

by the infamous gangster Arturo Pacheco Girón (alias “Búfalo Pacheco,” a former member of the ruling APRA party expelled from its ranks in the late 1970s). Pacheco’s company, which possesses approximately 200 tank trucks, was caught *in flagrante* on several occasions transporting PBC. One such instance occurred on Christmas 1978, when one of his Volvo trucks returning from the Endepalma installations was pursued by the police, and finally seized after a furious gun battle on the outskirts of Lima, literally at the doorstep of Pacheco’s residence. Inside the truck was found approximately 400 kilograms of PBC.

Yet another case is that of the drug-trafficking organization of Colombian Carlos Correa Pérez, who was captured by an Umopar unit at the Endepalme airport, just as he was loading a huge cargo of PBC onto four Colombian light planes. Later, the members of this band escaped from a prison at Tarapoto, with the complicity of the corrupt Judge Washington Castillo. Correa Pérez’s organization was also linked to the operations of the notorious Peruvian assassin and drug trafficker Catalino Escalante Calvo.

Complicity in laundering

The participation of the narco-banker Dionisio Romero and his Banco de Crédito in the laundering of the proceeds of the drug trade is fully demonstrable, and goes a long way toward rebutting those who suggest that Romero “didn’t know” his Endepalme airport was used for drug trafficking. The proof exists in the form of affidavits obtained by the Peruvian police and court authorities from various confessed drug traffickers, all of whom confirmed that it was the Banco de Crédito’s owners who had solicited their collaboration to carry out the laundering of “coca-dollars.”

We could, for example, refer to one which states that “the deposits in his dollar account, at the branch of the Banco de Crédito at Tocache, are there because he had lent said account to the administrator of that branch, at his request, who had indicated that he would receive a commission of 50¢ per dollar, for each dollar deposited, and that he didn’t know the names of the individuals who had used his account.” (Police file No. 679-DIE/DINTID, dated 9/23/1983; declaration of one Juan del Carmen Barrantes.)

A similar statement is offered by drug trafficker Alfonso Perea Panduro, who writes: “In the month of June . . . in the afternoon hours, Don Miguel Tenorio Ballon, the administrator of the Tocache branch of Banco de Crédito, came to me and proposed the use of my current account to deposit dollars, without mentioning the quantity involved, for which operation Tenorio Ballon, I, and the Banco de Crédito accountant Joel Hidalgo Sánchez would earn one-half of 1% of the total quantity thus changed. . . . After eight days, I was approached by Joel Hidalgo Sánchez, who told me there would be another ‘little client.’ ” (Police report No. 42 DIDRF, PIP, Plan of Operation Zancudo, of 9/23/1983.)

Arrests ‘traumatize’ City of London

by Mark Burdman

At the outset of October, a new phase of Britain’s “Guinnessgate” scandal opened with a vengeance. By mid-month, five leading City of London financial figures had been arrested by the City’s Fraud Squad, and rumors of new arrests were spreading like wildfire. British dailies are already calling it the biggest shakeout of the British Establishment since the bursting of the South Sea Bubble in the early 18th century. The *Sunday Times* of London Oct. 18 labeled it “one of the most traumatic events ever to hit the City of London.”

The Guinnessgate charges derive from a wild “share support scheme” engineered in early 1986 by Ernest Saunders, then chairman of Guinness PLC, the brewer. During fiercely fought competitive bidding between Guinness and another firm, Argyll, to take over Distillers, the whisky giant, Saunders allegedly set up an “inducement fund” of some £25 million, which went to various financial and business entities around the world. These entities used the money to buy Guinness stock, shoring up Guinness PLC to enable it to prevail over Argyll in the bidding for Distillers.

Saunders resigned in late 1986, when the scandal first broke, but little was heard thereafter, until October 1987.

The new wave of arrests began with Anthony Parnes, a stockbroker associated with the Alexander, Laing and Cruickshank brokerage house. Nicknamed “the Animal” because of his wild selling habits in the City, Parnes had been the broker in the illicit deals of several other Guinnessgate figures. He was arrested by the FBI in Los Angeles, on request of British authorities, and, as of this writing, is awaiting extradition back to London.

During the same week, police arrested millionaire businessman-financier Sir Isidore “Jack” Lyons, on charges of stealing £3.25 million from Guinness. The 71-year-old Lyons is well-known in London as a patron of the arts and funder of Israeli causes.

On Oct. 13, Gerald Ronson, owner of Britain’s second-wealthiest private company, Heron International, was arrested while visiting Fraud Squad offices. He was charged with eight offenses, including the theft of almost £6 million from the company, conspiring to create a false market in Guinness

shares, false accounting, and others.

The Heron empire includes gasoline stations, large property holdings in Paris, Geneva, and Madrid, and "entertainment" operations. The latter includes a video company, Media Home Entertainment, based in Culver City, California, that markets pornography. Ronson is also a top funder of Israeli causes.

On the same day, former Guinness chairman Saunders (who changed his name from Schleyer) was arrested and formally charged on 37 counts, including the theft of £24.2 million from Guinness, which was allegedly used to bankroll his share-support scheme.

By mid-month, the arrest wave had extended to Roger Seelig of Morgan Grenfell, a 42-year-old who had built a reputation in the City as a whiz-kid in corporate takeover fights.

Investigators are now tracking shady financial transactions into Zurich, Geneva, Vienna, the Netherlands Antilles, and elsewhere.

The Oct. 18 *Sunday Times* of London headline on the scandal, was, understandably, "How the Mighty Are Fallen."

Across the Atlantic

City of London sources tell *EIR* that the fun has just begun. More arrests are expected imminently. Moreover, some of the fun will take place across the Atlantic.

Among those believed to be in the "not-yet-arrested" category, is Thomas Ward, of the Washington, D.C. law firm Ward, Lazarus, Cihlar, a former board member of Guinness. Reportedly, Ward's law firm is close to high-level U.S. Republican Party circles.

Another U.S.-based target of investigation is the Boston-based Bain management-consulting firm, reputedly the second largest such firm in the world after McKinsey. During Guinness's rigged takeover of Distillers, the so-called corporation "war cabinet" of Saunders et al. was under the advice of Bain's Olivier Roux, a Frenchman by birth. The head of Bain-U.K., its British affiliate, has been Sir Jack Lyons.

Reliable reports are that Roux is being offered some form of immunity, in order to become the key government witness in the affair. According to the *Sunday Telegraph* of London Oct. 18, British law-enforcement officers are sending a special team to Boston to investigate Bain.

Rowland, Boesky, and Riklis

There is indication that Guinnessgate will soon engulf even higher levels of the British Establishment, including some associated with the House of Windsor. For example, there is the reputed involvement of Tiny Rowland, chief executive officer of the Lonrho, Ltd. conglomerate.

Rowland was the individual who put up bail money for Saunders after his Oct. 13 arrest. Reports from Britain say that Rowland and Saunders built up an association over years,

and that Rowland provided some money for the buy-up of Distillers.

Rowland's meteoric rise to Lonrho chief was patronized by Mr. Angus Ogilvy, a member of the British Royal Family.

Rowland has been an important figure in the U.S. "Iran-gate" complex. Sometime during mid-August of this year, Rowland reportedly visited Iran, in the company of Lonrho chairman Sir Edward duCann, supposedly to arrange a deal whereby Iran would aid in securing the release Western hostages in the Middle East, in exchange for Iranian oil being refined and marketed in Europe.

After this visit, duCann issued a statement Aug. 24 praising the "popularity" of the Khomeini regime, and insisting that the West had to "come to terms with it."

Rowland's family hails from Hamburg, Germany and he maintains close relations with the "Hamburg Trust," the old trading and banking families of that port city, in part through Lonrho's ownership of the Kuehne and Nagel trucking conglomerate.

The Irangate complex also features in two other U.S.-based protagonists in the Guinnessgate affair: Wall Street arbitrageur Ivan Boesky and Rapid American Corp./Schenley magnate Meshulam Riklis.

It was Boesky's confessions to the U.S. Securities and Exchange Commission in 1986, which provided the information leading to the November 1986 raid by the British Department of Trade and Industry on Guinness PLC. Not only was Boesky involved in putting up money for the Guinness buy-up of Distillers, but, in exchange, Guinness put up substantial sums for a Boesky investment trust in the United States. According to the *Sunday Times*, Fraud Squad officers are hoping to interrogate Boesky further. Should arrangements be made for his immunity, it is expected Boesky will provide a wealth of important new information.

U.S. intelligence sources estimate that an unspecified amount of money from Boesky's notorious insider-trading arbitrage deals, went into the pools of money used for Iran arms deals. Boesky was one of several "junk bond" operators working with the Belgium-based Banque Bruxelles Lambert, which has also been named for involvement in Iran arms deals.

Another of the same breed is Meshulam Riklis, who, during the crucial period of the fight for Distillers, bought over 5% of Guinness shares, in violation of British law. In return, money from Guinness was put into Riklis's Schenley operations. Soon after Morgan Grenfell's Seelig had been arrested, leaks appearing in the British press said that Riklis would be the next target of investigation.

Riklis, too, has been at the center of arms smuggling to Iran. He is the patron of top Israeli politico-mafioso Ariel Sharon. One London source reports that Riklis, Ronson, and Saudi arms-runner Adnan Khashoggi have been involved together in ventures in the Middle East, through a London entity called Gulf Investments, Ltd.