

The Weld family and the cocaine Contras

by Anton Chaitkin

Governor William Weld's bid for John Kerry's U.S. Senate seat gives Massachusetts voters a remarkable chance to deal with Weld's outrageous role in recent history's greatest crime. As chief of the U.S. Justice Department's Criminal Division, Weld led the sabotage against Sen. John Kerry's probe of the "Contras" criminal ring responsible for America's crack cocaine plague.

The Senate Foreign Relations Committee's Subcommittee on Narcotics, Terrorism, and International Operations, chaired by Senator Kerry, devoted 13 pages of its 1989 report ("Drugs, Law Enforcement, and Foreign Policy") to attempts by Weld's unit to block their investigation.

EIR interviews with Kerry subcommittee staff members, and widely published news accounts, furnish still more evidence of Weld's actions, throughout the 1980s, to squelch prosecution of the international criminal organization.

Weld, Bush, and gangster banking

William Weld was essential to the Contra criminals, because of Weld's own family ties to the Crédit Suisse bank and its financial partners, launderers of the dope and weapons dollars in all the "Iran-Contra" schemes.

Weld's father, David Weld, was chief executive of White, Weld & Co., a private bank of Boston, Wall Street, and London. The Weld firm had joint money-laundering operations with the Geneva-based Crédit Suisse going back several decades. During the 1960s, Crédit Suisse became notorious as the safe haven for Meyer Lansky's murder-narcotics ring, and the base for British Empire spooks and assassins. David Weld gradually increased ties, toward absorption into the Swiss banking giant. He died in 1972, leaving his company interest to William and two other sons, and to his widow. The two secretive banking firms were soon intertwined in Geneva and London under the name "Crédit Suisse White Weld."

Meanwhile, the brokerage house G.H. Walker & Co., founded by George Bush's maternal grandfather George Herbert Walker, was sold to the Weld firm by Bush's uncle and personal financier, George Herbert Walker, Jr. His son George Herbert Walker III, a Wall Street colleague of Iran-Contra schemer Nicholas Brady, became a senior vice president of the Weld firm beginning in 1974.

George Bush attained to the vice presidency in 1981, and

Bush-leaguer William Weld was appointed U.S. Attorney for Massachusetts.

Weld announced, on Feb. 7, 1985, that he had closed down investigation and blocked prosecution of bank officers caught in a case of criminal money laundering between Boston and Switzerland. The Bank of Boston admitted that, over the previous five years, \$373,579,000 in U.S. currency had been secretly transferred between that bank and Crédit Suisse, and \$845,103,000 likewise with eight other foreign banks (most of them Swiss), in violation of U.S. reporting requirements for cash transactions of \$10,000 or more.

Saved from serious consequences, the Bank of Boston admitted to 1,163 separate criminal transactions. Under the headline, "Bank of Boston Moved Drug Cash, U.S. Official Says," the *Wall Street Journal* on March 6, 1985 quoted U.S. Treasury Assistant Secretary for Enforcement John Walker: "There's every indication that the \$600 million of small bills that the bank took in was the laundering of drug money." Criminal penalties might have given executives thousands of years in jail.

Yet U.S. Attorney William Weld quashed the case. The bank paid a minuscule \$500,000 fine. By agreement with Weld, the Bank of Boston pleaded guilty to only one felony count; the other 1,162 counts were dropped. No Bank of Boston official was prosecuted.

Most importantly, neither the source nor the use of the cash was to be probed, and no aspect of the Weld family-linked Crédit Suisse was to be questioned in any way.

Later investigations by Senator Kerry and others revealed Crédit Suisse as the central covert financial base for the drug trafficking, illegal arms deals, and other operations personally supervised by Oliver North, Manucher Ghorbanifar, Adnan Khashoggi and their partners. And during the early 1980s, Crédit Suisse White Weld's own London branch accounted for a majority of the world's placements of "Eurobonds," through which drug money was exchanged for untraceable interest-bearing securities.

In concert with the George Bush-led national security apparatus within the Reagan-Bush administration, U.S. Attorney Weld had initiated, in 1984, a legal attack on Lyndon LaRouche and his political movement on a variety of trumped-up charges. The LaRouche movement had been campaigning against drug-money laundering by the banks, and had opposed the drug-pushing Contras.

A political frameup trial of LaRouche in Boston federal court, under Weld's jurisdiction, occurred in 1987. When evidence surfaced that Oliver North and other Bush agents were engaged in illegal conduct against LaRouche, Judge Robert Keeton ordered a search of the files of Vice President Bush, to determine if the case involved a government vendetta against LaRouche. In May 1988, the case mistried. Jury members told the *Boston Herald* that they would have voted to acquit LaRouche and his co-defendants, because they believed that it was the government that had committed the crimes. In a



William Weld in Senate testimony in 1988. When Senator Kerry wanted to investigate cocaine-trafficking by the Contras, Weld, as chief of the Criminal Division of the Justice Department, blocked it.

post-trial ruling, Judge Keeton found the government guilty of systemic and institutional misconduct.

Blocking all probes

The Boston-Switzerland whitewash having been accomplished, and the attack on LaRouche having been started, Weld was appointed chief of the Justice Department's Criminal Division in 1986, to continue these tasks.

When Senator Kerry sought to convene hearings on the Contras' drugs-for-guns ring, Weld and his men acted to wreck or delay the investigation.

According to the 1989 Kerry Subcommittee report,

- Jeffrey Feldman, Assistant U.S. Attorney for the Southern District of Florida, who was investigating John Hull and other drug traffickers, "testified before the Iran/Contra committees that a memorandum he wrote recommending that the [Contras'] cases he was investigating be taken to a grand jury had been rewritten without his knowledge in late May, 1986. Feldman testified that the recommendation had been changed to suggest that a grand jury would be merely a 'fishing expedition.' Before the [Kerry] Subcommittee, Feldman testified that . . . statements [about this matter] by [Tom] Marum [assistant head of the Internal Security Division of the Justice Department], could create an inference that the decision not to move to a grand jury had been taken in order to slow down the Foreign Relations Committee inquiry" (p. 392).

- "In August [1986], North's courier, Robert Owen, was asked by John Hull to transmit copies of falsified affidavits [from jailed mercenaries in Costa Rica] charging the Kerry

staff with bribing witnesses to both the U.S. Attorney's Office and Miami and to the Senate Ethics Committee. The U.S. Attorney then provided a copy of these affidavits to the Justice Department in Washington. Shortly thereafter, these false charges against Kerry staff appeared in press accounts, while the Committee investigation was pending" (pp. 399-400).

"The Justice Department ultimately concluded that the affidavits had been forged . . . [but] the Justice Department has taken no action against John Hull for obstruction of justice. . ." (p. 149).

- "Beginning in April 1986, Senator Kerry sought for eight months to convene public hearings regarding . . . allegations [against the Contras]. No such hearings took place, in part because material provided to the Committee by the Justice Department . . . wrongly suggested that the allegations . . . were false" (p. 389).

- "Confidential materials of the Foreign Relations Committee were improperly provided to the Justice Department and to the U.S. Attorney [who was the boss of Jeffrey Feldman]" (p. 397). "North was provided with information regarding Senator Kerry's attempts to have hearings in the spring and fall of 1986, at a time when the information was Committee confidential" (p. 399).

On Sept. 26, 1986, Senator Kerry personally asked William Weld, as chief of the Justice Department's Criminal Division, for an individual designated "Wanda Doe" to be given government protection. Wanda Doe had been an eyewitness to Air America (CIA) aircraft in guns-for-drugs transfers with the Colombian cocaine cartel, in 1983 and 1985. The FBI tried to break down the Kerry witness, and protection was prohibited, even though Barry Seal, a drug cartel pilot turned government informant, had been assassinated earlier that year.

Meanwhile a scandal threatened to blow up all the Contra operations, when U.S. Ambassador to Switzerland Faith Whittlesey was found to have diverted funds from special embassy accounts. Prior to her posting to Switzerland, Whittlesey had been director of the White House Office of Public Liaison. In that capacity, she worked with Oliver North, raising and channeling private money contributions to the Contras, and providing official cover for the Bush national security apparatus's illegal conduiting of government funds. Whittlesey's assistant at the embassy in Switzerland, Robert Reilly, had previously handled private Contra funding at the U.S. Information Agency; after a scandal over his disbursement of funds, Reilly was transferred to Whittlesey's side. The two officials continued their operations in Switzerland, the global financial center of the Contra intrigue.

William Weld was officially placed in charge of the U.S. government's inquiry into the Whittlesey-Ryan Swiss money diversion. On Dec. 5, 1986, the Justice Department declared the matter closed, in keeping with Weld's recommendation that no special prosecutor was warranted to investigate the Whittlesey financial irregularities.