whitewater, Mena, BCCI, Iran-Contra, Reagan's "October Surprise," Park-on-Meter Co. (which made dope-storage nose cones for the airplanes at Mena), and the ADFA (Clinton's billion-dollar state bonds racket). He affectionately called this network The Octopus. On August 10, 1991, just as he was about to receive information linking Iran-Contra to the Inslaw scandal, the upbeat Danny was found with his wrists slit in the bathtub of a hotel room in West Virginia. What a coincidence.

Victim No. 19. Paul Wilcher, a Washington, D.C., lawyer, was deeply investigating Mena and other scandals. He was scheduled for a meeting with Danny Casolaro's former attorney, but on June 22, 1993, was found dead in his apartment, sitting on his toilet. (The bathroom killer strikes again?)

Victim No. 20. Ed Willey, the manager of Clinton's presidential campaign finance committee who, according to a reliable source in Texas, was involved with shuffling briefcases full of cash, supposedly shot himself on November 30, 1993.

Victim No. 21. John A. Wilson, a ruggedly honest city councilman in Washington, D.C., knew a lot about Clinton's dirty tricks. According to my sources, he was preparing to come forward and start talking about them. But then on May 19, 1993, he just decided to hang himself instead.

Victims No. 22-56. This is the saddest disaster of all, not just because it's the biggest, but because the Clinton hit team sacrificed 34 innocent business leaders just to whack one victim.

There are other possible victims, like Paula Gober, Jim Wilhite, Stanley Heard, Steven Dickson, Timothy Sabel, William Barkley, Scott Reynolds, Brian Hassey, and so on. But my evidence about them isn't convincing, and I refuse to join those who call every Clinton-related death a murder.

Fun & Games with Colorful Corruption

What is convincing is just the sheer numbers of untimely deaths in the Clinton circle of influence—plus a long string of threats, attacks, beatings, break-ins, wiretaps, and other intimidation. For example:

- Dennis Patrick of Kentucky has survived three attempts on his life so far—and is now in the federal witness protection program. (Hang in there, Dennis—and never forget who's in charge of that program!)

He was the unwilling customer of Lasater & Company in Little Rock, where tens of millions of dollars were traded (read: laundered) in his account in 1985 and 1986. Only two problems: He never knew what these trades were ... and it wasn't his money! (Coincidentally, the trading stopped when Barry Seal was killed on February 19, 1986.)

And that's not even the scary part of the story. The fact that may make your hair stand on end is that Dan Lasater is:

- Bill Clinton's second-best friend
- a convicted cocaine dealer
- a noted host of lavish cocaine parties featuring very young women
- the employer of Bill's brother
- and the head of Lasater & Co., which issued all \$1 billion of Arkansas' state bonds in the '80s (but only if each bond beneficiary first made a huge donation to Clinton's operations or put Hillary on retainer).

It is also alleged that Lasater laundered hundreds of millions of drug dollars through that firm. But the day after Dan's release from prison only six months later, Bill pardoned him! Plus, while Dan was still in detention, he gave power of attorney to run the company to Patsy

Thomasson, who was one of Bill's top administrative aides, and Bill continued to funnel all the state's bonds through the company—another \$664 million worth!

Lasater & Company was the major source of brokered deposits in Madison Guaranty S&L.

And Patsy is now director of the White House Office of Administration. God help us all.

- According to a sophisticated journal called *Heterodoxy*, journalist L.J. Davis spent a week nosing around some sensitive areas in Arkansas last February. Then on the 14th, as he entered his Little Rock hotel room to dress for dinner, he was knocked cold. When he awoke on the entry floor four hours later, his wallet was intact, but his notebook and skull weren't. And there was no furniture within falling distance to account for the darning-egg-size lump over his left ear.

Three weeks later, he sent a draft of his story to *The New Republic* by modem. Three hours after that, his phone rang. A rich baritone voice began, "What you're doing makes Lawrence Walsh look like a rank amateur." (Walsh was Oliver North's tireless prosecutor.)

"Who is this?" Davis demanded.

"Seems to me, you've gotten your bell rung too many times. But did you hear what I just said?" (click)

Says Davis now, "I used to laugh at things like this—until I ended up on the [expletive] floor."

If all this sounds like tabloid trash to you, you're absolutely right. And there's a very good reason: The people behind these crimes are tabloid trash.

- Then there's the arson stuff. A nasty little blaze broke out in the Little Rock offices of Peat Marwick, way up in the fourteenth floor of Worthen Tower at midnight, January 24, 1994, just four days after the appointment of the first Whitewater investigator. It wasn't a bad fire, you see, just bad enough to consume the area that held their 1986 audit of Madison Guaranty. A former Peat Marwick executive tells me that the word came down from Clinton, and they were most definitely forced to destroy the documents.

And remember the flap about the medical records that Bill refused to release? Word is, all that cocaine finally destroyed his nasal passages. ("Allergies," Bill says.) He spent huge amounts of time flying around the country with Dan Lasater in his cocaine-laden jet and went to numerous parties thrown by Lasater and others, some of which featured "blizzards of cocaine," according to participants.

Brother Roger recently admitted doing six to eight grams a day (and being a dealer for Lasater), but Bill's usage was probably much less. Alas, we'll never know now. His doctor's office files also went up in flames. (Tsk, tsk. Those medical offices. You know what a fire-trap they are.)

Speaking of drugs: Sally Perdue, a former Miss Arkansas and popular talk show hostess, has told the *London Sunday Telegraph* that during her 1983 affair with

Gov. Clinton (verified by state trooper L.D. Brown). Bill would usually smoke (and inhale) two or three ready-made marijuana joints drawn from his cigarette case in a typical evening.

On one occasion he pulled out a baggie of cocaine and prepared a "line" right on her table. "He had all the equipment laid out like a real pro," she recalls. (A mid-level Democratic Party leader warned Sally, before a witness, that if she didn't keep quiet, he "couldn't guarantee what might happen" to her "pretty little legs" when she went out jogging.)

She also told her stories to Sally Jessy Raphael, but in a rare move, the producers strangely decided not to broadcast the videotaped program.

I've also talked with others who say they "got high with Bill" many times—including a man we call Cowboy who says he was Bill's personal drug supplier. (I don't doubt him.) Cowboy is now being held incommunicado in Leavenworth Prison by Janet Reno. When the time comes, they will all speak out. In fact, the main problem may be half of Arkansas trying to get their names in the headlines!

• For a change of pace, here's an incident that's non-violent—but does include the President himself.

Little Rock attorney Cliff Jackson, an acquaintance of Bill's from his Oxford days, was approached in July, 1993, by Larry Patterson and Roger Perry, two former members of Bill's Arkansas security detail. They wanted to discuss blowing the whistle on his sex escapades. (Other troopers backed up their stories.)

As told to *New American* magazine, Jackson was discussing their stories on the phone in August with another attorney, Lynn Davis (not related to the above Davis), when...

...he became suspicious that the phone had been tapped. He suggested to Davis that they meet in a nearby restaurant.

"The whole time we were there, this suspicious-looking guy kept his eye on us," Jackson recalls.

"After we left, we were followed by this dark Suburban with darkened windows and a Texas license plate."

Davis noted the vehicle's license plate number and ran a check on it: no such license number was listed.

You've heard of unlisted phone numbers? Welcome to the phantom surveillance world of unlisted license plates!

Just a few days later, the troopers received phone calls from both Clinton and Buddy Young, former head of Gov. Clinton's security detail. You can hear the borderline tone of Young's calls in this sample from his tense call to Roger Perry, as he reported it:

I represent the President of the United States. Why do you want to destroy him over this? ... This is not a threat, but I wanted you to know that your own actions could bring about dire consequences.

Clinton's calls were no big secret, either. For instance, journalist Gwen Ifill noted in the *New York Times*,

It turns out that some of the calls that were over-working the White House switchboard operators (in the fall of '93) were going not to Capitol Hill but to Arkansas state troopers (to discuss) potentially embarrassing charges about his marital fidelity.

The troopers related that Bill asked about the pending allegations and offered them plush jobs. I think what he wanted most was the kind of loyal silence and amnesia he gets from people like Buddy Young, whom he appointed to a \$93,000-a-year FEMA job (not a bad promotion for a cop).

Indeed, there was a lot to be silent about. In addition to numerous one-night ladies, Bill had long-term affairs with six. One was a real bell-ringer: The *Los Angeles Times* sifted through thousands of pages of state phone bills and found 59 calls to her, including eleven on July 16, 1989. On one government trip, he talked to her from his hotel room from 1:23 A.M. to 2:57 A.M., then was back on the phone with her at 7:45 that morning.

Bill's fallback defense is always that, as he claimed on National Public Radio, "The only relevant questions are questions of whether I abused my office, and the answer is no."

Well. What do you say?

• By far the unluckiest guy in Arkansas is lawyer Gary Johnson, 53, who was peacefully living at Quapaw Towers in Little Rock when Gennifer Flowers moved in next door to him.

Now, Clinton denied on *60 Minutes* that he ever visited Gennifer. But Gary had a home security system that included a video camera pointed at his door. Unfortunately, it also covered Gennifer's door, and after awhile he had several nice visits on tape, showing Bill letting himself in with his own key.

Either Bill finally noticed the camera, or the grapevine told Bill's aides about it, because on June 26, 1992, three weeks before the Democratic nomination, Gary got a loud knock at the door. It was three husky, short-haired state trooper types, and they slugged him as they barged in, demanding the tape.

Gary promptly gave it to them, but they continued punching him, breaking both his elbows, perforating his bladder, rupturing his spleen so badly that doctors had to remove it, beating him unconscious, and leaving him to die.

Now, here's a good question for you: Do you think Bill Clinton actually picked up a phone and initiated this attack?

And here's a better question: *What difference does it make?*

For obvious reasons of liberal loyalty, no one in the major media wants to stick his neck out and be the first to

do a major piece that pins all these murders and attacks on the President of the United States.

But sooner or later, the dam will break. The weight and scope of the crimes are just too massive. Even if only half these incidents turn out to be accidents or true suicides, Bill will find it impossible to wiggle out of being implicated in the rest. When some indicted hit man or functionary sees the evidence piling up against him, he will sing like a sparrow to save his own tail feathers. And you will know all the facts before the tidal wave hits—if you'll accept a free copy of my book.

Remember, it took a year for Watergate to become media fodder after its discovery. But when it did, the crisis of confidence in Nixon (on top of an oil crisis) rattled the stock market to its foundations, and U.S. shareholders lost almost half of their money in the biggest drop in 40 years. The U.S. then suffered the worst recession since the Great Depression.

Speaking of big money, here's...

How to Make \$2 Million Developing a God-Forsaken Tract of Land Without Selling One Square Foot of It

When the media folk tell you about Whitewater, they leave out a few amusing details.

So in a spirit of altruistic service and public education, I'm going to let you in on the secrets of how to pull off a land scam. Pay attention, because you've never heard this before.

A. Real estate developing is more fun when you can borrow all your capital without having to pay it back ... or even sell any land. So to get started, you need two friends: one an appraiser, one a banker.

B. Next, you find some dirt-cheap dirt. Anywhere in the boondocks will do. In the Whitewater case, it was 230 acres of land along the White River for about \$90,000. (Some housing tract! It was fifty miles to the nearest grocery store.)

C. Then you get your appraiser friend to do a bloated appraisal. Hey, what are friends for? Let's say he pegs it at \$150,000.

D. You go to the bank and get the usual 80% loan. You now have \$120,000, so you pay off the land, and you still have \$30,000 in your pocket. You're on a roll.

E. You pay \$5,000 to subdivide it and bulldoze in a few roads. (Or if you know the ropes, you get the state to do it, as Bill did to get a \$150,000, two-mile access road.)

F. Voila! You now are the proud owner of a partly-developed luxury estate community. So you call up your appraiser friend again, and he re-evaluates it at a cool \$400,000.

G. You hustle back to the bank and get a new 80%

loan based on the new value. (Nothing out of line so far. An 80% loan is standard, right?)

H. You draw up plans for some fine houses (which will never be built.)

I. You get a new appraisal.

J. You get a new loan.

K. You make two or three phony homesite sales to friends. You shuffle the funds around among your shell corporations and bounce it back to your friends—plus a little extra for their help.

L. You get a new appraisal.

M. You get a new loan.

N. You do a "land flip," selling the whole thing to Company X for \$800,000, which sells it to Company Y for a million, which sells it back to you for \$1.25 million. (All these companies are your friends.) And yes, this kind of thing *did* happen in Whitewater and Madison. In fact, Whitewater figures David Hale and Dean Paul once flipped Castle Grande back and forth from \$200,000 to \$825,000 in *one day*!

O. You get a new appraisal.

P. You get a new loan.

Q. Finally, your development corporation declares bankruptcy, and the bank has to eat your loans because the money is all gone, and since the record-keeping is so poor, nobody knows where it went.

But weep not for the bankers. You pay them nicely—perhaps a third of the \$2 to \$3 million you skim off. Weep for the taxpayer who bails out their banks.

Which is to say, in the case of Whitewater, weep for yourself.

Does This Actually Work?

Whitewater was just the first of a series, like a pilot for a sitcom.

Using Whitewater as a prop, Bill and his partner Jim McDougal milked—by my rough estimate—several million dollars from the SBA and at least five or six banks and S&Ls, starting with the Bank of Kingston.

But their later ventures, bringing in Steve Smith and recently-convicted ex-Governor Jim Guy Tucker, did even better. Campobello started with about \$150,000 in property and squeezed over \$4 million in loans from banks in about two years. Castle Grande began with \$75,000 worth of swamp land and cleared over \$3 million. It never built anything. The only human artifacts on it today are a few old refrigerators and mattresses.

Why do I have information you haven't seen before? Because my firm had \$10 million in Madison Guaranty S&L, and I was thinking of buying the Bank of Kingston. (I was already worth millions by that time.) When I saw Kingston's financial statement, however, I ran like a scalded cat.

And Madison was worse. You didn't have to be a Philadelphia CPA to spot their money laundering, dead real estate liabilities proudly listed as assets, huge amounts of 24-hour deposits from brokers, and \$17 million in insider loans. It was a nightmare.

Whitewater Development Corp. had at least an appearance of sincerity. It even had TV commercials, starring Jim's striking young wife, Susan, in hot pants, riding a horse. Another one showed her behind the wheel of Bill's restored '67 Mustang. A new commercial would have to show her in prison stripes.

But after Whitewater, the deals began dropping their frills like a hooker in a hurry to get things over with. The RTC criminal referral that Bill suppressed during his presidential campaign cites such later corporations as *Tucker-Smith-McDougal*, *Smith-Tucker-McDougal*, and *Smith-McDougal*. Catchy, eh? If it were me, I would have called them *Son of Whitewater*, *Whitewatergate*, and *Whitewater & Ponzi, L.P.*

Stop Me If You've Heard This One

The biggest joke in all of Whitewater is Hillary's claim that she was just a passive investor.

The best comment I've seen on this is by Martin Gross, author of *The Great Whitewater Fiasco*, who commented on the fate of Whitewater Lot 13:

I have a copy of the deed. She didn't pay a dollar for it. She borrowed \$30,000 on it, built a model house (didn't work), she sold it for \$23,000. She pocketed the down payment. The man who bought it went bankrupt. She went to bankruptcy court, rebought it for \$8,000, resold it for \$27,000. And they say she's passive! I say if she was any more active, she'd have been frenetic.

Short Report

On their 1979 income tax, Hillary valued Bill's used undershorts—donated to charity at the end of their action-studded tour of duty—at two dollars a pair.

Plainly, we are dealing here with a couple that gives loving attention to detail in matters of deductions.

As you may recall, however, Clinton has proclaimed over and over that he simply "forgot" to deduct the \$68,900 he claims he lost on Whitewater. Commentators have been mystified by the paradox.

But it's no mystery to me. The reason is obvious: Bill didn't deduct the \$68,900 because he didn't lose a dime on Whitewater, and he didn't want to do time for tax fraud. Period.

Jim McDougal put up all the money except for \$500—and Bill borrowed even *that*.

But weep not for Jim. Not only was he Bill's partner in Whitewater, but he owned Madison Guaranty S&L, which was the designated milk cow that provided most of the inflated loans. Weep instead for the taxpayers—like you and me—who picked up the \$66 million tab when Madison folded.

The Paperless Office Is Pioneered by the Rose Law Firm

Will Bill and Hillary go to jail for masterminding all the land deals that fall under the label *Whitewater*?

I expect they will—not because of existing documents, but because of the testimony of subpoenaed people.

The few remaining documents will play a supporting role, but frankly, friend, there aren't many left. According to grand jury testimony: On February 3, 1994, right after the appointment of the special counsel for Whitewater, the nice folks at the Rose Law Firm fired up their high-speed Ollie-o-Matic paper shredder and ordered courier Jeremy Hedges to slice 'n dice his way into the history books by destroying twelve (12) cartons full of Whitewater documents. As far as anyone knows, Rose now has no more Whitewater records than you do.

Actually, a lot of the usual documents were never created in the first place. For instance, there was no written partnership agreement (don't try this at home). No transactions were written up, even though Clinton's real estate agent says there were \$300,000 in sales. No deeds were ever recorded. And if any interest was paid on bank loans, the payment checks are missing.

Plus, after Whitewater, Bill got very smart and kept his name completely out of every subsequent deal he cut. That's what has vitiated these tedious inquiries of Sen. D'Amato.

But the Whitewater monies, probably several million, ricocheted from shell company to shell company like the basketball in a Harlem Globetrotters warmup drill, and every dollar wound up in the proper pocket. Beneficiaries included many of the biggest names in Arkansas—like Gov. Tucker, Seth Ward, and some very powerful executives from outfits like Wal-Mart and Tyson's Chicken—Clinton campaign backers all. (Campaign records for 1982 and 1984, the two most suspicious years, have also been studiously shredded.)

And Bill, who entered public office with nothing but debts, and who never made over \$35,000 a year as governor, is now worth about four to five million. A real rags-to-riches, American success story, isn't it? Kind of puts a lump in your throat.

But there's one other reason for Bill's success. In a word, Hillary. Prepare to be shocked as you learn...

Why the Feds Settled for \$1 Million on \$60 Million in Debts

You'll find this one hard to believe, so read carefully.

Item: When Madison Guaranty folded, it was somewhere between \$47 and \$68 million in the hole. The tab has settled at \$65 million.

Item: One of the biggest defaults was \$600,000 in loans to one of Madison's own directors, Seth Ward, who is the father-in-law of Webb Hubbell. Webb happened to be Hillary's law partner and until April was the No. 3 man at the Justice Department—and assigned to investigate Whitewater!

Item: When the RTC cleanup crew took over Madison, Hillary had been on retainer to Madison for many months.

Got it so far? OK. Now, the RTC lawsuit sought \$60 million from Madison's debtors. But here's what happened:

1. Hillary negotiated the RTC down from \$60 million to \$1 million. What a talker!

2. Hillary then got the RTC to forgive the \$600,000 debt Seth Ward owed the RTC—every penny of it—thus leaving the RTC with \$400,000.

3. But wait! Hillary did these two deeds as the counsel for the RTC, not Madison. Incredible as it sounds to those of us who have to live in the real world, Hillary got herself hired by the RTC, and in that position, from the government side, she talked them down to \$1 million.

4. Her fee for the RTC job was (pure coincidence) \$400,000. Which left the government with \$400,000 minus \$400,000 ... or in technical accounting terms, zippo.

5. And who do you suppose was the mastermind who conned the RTC into hiring Madison's own Hillary to prosecute Madison? None other than the late Vince Foster! When he made his pitch to the RTC, he neglected to tell them about Hillary's retainer with Madison. In fact, he even wrote them a letter stating that the Rose Law Firm didn't represent thrifts!

Vince and Hillary were, by the way, very, uh, close. Not only were they partners at Rose, but there's no shortage of people who saw them hugging and smooching in public. Arkansas troopers say that when Bill took a trip on state business, Vince was often at the mansion gates within minutes—and would stay till the wee hours. They also spent a few weekends together at the Rose vacation cabin in the mountains. And when Hillary filed for divorce from Bill in 1986, Vince was right there at her side. (She withdrew the suit when Bill's political fortunes improved.)

178 Years in Club Fed

Nobody ever accused Bill Clinton of being stupid. As proof, look at the Congressional hearings. What a hoot!

Bill had them stacked so that fully 99% of all Whitewater crimes were off limits!

This left our dignified Congressmen sternly chasing the remaining 1% of petty misdemeanors with hardly a mention of fourteen years of felonies: shell games, killings, break-ins, coverups, threats, bribes, thefts, check kiting, payoffs, arson, money laundering, fraud, influence of testimony, tampering with witnesses, you name it. (It's all in *The Presidential Mess*.)

And Bill managed to focus 100% of the attention on Altman, Nussbaum, Cutler and others, with none of it on himself. You have to admit, that's pretty smart maneuvering.

In February, 1994, *The American Spectator* added up two pages of Bill's alleged crimes, and the total potential penalties came to \$2.5 million in fines and 178 years in prison. And they just listed the piddly stuff, like tax fraud and soliciting bribes; they didn't even mention the heavier incidents I listed above! (They did include a short roster of Hillary's much lighter penalties, totaling only \$1.2 million and 47 years.)

Is such punishment excessive? I think not. Even if you ignore the mayhem, the Clinton economic damage has been severe. Counting Clinton's Arkansas Development Finance Authority, which never awarded a bond grant without a major campaign contribution and Bill's signature, he sucked over a billion dollars from state and federal taxpayers.

You Must Read the Enclosed Letter

Please forgive me for sounding dramatic, but this is a dark day for the republic.

I apologize for giving you such an avalanche of appalling news. God knows, I've tried to keep my tone somewhat light, but I realize that you are probably still alarmed. This data could easily start an earthquake that could pancake the markets.

Remember, though: the Whitewater and Brown crimes have now become so serious that Clinton's presidency will likely collapse. This document you are reading—and other coming revelations in the media—will soon combine to force the mainstream liberal media to start paying attention.

And when that happens, you will be looking at a Dole presidency—which will be less damaging to America and to you.

So read on. Despite all the depressing matters you've just read, there is a bright silver lining. Yes, I do think it's the darkest day for the republic since World War II. But for you personally, the troubles ahead will ironically give you the greatest opportunity of your life to vastly improve your financial picture.

Please get a firm grip on your emotions and read the enclosed letter now.

Footnote: I hereby serve notice that I am not depressed in the least, and that if anything happens to me, I publicly accuse Bill Clinton and his circle of power.

Meet Nick Guarino The Fastest Mind on Wall Street?

What can you say about a man who got a speeding ticket at age seven? Or who had a run-in with the FBI at age eight? Or became a floor trader at sixteen?

Nicholas A. Guarino, editor of *The Wall Street Underground*, is simply the fastest and brightest mind we've ever worked with. As publishers of sophisticated financial information, we consider ourselves fairly intelligent, yet we find ourselves totally outclassed by Nick in most ways. (Exception: He can't spell for sour apples.)

His aggressive mind has kept him ahead of the crowd all his life. For example:

- At seven, he figured out how to soup up his go-cart, designed to go 5 mph, to hit 55 mph! The cops finally caught up with him at his front door.

- At eight, he built his own radio transmitter out of old TV sets he'd pulled from garbage cans and used it to make a friend in Moscow. After some correspondence, a tipster in Nick's post office reported his name to the FBI. When agents showed up at his home, they were amazed to find their suspected commie sympathizer was in the second grade.

- After Nick complained bitterly that he was bored to death, his grammar school teachers in New Jersey gave him an I.Q. test. When the score came back at 180, they made him retake it. When the second score came back well over 200, they were astounded. What they didn't realize was that their little charge had been reading 20 to 30 books a week since he entered school, and in fact had read most of his parents' *Encyclopedia Britannica* before the first grade.

- In agony with school, he left home at 14. Inspired by stories of his grandfather's success as a penniless immigrant who became a millionaire grocery magnate, he moved to Manhattan's Lower East Side and before long found work as a gofer with a firm at the New York Stock Exchange. (He was tall for his age.) When Nick was sixteen, his boss fell ill one day and had to leave in the midst of a trading crisis. Nick intuitively knew what trades had to be done, so he put on a trader's coat, marched out onto the floor, and started trading. "Made money, too," Nick says. (Yes, the other traders knew how old he was, but

they all liked the spunky kid, so no one squealed!)

Even in his twenties, Nick was enormously successful on Wall Street. In fact, he was getting buyout offers from brokerage competitors who flat-out admired, "Frankly, kid, you're making us look terrible."

But rather than retiring young, he dived into a lifelong, ferocious effort to correct the corrupt political and financial networks that had completely destroyed his late grandfather's fortune.

Today, he is still very hard at work to warn others of the acute dangers of evil, power-hungry men in positions of influence. He lives in a scenic, secluded place as far from Arkansas as he can get.

THE WALL STREET UNDERGROUND

CONTROL OF NEWS BY MAINSTREAM MEDIA

A U.S. Police Action

13



DAVID ROCKEFELLER, Internationalist billionaire, Humanist, CFR kingpin, founder of the **Trilateral Commission**, World Order Godfather

voiced his praise of the controlled U.S. media for keeping their oath not to divulge the Globalist plans to the public. Speaking to his fellow conspirators at a meeting of yet one more infamous World Order group, the Bilderbergers, Mr. Rockefeller said:

"We are grateful to The Washington Post, The New York Times, Time Magazine and other great publications whose directors have attended our meetings and respected their promises of discretion for almost forty years."

He went on to explain:

"It would have been impossible for us to develop our plan for the world if we had been subject to the bright lights of publicity during those years. But, the world is now more sophisticated and prepared to march towards a world government. The supranational sovereignty of an intellectual elite and world bankers is surely preferable to the national autodetermination practiced in past centuries".

(It is not reported if the attendees kissed his ring - or anything else - after their leader bestowed his blessing on those in attendance. Actually, we could ask Governor Clinton or Dan Quail, both of whom were there. Bush and Clinton are Bilderbergers, Internationalists, and their goals are exactly the same for America.

Let us repeat....**CLINTON'S, BUSH'S, AND PEROT'S, PLANS FOR AMERICA ARE VIRTUALLY IDENTICAL.** The Republicans and Democrats goals for America are virtually identical. They both are taking our nation into global government.

Globalist Mr. Dan Quail was there at the June 91 meeting being sized up as a possible Bilderberger U.S. Presidential contender for 1996. The major media's job is to convince Americans that the Republicans and Democrats are on opposite sides and fighting each other.

1917.

RESEARCH BY ALEXANDRA FAXAROVA

CONGRESSIONAL RECORD—HOUSE.

2017

Mr. MOORE of Pennsylvania. I am not trying to make a plain statement of the facts. The gentleman says that the facts are in the newspapers. Mr. GORDON. Oh, don't you see?

Mr. MOORE of Pennsylvania. I am not trying to make a plain statement of the facts. The gentleman says that the facts are in the newspapers. Mr. GORDON. Oh, don't you see?

Mr. MOORE of Pennsylvania. I am not trying to make a plain statement of the facts. The gentleman says that the facts are in the newspapers. Mr. GORDON. Oh, don't you see?

Mr. MOORE of Pennsylvania. I am not trying to make a plain statement of the facts. The gentleman says that the facts are in the newspapers. Mr. GORDON. Oh, don't you see?

Mr. MOORE of Pennsylvania. I am not trying to make a plain statement of the facts. The gentleman says that the facts are in the newspapers. Mr. GORDON. Oh, don't you see?

Mr. MOORE of Pennsylvania. I am not trying to make a plain statement of the facts. The gentleman says that the facts are in the newspapers. Mr. GORDON. Oh, don't you see?

Mr. MOORE of Pennsylvania. I am not trying to make a plain statement of the facts. The gentleman says that the facts are in the newspapers. Mr. GORDON. Oh, don't you see?

not arguing the point of... about my being stat-

in making the statement... gentleman about that.

on tell me what he thinks... gentleman is carried away

the gentleman will listen. I... who believe everything

on does not... is issued upon its face.

the ambassador is going to... the American people

that one minute let me say... the Department seems to

Mr. MOORE of Pennsylvania. I am not trying to make a plain statement of the facts. The gentleman says that the facts are in the newspapers. Mr. GORDON. Oh, don't you see?

naval officers had seized this German property. I will not stop to discuss the moral aspect of this seizure except to say that there had been no declaration of war and that it was not clear why we should deliberately take this German property and appropriate it to the United States. Within a day or two the answer came from both the State Department and the White House that these German ships had not been seized, and that while this Government was taking certain precautions with respect to possible impediments to navigation, every courtesy was being shown the officers and men in charge of these German vessels. It was evident that some tall lying was done in this instance for the purpose of irritating Germany under very aggravating circumstances. Somebody evidently wanted Germany to commit an "overt act" that would bring on a war. We ought to be on our guard against this dangerous "rumor" business, whether it originates in London or the United States.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

The Clerk read as follows:
Maintenance, Bureau of Supplies and Accounts: For fuel; the removal and transportation of ashes and garbage from ships at war; books, blanks, and stationery, including stationery for commanding and navigating officers of ships, chaplains on shore and afloat, and for the use of courts-martial on board ships; purchase, repair, and exchange of typewriters for ships; packing boxes and materials; interior fittings for several storerooms, pay offices, and accounting offices in navy yards; expenses of disbursing officers; coffee mills and repairs thereto; expenses of naval clothing factory and machinery for the same; laboratory equipment; purchase of articles of equipment at home and abroad under the supervision of the Bureau of Supplies and Accounts, and for the payment of labor in equipping vessels therewith, and the manufacture of such articles in the several navy yards; musical instruments and music; mess outfits; soap on board naval vessels; athletic outfits; toilet, ferrisoles, yeomen's stores, and other incidental expenses; labor in general storerooms, paymasters' offices, and accounting offices in navy yards and naval stations, including naval stations maintained in leased possessions under the control of the United States, and expenses in handling stores purchased and manufactured under "General account of advances"; and reimbursement to appropriations of the Department of Agriculture of cost of inspection of meats and meat food products for the Navy Department; provided, That the sum to be paid out of this appropriation, under the direction of the Secretary of the Navy, for chemists and for clerical, inspection, storemen, store laborer, and messenger service in the supply and accounting departments of the navy yards and naval stations and disbursing offices for the fiscal year ending June 30, 1918, shall not exceed \$1,400,000; in all, \$2,750,000.

Mr. MOORE of Pennsylvania, Mr. RAGSDALE, and Mr. CALLAWAY rose.

The CHAIRMAN. The Chair will recognize the gentleman from Texas, a member of the committee.

Mr. CALLAWAY. Mr. Chairman, I ask unanimous consent to insert in the Record a statement that I have of how the newspapers of this country have been handled by the munition manufacturers.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to extend his remarks in the Record by inserting a certain statement. Is there objection?

Mr. MANN. Mr. Chairman, reserving the right to object, may I ask whether it is the gentleman's purpose to insert a long list of extracts from newspapers?

Mr. CALLAWAY. No; it will be a little, short statement, not over 24 inches in length in the Record.

The CHAIRMAN. Is there objection?

There was no objection.
Mr. CALLAWAY. Mr. Chairman, under unanimous consent, I insert in the Record at this point a statement showing the newspaper combination, which explains their activity in this war matter, just discussed by the gentleman from Pennsylvania (Mr. Moore):

"In March, 1915, the J. P. Morgan interests, the steel, ship-building, and powder interests, and their subsidiary organizations, got together 12 men high up in the newspaper world and employed them to select the most influential newspapers in the United States and sufficient number of them to control generally the policy of the daily press of the United States.
"These 12 men worked the problem out by selecting 179 newspapers, and then began, by an elimination process, to retain only those necessary for the purpose of controlling the general policy of the daily press throughout the country. They found it was only necessary to purchase the control of 25 of the greatest papers. The 25 papers were agreed upon; emissaries were sent to purchase the policy, national and international, of these papers; an agreement was reached; the policy of the papers was bought, to be paid for by the month; an editor was furnished for each paper to properly supervise and edit information regarding the questions of preparedness, militarism, financial policies, and other things of national and international nature considered vital to the interests of the purchasers.
"This contract is in existence at the present time, and it accounts for the news columns of the daily press of the country

being filled with all sorts of preparedness arguments and representations as to the present condition of the United States Army and Navy, and the possibility and probability of the United States being attacked by foreign foes.

This policy also included the suppression of everything in opposition to the wishes of the interests served. The effectiveness of this scheme has been conclusively demonstrated by the character of stuff carried in the daily press throughout the country since March, 1915. They have resorted to anything necessary to commercialize public sentiment and sandbag the National Congress into making extravagant and wasteful appropriations for the Army and Navy under the false pretense that it was necessary. Their stock argument is that it is "patriotic." They are playing on every prejudice and passion of the American people.

Mr. MOORE of Pennsylvania. Mr. Chairman, I move to strike out the last word. I am in favor of this paragraph in the Navy appropriation bill, because I think the country ought to be fully prepared for any possible invasion; but I think the Congress ought to be careful about encouraging "rumors of war" when war has not actually been declared. Perhaps it would be safe to leave this matter to the President of the United States and to those who have direct knowledge upon the subject. I call attention, however, not only to these false reports of the *Houstonic* and about the *California*, but the steamship *Philadelphia* was reported sunk since the President was here, and yet the next day, after these reports had gone over the country like wildfire and everybody got excited about the *Philadelphia*, which naturally attracted interest in that great city and in the State of Pennsylvania, we found the *Philadelphia* had safely arrived in port, so that report was also in error. Now, whether by design or not I do not know, but it seems that most of these false reports come from London. There seems to be an intense desire there to tell us about German outrages and about American blood shed on foreign ships or to find that some American ship has been shot up. This colored man, George Washington—

Mr. BARKLEY. Will the gentleman yield?

Mr. MOORE of Pennsylvania. I will yield to the gentleman.

Mr. BARKLEY. But was not there a statement in the morning paper that the colored man on that ship was a British subject?

Mr. MOORE of Pennsylvania. I am coming to that. The dispatches have made it appear that because of the loss of George Washington, an alleged American citizen, we are now in position to declare war against Germany. This morning's papers have headlines something like this: "Death of American on wrecked *Turino* reported to London. An American negro fireman, George Washington was killed, according to a report received to-day when the British steamship *Turino* was sunk by a German U boat in the war zone."

Now, that is enough to inflame every American—

Mr. FOSS. Will the gentleman yield?

Mr. MOORE of Pennsylvania. I will yield.

Mr. FOSS. I am very much interested in what the gentleman says, but how will the gentleman provide a remedy to stop these international thrills which we are receiving, which the publishers of these newspapers place in their headlines? Would he provide for a censorship of the press?

Mr. MOORE of Pennsylvania. Not at this time. I simply urge that the true facts and only the true facts be reported at this time when we are at the verge of an outbreak with a foreign country. [Applause.] I think it would be better for some of the editors to "shut up" when they do not know what they are talking about. [Applause.] I think it would be better for some of these professional patriots who have determined our international relations in advance, and who insist upon adjusting our diplomatic affairs in this crisis, to not only "shut up," but go tie a rope around their necks, attach an anchor to it, and jump into the sea. We could better afford to dispense with their invidious services than to plunge the people of this country into a foreign war. I think it would be far better for this country. [Applause.]

Mr. Chairman, I regret to say it, but we are gradually turning over the business of Congress, turning over all our constitutional rights, turning over our powers delegated by the people, to a lot of editors, theorists, and college professors who are not capable of conducting our affairs and to whom we should not abdicate.

Mr. GARDNER. Will the gentleman yield?

Mr. MOORE of Pennsylvania. I will yield to the gentleman from Massachusetts after I have disposed of George Washington. [Laughter.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. MOORE of Pennsylvania. All I can say then is that the papers report this afternoon that George Washington, the so-

called American, is a British subject; that is all. [Applause.]

Mr. Chairman, under leave to extend I wish to say that so many rumors and reports of an exaggerated character have appeared during the last few days that even the President, who certainly is as much concerned as any other citizen over the situation that confronts us, should take notice. We are dealing with a serious problem that invites the greatest deliberation. We ought not to be made the pawns of designing men in our own country or of any foreign power that would drag us into a war for selfish purposes. When our President has made up his mind that American honor is at stake and that we must enter upon a war to uphold it, I have no doubt he will find cordial support in the Congress of the United States, but the President has not yet indicated to Congress that the point has been reached where a declaration of war has become necessary. Until the President does come to this body with such information and facts as may warrant further action by Congress, it may not be well to aggravate the situation by giving too much credence to the untruthful rumors that have been bandied about with the evident purpose of finding some reason for provoking a declaration of war. At another time I shall extend in the Record, under permission granted to me, certain observations of Mr. Lincoln when he was a Member of the House, with respect to our Mexican complications in 1845. At present I shall content myself by quoting in single sentence from the speech made by Mr. Lincoln January 12 of that year, when he said:

When the war began it was my opinion that all those who, because of knowing too little, or because of knowing too much, could not rationally approve the conduct of the President (in the beginning of it) should, nevertheless, as good citizens and patriots remain silent on that point, at least till the war should be ended.

Mr. RAGSDALE. Mr. Chairman, I quite agree with the gentleman that there is too much noise and that the editors of this country may make too much noise. Fortunately the sound of their voices does not penetrate this Hall, while some of the noises which get in here might be suddenly ceased with a great deal of pleasure to some of us who have to stay here.

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. RAGSDALE. Certainly.

Mr. MOORE of Pennsylvania. The gentleman from Illinois said he, the gentleman from Illinois, had sense enough to keep still.

Mr. RAGSDALE. I know what he said, but he did not disclose the fact that he had politeness enough, while keeping still, to abide by the rules of the House in undertaking to chide me. That is for the gentleman's information, the gentleman from Pennsylvania.

Mr. MANN. I am abiding by the rules of the House.

Mr. RAGSDALE. Now, the gentleman from Pennsylvania is undertaking to lecture me.

Mr. MOORE of Pennsylvania. Oh, no. I have been lecturing the great editors and the political college professors. I did not have the gentleman in mind at all. [Applause.]

Mr. RAGSDALE. The gentleman's mind is rather limited in its memory.

Mr. MOORE of Pennsylvania. Surely my mind is not limited when I refer to the gentleman from South Carolina.

Mr. RAGSDALE. The gentleman says so little on the floor of this House that he ought to be given an opportunity in everybody's time to be recognized. May I yield further to the gentleman from Pennsylvania [Mr. Moore]?

Mr. MOORE of Pennsylvania. I merely wish to say that when I speak to the gentleman from South Carolina my mind is unlimited.

Mr. RAGSDALE. I am quite sure that is true. There are a great many things the gentleman possesses that are unlimited. His nerve is one of them. [Laughter.] The gentleman from Pennsylvania, Mr. Chairman, undertakes here to tell us about getting excited over the newspapers, and he undertakes to read from the newspapers, then proving that the conditions in Germany are not what they are reported to be in other newspapers. Now, why should we accept the statement from the newspapers selected by the gentleman any more than he would accept the statements made by other newspapers which he has not selected? I say to the gentleman that I quite agree with him that the people of our country ought not to be excited or hurried into war, but I say to the gentleman, sympathetic as I am with the people who want to preserve peace here, that if Germany has placed a restraining hand upon our ambassador, who went there in good faith to represent this Government as a Representative of my people I wish to exhaust every power within our command to bring him back here without regard to cost.

Mr. DYER. Will the gentleman yield?

Mr. RAGSDALE. Certainly.

Ted Gunderson FBI chief

No; the gent... an does not.
 ... is absurd upon its face.
 It for three... this morning's news-
 ... Berlin is in... conference with the Ameri-
 ... conferences... been going on in Berlin.
 ... will be... guarded out of Germany.
 ... safeguard... German ambassador out
 ... Oh, how... is for you to rush into
 ... of someth... who is interested in nat-

sports him... issued to him.
 ... ambassador is going to
 ... ly wanted... inflame the American poe-
 ... the American... ambassador had been held
 ... We have... even safe conduct to the
 ... I are send... him home, and the Ger-
 ... with the Am... man ambassador. But at
 ... and about... 150 editors, more or less,
 ... not that they... were willing to enlist, for the
 ... are waiting... men like them to come
 ... they declin... in effect that they were
 ... country in... because "the American
 ... is bondage in... Berlin." This morning the
 ... those editors... and those college professors
 ... were talkin... about, and that is what I
 ... gentlemen... from South Carolina. The
 ... be fooled... Mr. Chairman, how much

One minute...
 ... that one minute let me say.
 ... that the *Houstonian*
 ... The... Department seems to
 ... ins were with... their rights and that the
 ... census belli... The next day we had the
 ... 3... ship bore a good old Ameri-
 ... made to su... that it was an Ameri-
 ... Germans had... perpetrated such an oc-
 ... to go to wa... After the sensation had
 ... were quick... informed that the Call-
 ... sailing under the British flag, and
 ... the warning... required by international
 ... is made of the fact that one American
 ... He may have... been planted there to pro-
 ... ve this country in an international
 ... at the next day after the newspapers
 ... the American... passenger to the limit. It
 ... taken off the ship to a place of safety.
 ... a colored man.
 ... ship was armed.

... Then, again, Mr. Chairman,
 ... st over the United States on the day
 ... ressed Congress, that this Government
 ... German ships. These reports were
 ... with the suggestion that the German
 ... destroy the property of their own
 ... it was loudly announced that our

the... of the Bureau of Customs and Accounts, and for
 ... of such articles in the several navy yards; musical instruments;
 ... and music; men outfits; soap on board naval vessels; athletic outfits;
 ... tella, terraces, women's stores, safes, and other incidental expenses;
 ... labor in general storehouses, paymasters' offices, and accounting offices;
 ... in navy yards and naval stations, including naval stations maintained
 ... in inland possessions under the control of the United States, and ex-
 ... penses in handling stores purchased and manufactured under "General
 ... account of advances"; and reimbursement to appropriations of the
 ... Department of Agriculture of cost of inspection of meats and meat
 ... food products for the Navy Department: *Provided*, That the sum to
 ... be paid out of this appropriation, under the direction of the Secretary
 ... of the Navy, for chemists and for clerical, inspection, storeman, store-
 ... laborer, and messenger service in the supply and accounting depart-
 ... ments of the navy yards and naval stations and disbursing offices
 ... for the fiscal year ending June 30, 1918, shall not exceed \$1,400,000;
 ... in all, \$2,750,000.

Mr. Moore of Pennsylvania, Mr. RAGDALE, and Mr. CALLAWAY
 rose.

The CHAIRMAN. The Chair will recognize the gentleman
 from Texas, a member of the committee.

Mr. CALLAWAY. Mr. Chairman, I ask unanimous consent
 to insert in the Record a statement that I have of how the
 newspapers of this country have been handled by the munition
 manufacturers.

The CHAIRMAN. The gentleman from Texas asks unani-
 mous consent to extend his remarks in the Record by inserting
 a certain statement. Is there objection?

Mr. MIANN. Mr. Chairman, reserving the right to object,
 may I ask whether it is the gentleman's purpose to insert a long
 list of extracts from newspapers?

Mr. CALLAWAY. No; it will be a little, short statement,
 not over 2 1/2 inches in length in the Record.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CALLAWAY. Mr. Chairman, under unanimous consent,
 I insert in the Record at this point a statement showing the
 newspaper combination, which explains their activity in this
 war matter, just discussed by the gentleman from Pennsylvania
 (Mr. Moore):

"In March, 1915, the J. P. Morgan interests, the steel ship-
building and powder interests, and their subsidiary organiza-
tions, got together 12 men high up in the newspaper world and
employed them to select the most influential newspapers in the
United States and sufficient number of them to control generally
the policy of the daily press of the United States."

"These 12 men worked the problem out by selecting 179 news-
papers, and then began, by an elimination process, to retain
only those necessary for the purpose of controlling the general
policy of the daily press throughout the country. They found
it was only necessary to purchase the control of 25 of the great-
est papers. The 25 papers were agreed upon: emulations were
sent to purchase the policy, national and international, of these
papers: an agreement was reached: the policy of the papers
was bought, to be paid for by the month; an editor was far-
nished for each paper to properly supervise and edit informa-
tion regarding the questions of preparedness, militarism, finan-
cial policies, and other things of national and international
nature considered vital to the interests of the purchasers."

"This contract is in existence at the present time, and it
accounts for the news columns of the daily press of the country

enlarged

**THE FOLLOWING WAS A PRO-CONSTITUTION RALLY
IT WAS NOT ANTI-GOVERNMENT BUT ANTI-TERRORISM**

Antigovernment groups to rally in Washington over rights

By Richard Kell
ASSOCIATED PRESS

WASHINGTON — Several antigovernment groups, including private militias, are holding a rally in Washington this weekend to draw attention to what they say is an erosion of Americans' constitutional rights.

It will be the first high-profile rally in the capital by antigovernment groups since last year's Oklahoma City bombing.

"We want to make people aware of the dangers that the Constitution and the Bill of Rights are in, and

how it's getting worse," said Joseph Corey, director of the Committee on 1776, which focuses on opposing gun control.

Organizers of the "Rally for the Bill of Rights," scheduled for tomorrow and Sunday, hope to attract 15,000 people. The gathering will feature speakers who have written anti-Semitic literature, and others who push theories of a governmental conspiracy to undermine Americans' rights.

The group held a similar rally in June 1995, just three months after

the Oklahoma City tragedy. By then, bombing suspect Timothy McVeigh's sympathy for militia groups had been well-documented, something Corey thinks helped keep attendance down to 7,000.

"That frightened a lot of people," Corey said. "I think a lot of wives told their husbands, 'You're not going.'"

A news release mailed by organizers to media outlets about this year's rally states that its organizers oppose high taxes, "bureaucratic overregulation" and gun control. It

also warns of computerized highway detection systems designed to "transmit your driving habits back to the state."

Some panelists — including former FBI agent Ted Gunderson — are active proponents of these various government conspiracy theories. Others, such as Larry Pratt, head of Gun Owners of America, will speak out against gun control.

Other speakers include Eustace Mullins, an author of books on supposed Jewish plots.

"He has published a great deal of

anti-Semitic conspiracy material," said Angie Lowery of the Southern Poverty Law Center, a group that monitors racist and hate groups. "His writings proclaim that Jews are behind a worldwide conspiracy to take over this country, to run the U.N., and to control the world's financial markets."

Corey, for his part, insisted that his group is not a militia organization, and that those groups represent "a very small minority" of the groups he expected to attend.

He also noted that two of the mili-

tia groups planning to show up — the Georgia Defense League and a New England-based militia — are headed by blacks.

"You cannot defend the Bill of Rights and the Constitution and be racist or anti-Semitic," he said. "It just doesn't work that way."

The other main sponsor of the event is Citizens Against Legal Loopholes, a San Diego group formed in 1993 to protest federal bankruptcy law and that now operates a mail-order business marketing conservative videos and books.

beliefs described

Associated Press

JORDAN, Mont. — The
Freemen's religious beliefs, even
more than their anti-government
political views, may frustrate fed-
eral efforts to get them to leave
their barricaded ranch.

The Freeman's rejection of gov-
ernment and its monetary sys-
tem ultimately led to the charges
on which two of their leaders
were arrested March 25, leading
to the standoff at the group's 960-
acre ranch.

Among other things, the two
were charged with bad check
schemes, and conspiring to kid-
nap and murder a federal judge
involved in the foreclosure
against the ranch.

But after a week of being con-
fined to the snow-covered ranch,
watched by federal agents who
have a direct telephone line to
the ranch compound, the
Freemen are showing signs of leaning
heavily on the racist Chris-
tian Identity teachings that form
the basis of their politics.

"It's very frightening," said
Eric Ward, associate director of
the Northwest Coalition Against
Malicious Harassment. The
Seattle-based human rights
group is well-known in the region
for keeping track of neo-Nazi,
white supremacists and other
fringe groups.

"They believe there's a world
conspiracy that has singled them
out and that satanic powers will
be turned against them," Ward
said. "It creates the idea of being
crusaders or even martyrs for the
cause."

The Christian Identity move-
ment holds that white people
from northern Europe are God's
chosen, while Jews are the off-
spring of Satan and blacks are
subhuman "mud people."

This theology may be the back-
bone of the Freeman's efforts to
set up their own government and
claim America for "true citizens."

Being cooped up on the ranch
reinforces the Freeman's us-
against-them world view, Ward
said.

"It's like a cult," Ward said.
These are people who have iso-
lated themselves from the rest of
society. There's no moderating
influence. They're feeding on one
another's fears and paranoia.
That becomes an explosive situa-
tion for those who have to deal
with this group."

One of the men arrested by

Note this scathing
and biased article
by the un-biased
Associated Press

P
Sony C
Cellula
\$C

- Unbelievable
- Comfortable
- 90 minutes
- Pop-up Sen
- One-touch c

SATURDAY 7/22/96

No Thanks to Free Press, Word on Elitists' Meeting Leaks to America

Although the Bilderberg meeting near Toronto was big news in the Canadian media this year, thanks to the efforts of The SPOTLIGHT, so far their brethren in the U.S. refuse to face the obvious: that their dirty little secret cannot remain so for much longer.

EXCLUSIVE TO THE SPOTLIGHT

BY TRISHA KATSON

Readers of The SPOTLIGHT have been notifying the populist newswweekly about media coverage of the May 29-June 2 Bilderberg conference near Toronto.

The SPOTLIGHT generated most of the Canadian media frenzy, notably three days of coverage in Canada's largest newspaper, the *Toronto Star*, a feature piece in the *Globe and Mail*, distributed nationwide, the *Toronto Sun* and numerous TV and radio stations.

The SPOTLIGHT's role in exposing the meeting was mentioned in a Southam News wire story, which was sent to about 30 newspapers in Canada.

About a week before the Bilderberg meeting, Southam News was bought out by

Hollinger, Inc., owned by Canadian media mogul Conrad Black. Black, who hosted the Bilderberg meeting, thus obtained controlling interest of more than half of Canada's daily newspapers.

A reader in St. John, New Brunswick informed The SPOTLIGHT that the *Telegraph Journal* in its May 31 article entitled "Prime Minister Meets with Business Elite" said, "The Bilderberg group has been singled out by conspiracy theorists as evidence of a plot by an elite group bent on creating a form of world government."

"The SPOTLIGHT, a 'populist newswweekly' based in Washington, D.C., for example, claims that the Bilderberg group is part of an attempt to quell nationalism in Europe and the U.S. and establish a European superstate that would join an 'American Union and Asia-Pacific Union.'

"The SPOTLIGHT claims that decisions taken at Bilderberg meetings are later implemented as eco-

nomic and political policy by world leaders. The SPOTLIGHT also says that global control of the air, water and public health will be on this year's agenda."

A SPOTLIGHT reader from Ottawa sent clippings from the *Ottawa Citizen* which ran two short items. It reported on May 31, "The Bilderberg Conference, which includes prime ministers, cabinet ministers, former politicians and even a royal contingent, meets annually in a different country to talk in secret about world affairs."

On June 1 a report placed the Canadian Prime Minister Jean Chretien "among an elite group of world leaders gathered at a private resort for the ultimate weekend slumber party. The get-together, the 44th Bilderberg meeting, is as secretive as its gets. No reporters are allowed to hear the discussions on the world's problems."

MUM'S THE WORD

Actually, representatives from the print and electronic media are routinely invited and do attend, along with their corporate bosses, yet they are all sworn to secrecy.

This year *National Review's* William F. Buckley and the *Wall Street Journal's* Paul Gigot attended but have not written anything about it.

In the past, the *Washington Post's*

SPOTLIGHT July 22, 1994-15

When the Global Elite Meet?

The membership of Bilderberg is made up of some of the most important people in the industrialized world. At the annual Bilderberg con-fab, the captains of industry hobnob with political leaders and opinion molders, and from these sessions come the decisions that effect the lives of hundreds of millions of people throughout the world.

NOT NEWS?

Are we to believe that the U.S. media thinks an annual meeting of some of the most important people in the world is not news? Or, is it more reasonable to assume that the media knows about it and deliberately ignores it?

That's the case with the Newspaper Association of America (NAA), formerly the American Newspaper Publishers Association (ANPA), as reported exclusively in The SPOTLIGHT (July 1).

Chairman of Freedom Forum is Allen H. Neuharth, founder of *USA Today* and former chairman and CEO of Gannett Co., Inc. When Neuharth was running Gannett, one of the largest and most influential newspaper chains in the U.S., he had ample opportunity—not to mention resources—to order an expose of Bilderberg.

Have you ever read a story about

Bilderberg in a Gannett-owned newspaper? Have you read about this international elitist organization in Freedom Forum's *Annual Report*?

In addition to Neuharth, Freedom Forum's trustees (with biographical information supplied) are:

- John C. Quinn, former editor of *USA Today* and retired chief news executive of Gannett Co., Inc.

- Charles L. Overby, former Pulitzer Prize-winning newspaper editor and former vice president/news of Gannett Co., Inc.

- Martin F. Birmingham, former regional chairman of Marine Midland Bank.

- Bernard B. Brody, M.D., former senior vice president for medical affairs at Genesee Hospital, Rochester, New York.

- Harry W. Brooks Jr., chairman of Brooks International, Burlingame, California, and retired Army major general.

- John E. Heselden, former deputy chairman, Gannett Co., Inc.

- Brian Mulroney, former prime minister of Canada.

- Carl T. Rowan, nationally syndicated columnist.

- Josefina A. Salas-Porras, educator and civic leader.

- John Seigenthaler, chairman, Freedom Forum-First Amendment

Center, Vanderbilt University; former publisher of the *Tennessean* and founding editorial director of *USA Today*.

- Aian B. Shepard Jr., businessman and former astronaut.

And, we almost forgot: Bette Bao Lord, author and authority on international activities and wife of longtime Bilderberg figure and Council on Foreign Relations president Winston Lord.

Choose one of the following: 1—None of these people has heard of Bilderberg; 2—They feel that Bilderberg is not news; 3—They know the importance of Bilderberg and have decided that it is none of your business.

The main office of the Freedom Forum is at the Freedom Forum World Center, 1101 Wilson Boulevard, Arlington, Virginia 22209; phone (703) 528-0800; fax (703) 522-4831. ©

Denver Post Editor-in-Chief
Dennis A. Britton says the world's top business, government and banking leaders meeting in secret is no story.

THE DENVER POST

Editorial
Business
Sports
Entertainment

Editor
Managing Editor
Executive Vice President

June 27, 1994

Dear Mr. GUNN,

Thank you for taking the time to share your concerns about our lack of coverage of the so-called Bilderbergs. I did not know about the meeting nor did any of the half-dozen news services to see after coverage.

In fact, during the last 25 years at three different metropolitan newspapers I have planned and participated in several attempts to "expose" the great conspiracy of the so-called Bilderbergs. And in each instance we found plenty of wild connections totally unsupported by facts.

So, Mr. GUNN I did as you suggested and asked "myself if all this is true, then why have we missed it?" And found the answer: there was nothing to do.

Sincerely,

Dennis A. Britton
Dennis A. Britton

ds

Where Is the American Press

Is a free press free to appoint itself the final arbiter of press freedom?

EXCLUSIVE TO THE SPOTLIGHT

By FRED BLAHUT

Most Americans believe that the United States is the bastion of press freedom in the world. But who decides what constitutes a free press? Suppose the top executives of the major media outlets decide—freely—to withhold certain information from the general public? Do any dare call it censorship?

Suppose there existed a self-appointed "media watchdog" group with the stated purpose of supporting and preserving a free press and free speech? In that event, the public would not have to depend on the press for self-evaluation, but could turn to this group for an even-handed, "outside" opinion. Sounds good on paper.

And that brings us to an organization called the Freedom Forum. Here's what the organization has to say about itself:

The Freedom Forum is a non-partisan, international foundation dedicated to free press, free speech and free spirit for all people. The foundation pursues its priorities through programs including conferences, educational activities, publishing, broadcasting, on-line services, partnerships, training and research.

The Freedom Forum funds only its own programs and related partnerships. Unsolicited funding applications or requests are not accepted. Operating programs are the Freedom Forum Media Studies Center in New York City, the Freedom Forum

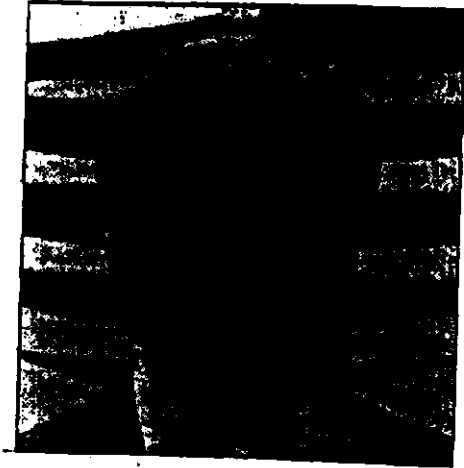
First Amendment Center at Vanderbilt University in Nashville, Tennessee and the Newseum at the Freedom Forum World Center headquarters in Arlington, Virginia.

The foundation's work is supported by an endowment—established by Frank E. Gannett in 1935 with \$100,000 in Gannett Co. stock—now worth more than \$800 million in diversified, managed assets. The foundation does not solicit or accept financial contributions.

That's impressive. It would be hard to bribe an organization worth more than \$800 million, particularly one that neither solicits nor accepts outside contributions. Hence, when the press is accused of not being free, it points to the Freedom Forum. The Freedom Forum says the press is, indeed, free. It therefore follows that anyone who believes the press is controlled must be some kind of nut case.

Ah, but wait. Suppose we were to suggest—irreverently—that the Freedom Forum is not the solution, but part of the problem? Let us take one issue as an example—Bilderberg.

You don't read or hear about Bilderberg in the U.S. media, nor is it mentioned by Freedom Forum. Yet, Bilderberg is one of the most important stories of the year—every year since its inception.



Former Canadian Prime Minister Brian Mulroney, left, and syndicated columnist Carl Rowan, right, sit on the Freedom Forum's board of directors. The group is mum on the Bilderbergers.

Mogul Distorts Rothschild Death;

Rupert Murdoch ordered editors world wide to "spike" the story of how one of the world's wealthiest men supposedly killed himself.

EXCLUSIVE TO THE SPOTLIGHT

BY SASHA RAKOCZY

French police have determined that Amschel Rothschild, heir to the fabulous Rothschild banking fortune, was murdered, according to well-placed European sources.

But, French Prime Minister Jacques Chirac has ordered police to close their investigation. Media outlets worldwide have ignored these mysterious developments. Some have reported the death was a suicide, other outlets disregarded the death altogether.

As if obeying an invisible choir-master, the world's competing news organizations silenced their strident sensationalism this month to cover up the mysterious death.

In the United States, newspapers controlled by Rupert Murdoch, the foreign-born owner of the world's largest media empire, either studiously ignored reports that Rothschild had met a violent end, or relegated it to the back pages as a mere "heart attack."

A SPOTLIGHT inquiry has established that Rothschild, 41, a billionaire investment banker and a noted sportsman in excellent health, was discovered lifeless on the floor of the bathroom of his suite at the luxu-

rious Bristol Hotel in Paris on July 8 at 7:32 pm.

Police found that he had been strangled with the heavy cord of his own bathrobe. One end of the cord was attached to a towel rack, as if to suggest that Rothschild's violent death was self-inflicted.

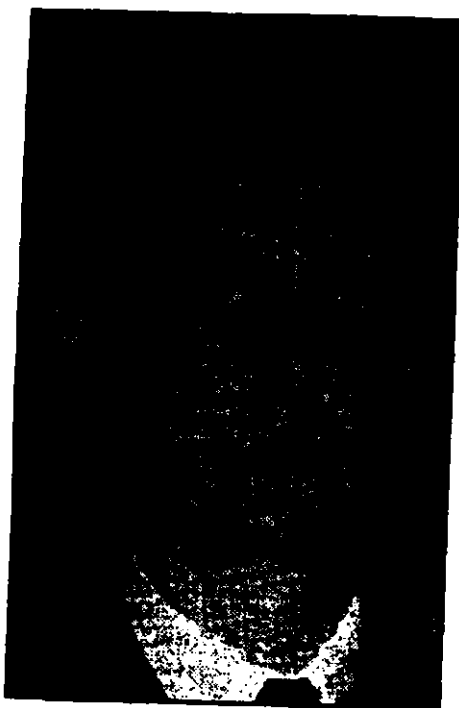
"The [French] crime scene investigators never called it 'suicide,'" reporter Thierry de Segonzac told The SPOTLIGHT in a telephone interview from Paris. "After photographing the body, one of the detectives gave the towel rack tied to the body a strong tug. It came right out of the wall."



AMSCHEL ROTHSCHILD
Who killed him and why?



Anita Rothschild walks with her family at the funeral of her husband, Amschel Rothschild, in London July 16. Several hundred mourners gathered at the funeral of the multi-millionaire who Paris police say was murdered.



AMICHEL ROTHSCHILD
... Heir to fabulous fortune.

most feared terrorist network.

The next generation of the Rothschilds took an even more active part in Israel's covert operations, records buried at Harvard University suggest.

Victor Rothschild (now Lord Rothschild), the father of the murdered Amichel, enjoyed high public esteem as Britain's leading banker, while secretly leading the double life of an international spy master, says Dr. Roland McKenzie, a guest lecturer in modern history at the Kennedy School of Politics here.

In 1969, Lord Rothschild was fingered as a key figure within the inner circle of England's espionage establishment when Anatoli Golitsin, a top Soviet defector, identified him as a Soviet double agent belonging to the so-called Cambridge spy ring of socialite communists.

But the British government and the mainstream media suppressed this crucial discovery.

Furthermore, according to subsequently emerging evidence, Lord Rothschild worked more closely with the Mossad, Israel's secret service, than with Soviet intelligence, in reality.

Police Say Amschel Was Murdered

Hac Rothschild really attempted to hang himself from that rack, he would have ended up with nothing worse than a couple of holes in the wall, de Segonzac said.

There was no suicide note, no discernible cause or reason for a finding of suicide, knowledgeable sources say. Rothschild, an athletic and imperious figure in early middle age, was a renowned race car driver and the husband of Anita Guinness, herself one of the world's wealthiest heiresses. The couple had three children who spent most of their time on the family's baronial estate in Suffolk, England.

Rothschild had arrived in Paris to take over one of the many family consortium's French assets—management operations which were to be merged with N.M Rothschild's London-based investment banking center.

"Far from being 'troubled,' Amschel Rothschild's star was on the rise and he relished his success," says an executive at Keefe, Bruyette and Co, a respected Wall Street monitor of the

financial-services industry. "I don't believe for a moment he suddenly went and killed himself. There's much more to this story."

But with frantic speed—within an hour after the body's discovery—authorities and news executives in both France and Britain launched an unusual joint offensive to preempt a public inquiry or a press investigation into the circumstances of Rothschild's death. **RUPERT**

"Murdoch sent a hotline fax to his 600-odd editors and news managers

around the world, ordering them to report Amschel's death as a heart attack, if at all," said British broadcast reporter Ian Gooding. "No one around here has ever seen such pressure to kill a front-page story. But in the end, the cover-up was complete." ©

Who's Who of the Elite

Members of the:
Bilderbergs
Council on Foreign Relations
Trilateral Commission
Skull & Bones Society
Committee of 300

by

Robert Gaylon Ross, Sr.

Dominant Components of the Elite Controlled Organizations (Continued)		
Name of Agency or Department	Present Members	Past Members
Newspaper Publishing		
Washington Post	13	-
Wall Street Journal	10	-
Los Angeles Times	9	1
New York Times	6	3
Others	22	5
Totals	60	9
Commercial Banks		
Chase Manhattan Bank	4	1
Citibank, NYC	3	1
Bankamerica Corp.	3	-
Chemical Bank Corp., NYC	3	-
Other	33	5
Totals	46	7
Magazine Publishing		
Time magazine	6	-
Newsweek magazine	4	-
New Yorker magazine	3	-
Time, Inc.	2	2
Newsday, Inc.	2	1
US News & World Report	2	1
Others	27	2
Totals	46	6
Federal Government		
State Department	78	50
Executive Office of the President	46	13
Defense Department	36	23
Treasury Department	7	4
Commerce Department	6	3
Agriculture Department	3	-
Health & Human Services Department (HHS)	3	-
Central Intelligence Agency (CIA)	2	1
Energy Department	2	-
Housing & Urban Development Department (HUD)	2	-
Justice Department	1	3
Transportation Department	1	1
Interior Department	1	-
Labor Department	-	1
Other Government Agencies	28	1
Totals	216	102
Congress		
House of Representatives	23	10
Senate	18	11
Totals	41	21